WEATHERFORD INTERNATIONAL LTD.

2013 Annual Report

Weatherford has a well-defined industrial vision built upon an outstanding core. After embarking on a transformational journey, our operational and financial performance is turning around here and now. Our attention is focused. We will not waver.

This document includes forward-looking statements within the meaning of U.S. securities laws. Any statement regarding the future or any potential outcome, or statement qualified by words such as “believe”, “expect”, “anticipate”, “predict”, “foresee”, “outlook”, “goal”, “should”, “will” or “intend” or variants of those words is a forward-looking statement. This includes statements related to future business, operational or financial achievements or results. Such statements are based on the current beliefs of Weatherford’s management, and are subject to significant risks, assumptions and uncertainties, including risks that are detailed in the Risk Factors section of the attached 10-K and in our filings with the U.S. Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or underlying assumptions prove incorrect, actual results may vary materially from those indicated in our forward-looking statements. We undertake no obligation to correct or update any forward-looking statement, whether as a result of new information, future events, or otherwise, except to the extent required under federal securities laws.

After a constructive year of foundational accomplishments, we have re-emerged with a clear and disciplined focus. Today, we are strategically positioned on a transformational path towards improved efficiency and profitability, operational excellence as well as capital and administrative quality.

To Our Shareholders

Our core has an excellent future with outstanding margins and strong capital attributes. Our direction is simple: Core, Cost, Cash. We will focus and grow our core, divest the rest, and de-lever the Company. With drive and dedication, we will relentlessly pursue the highest shareholder returns.

Bernard J. Duroc-Danner
Chairman, President and Chief Executive Officer

From our humble beginnings in 1987, Weatherford has built an outstanding core based on a well-defined industrial vision. From the earliest days, we focused on addressing the needs of production declines in mature fields and the rise of unconventional hydrocarbons while maintaining a strong strategic focus on ensuring well integrity. We were greatly rewarded for a long time with industry-leading share price appreciation and consistent returns to our shareholders. Along the way, we experienced serious difficulties and setbacks. We lost our industrial bearings, and implications of scale were not well managed. As a result, the years 2011 and 2012 were a very punitive time for our organization and for you, our shareholders. These were very challenging times.

The cause and effect was clearly understood by your management. We guided ourselves through the turbulence and, as soon as it became possible, we focused on a turnaround of the Company we all love. Today, while remaining dedicated to our industrial vision and our entrepreneurial spirit, we have re-emerged a stronger and better Company. After a constructive year in 2013 of closing critical problems, we have come forth with a clear and disciplined focus on core, cost, and cash, all of which should deliver significant shareholder value. This next phase in our history is well underway, and our operational and financial performance is turning around here and now.

Focus on Core, Cost, and Cash

Weatherford has implemented measures needed to leverage and further develop our industrial might, turn the Company around, and place us on a long-term financially rewarding path. We are firm in our commitment to deliver sustainable high returns to shareholders through steadfast focus on three simple actions: Core, Cost, and Cash.

Our industrial core is built with exceptional competence around a distinctive group of specialized businesses. Our core consists of four product segments: Well Construction, Formation Evaluation, Completion, and Artificial Lift, all of which we believe have an outstanding future, exceptional profit margins and capital attributes. In addition, Stimulation is a key component of our unconventional offering.

In 2013, our core business operating income margin was 16.3 percent, while our non-core business produced a negative 6.9 percent for the same period. Acknowledging this reality, we are actively and purposefully working to monetize and exit our non-core businesses, and focus on our core segments. Our core, standing on its own, should experience some of the industry's strongest and longest-lasting growth.

Cost efficiency is now a way of life. Running support functions and operations with a lower cost structure, while maintaining a high quality of execution, is an established key Company metric. We are currently engaged in an aggressive cost reduction program, specifically involving reducing headcount and streamlining operations. With these necessary steps, Weatherford is re-emerging a leaner and stronger organization. We are determined in our commitment to keep our cost base efficient with a focus on driving better returns.

The joint effect of divesting non-core businesses and lowering our cost structure is simple, and will be very powerful. The result will be a catalyst for shareholder returns. The successful completion of our cost reduction and divestment initiatives are of immediate priority to our entire management team.

Our culture of cash is now embedded in the DNA of the Company, and is here to stay. We are focused on generating free cash flow, efficiently managing working capital, and lowering capital intensity, in a manner compatible with growing our core. Our continued objective is to reduce our ratio of net debt to total capitalization through growing and sustainable free cash flow combined with our divestiture proceeds.

Differentiating Technology and Expertise

Our product line capabilities and differentiating technologies are both as comprehensive and deep today as I hoped they would be many years ago. The commanding presence of our vast inventory of technology, both applied and base, serves all core businesses of the well's lifecycle: drilling, evaluation, completion, production, and intervention. Relative to our larger peers in regards to our service portfolio and industry presence, we are far more complementary than competitive. This is by design.

Throughout 2013, we introduced significant technology innovations across our business units that were well received and adopted by our clients. In Formation Evaluation, we continued to define ourselves as a market leader in Drilling Services with the commercialization of SpectralWave™, the industry's first and only Logging-while-drilling (LWD) spectral gamma ray measurement device, and CrossWave®, the industry's first fully azimuthal acoustic LWD. In addition, we presented the industry's first API certified rotating control device (RCD) designed to enhance safety, and result in more productive drilling particularly through challenging geological zones. These types of complex downhole environments are increasingly more frequent in our industry. In Well Construction, we provided solutions for the world's toughest downhole environments by enhancing our cementing technology to provide unsurpassed well integrity. With our MetalSkin® openhole and cased-hole solid expandable system, we expertly upgrade well architecture, and mitigate drilling and remediation hazards. We also completed successful trials of our patented completion technologies, including ZoneSelect i-ball® Stimulation Sleeve, and addressed performance challenges in aging reservoirs with our ESS® expandable sand screens and FloReg inflow control devices. Our industry-leading production optimization portfolio continued to increase as we introduced new artificial lift capabilities such as a new barrier qualified Gas Lift Valve that is especially successful with more than 1,500 installations in deepwater applications. We also saw outstanding growth in the horizontal well market with our hydraulic piston pumps, jet pumps, and plunger lift systems.

These are but a sample of some the innovative and leading edge technology introductions we recently brought to our industry. There will be much more ahead, and always centrally tied to our core.

2013 In Retrospect

During 2013, we made significant progress, first and foremost, in resolving and closing the series of punitive problems that weighed down our Company. Our fundamental and constructive accomplishments during this time included settling a six-year U.S. government multi-agency investigation, the remediation of our material weakness in internal controls over income tax accounting as well as the introduction of our newly minted culture of cash as a guiding principle and value system. We also focused on developing a strong and talented management team, at the leadership level as well as across operating and support functions. We want a team that will best carry-out and ensure our step-change initiatives, the transformation of our key financial metrics and our path to sustaining strong long-term performance along with the highest ethical standards.

With a concerted effort, we have thoroughly embedded safety and quality into everything we do at Weatherford. During 2013, our established culture of safety and performance continued to reduce incidents and improve our safety record benefiting our employees, our clients and the communities in which we operate. Actively working towards industry best standards, we have further advanced, surpassing both our previous years' expectations and metrics. We will continue our drive to ensure that education, competency, reliability, and risk management are major parts of our internal priorities. These initiatives are a matter of ethics as much as economics.

As a major player in our industry with a large and integrated global footprint, we have a robust compliance department committed to maintaining a best-in-class program. Ethical integrity is essential for sustainable long-term growth and is highly relevant to the diverse economies and cultures in which we have the privilege of operating. As accountable environmental stewards, we promote responsible and sustainable use of natural resources with a duty towards ourselves, our neighbors, our environment, and future generations. Our established Environmental Tenets guide our global operations ensuring proper and careful management of land and waste as well as usage of water and energy, promoting well-being for all. The decisions we make as a Company are based on our guiding principles. These standards enable us to make the right choices and are directly related to the sustainability of our organization enabling us to move forward both ethically and with integrity.

Service excellence begins with our people. We are hard at work developing and invigorating our sales and service delivery organizations into highly effective, collaborative, and client-focused groups. Our new programs have been thoughtfully built around three pillars: people, processes, and participation. We are investing in training our existing sales and service delivery personnel as well as attracting additional and necessary talent. Careful investment in invigorated teams will enrich our sales and service culture, and improve and ensure essential strong future performance.

A successful business requires a supportive and stable pro-business and regulatory environment in order to operate and grow, one which would allow us to manage our business in a predictable manner over time. In addition, the environment must allow for the efficient running of all aspects of your Company. With this in mind, we are asking shareholders to approve a corporate re-domiciliation from Switzerland to Ireland. We anticipate our reincorporation as an Irish Company will provide us with the additional flexibility required to more efficiently manage your Company while keeping the highest standard of corporate governance. Our re-domiciliation will also increase our ability to retain and attract top talent. With equal drive, Weatherford wants to promote from our own ranks complementing this effort by adding the best and most ambitious talents to our organization.

Our employees are the backbone of our Company, and we mean this. At Weatherford, this is powerfully true. We are deeply and personally grateful for our people's commitment, for fully accepting and embodying the Company's cultural transformation and, for in effect, turning the tide. We are immeasurably thankful and salute our many employees, without whose dedication and hard work nothing could have been improved, and further growth would not be possible. Our employees are one of our major reasons for optimism and great confidence, and why we are ready to push forward, progress and perform.

Recently, we announced the retirement of former U.S. Treasury Secretary, Nicholas F. Brady, from our Board of Directors. Mr. Brady has been a trusted board colleague and adviser whose distinguished input and sound direction were greatly valued. The entire Company and the Board sincerely convey their deep appreciation for his service as our director.

2014 Progression and Turnaround

We are proud of our entrepreneurial spirit, and we are steadfast in our commitment to deliver on our industrial vision. We will further implement operational efficiencies, and we expect to improve our returns and profitability. Our legacy issues have been resolved and settled. Based on a carefully and well-thought-out strategy and set of initiatives, we are moving forward, building on our corrective accomplishments of 2013. Adding the pieces together, 2014 will be, from an operating and financial standpoint, our turnaround year. We will show clear progression on all financial metrics. We will further build credibility with our shareholders.

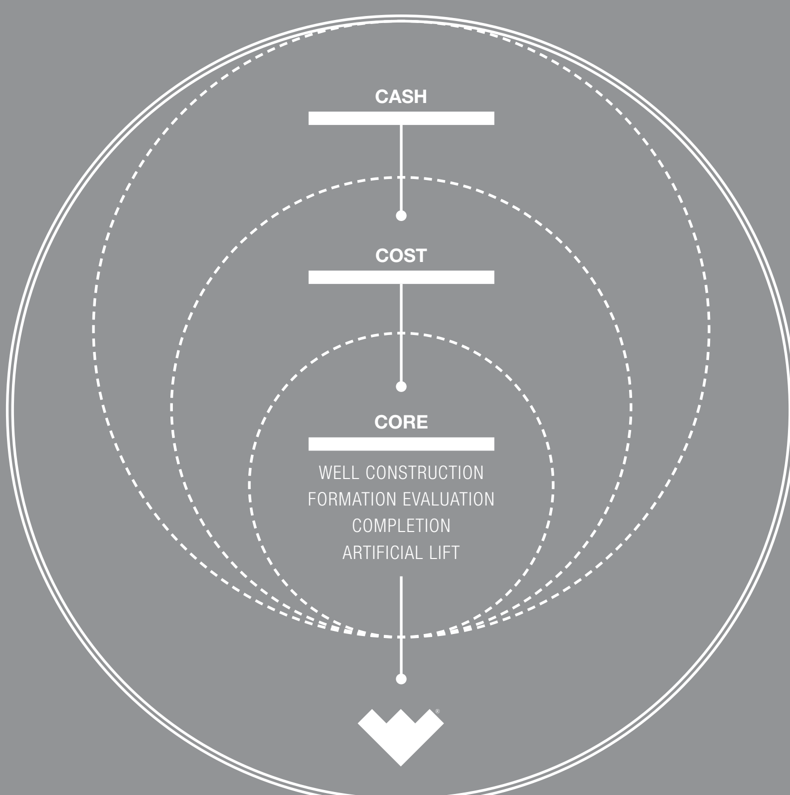
Now, and in the years ahead, our direction is very simple. With over twenty years of patient building, we have amassed an outstanding industrial core managed by a focused and driven organization driven by distinctive cutting-edge proprietary technologies and exceptional collective expertise. For 2014, we have defined operating and financial objectives grounded on careful assessment: focus on our core, de-lever, de-risk, and generate a step-change in profitability. Our path is focused on the growth of our core product lines, ensuring a lean and efficient cost structure while producing the best possible returns on capital. Weatherford's industrial might will re-emerge to the greater benefit of our clients, employees, and all our stakeholders. We are at the inflection point. Our direction is clear, our team assembled. Now it is all delivery, and deliver, we will.

Respectfully,

Bernard J. Duroc-Danner
Chairman, President and Chief Executive Officer

Our Direction

Weatherford has implemented the initiatives and measures needed to leverage and further develop our industrial strength and position the Company on a long-term financially rewarding path. These initiatives are here, in progress, and designed to last. Our steadfast commitment is to deliver sustainable high returns to shareholders through relentless focus on three simple actions:



Focusing and Growing Our Core

Our outstanding industrial core is built around a distinctive group of four specialized businesses: Formation Evaluation, Well Construction, Completion, and Artificial Lift. Throughout our history, our core has consistently experienced solid profit margins and exceptional capital attributes. Our core, standing on its own, should experience some of the industry's strongest and longest lasting growth.

Defining Our Core

We are committed to focusing and growing our core. Our Formation Evaluation products and services assist our clients in deciding how and where to drill. Our comprehensive reservoir evaluation and characterization services include distinctive and advanced technologies. The Weatherford Well Construction flagship portfolio builds well architecture and ensures well integrity throughout the lifecycle of the well. Our differentiated Completion portfolio also provides specialized technologies that prepare the well for production. In addition, our dominant and market-leading position in Artificial Lift includes the largest and broadest suite of hardware and software for maximizing production in aging reservoirs.

Divesting Non-core Businesses

Our non-core businesses have been identified as land drilling rigs, pipeline and specialty services, drilling fluids, testing and production services, as well as wellheads. These are part of an aggressive and ongoing divestiture program, the successful completion of which is essential for Weatherford to refocus on core businesses. We have already started the divestiture process, and recently announced the successful signing of a definitive agreement to sell the pipeline and specialty services business.

Leveraging Our Global Footprint

Our global footprint anchors us in opportunity. This vast global infrastructure allows us to be where we need to be, providing services and solutions when our clients need them. We are able to leverage key technologies to help clients across the entire lifecycle of the well, including enhancing production, managing well integrity, and increasing efficiency. Complementing the depth and breadth of our established global infrastructure is our low market density. We have a great opportunity for disciplined and selective growth.

Secular Themes Driving Our Growth

Our core industrial assets are driven by three secular themes. From the earliest days, we focused on addressing the needs of production declines in aging reservoirs and the rise of unconventional resources while maintaining a strong strategic focus on ensuring well integrity.

Aging Reservoirs: From our inception, we have been addressing the increasing demands to maximize production in aging reservoirs. We help our clients in facilitating, improving, and optimizing the process of producing as much oil and gas as possible from mature fields.

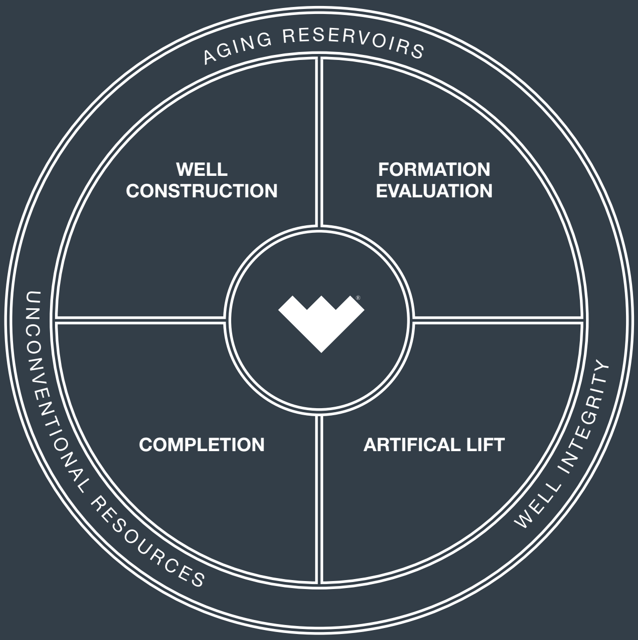
Unconventional Resources: The rapid decline of easy oil and the introduction of new technologies has resulted in the massive rise of unconventionals. Early in our history, Weatherford specialized in addressing this major secular trend with our advanced and distinctive technologies.

Well Integrity: Well Integrity ensures that hydrocarbons remain secure in the wellbore throughout the entire well lifecycle. The increasing complexities of wellbores are requiring higher technology and investment to ensure the management and safe flow of liquids. Our well integrity portfolio is woven into the fabric of all our core businesses and encompasses leading products and services to help our clients reduce nonproductive time and minimize risk to people and to the environment.

At Weatherford, when we focus on something, we do it well.
It is a fundamental trait of our organization.

Driving Sustainable Growth

Our first and primary objective is to focus and grow our core businesses. Our innovative technology, secular expertise, and broad global infrastructure are key drivers in building market value and addressing client challenges.



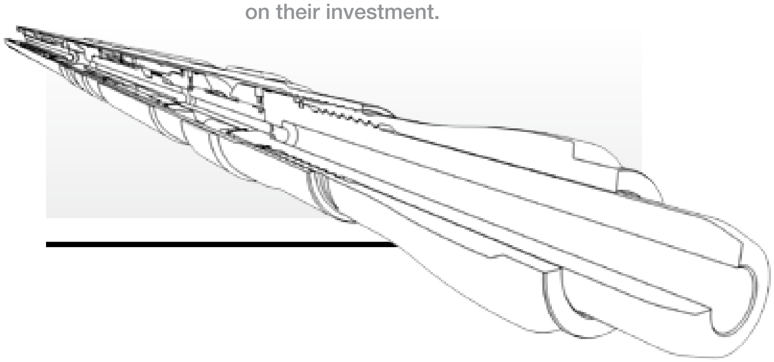
Weatherford operates in over 100 countries and in every domain—from land, offshore, and unconventional resources to aging reservoirs—providing innovative solutions, technology applications, and services for Formation Evaluation, Well Construction, Completion, and Artificial Lift.

Extending Production Lifespans

As fields mature around the world, operators are seeking new ways to extend the economic lives of the reservoirs. Weatherford offers the technology and expertise to address the integrity and reliability challenges of aging wells. These challenges would otherwise make many operations economically unviable. Our integrated and innovative technology and services confront these challenges and enable clients to increase production throughout the lifecycle of the well.

Weatherford helps push back time for aging wells to extend the lifespan of the field. Our technologies and services rejuvenate aging wells to extend production while offsetting abandonment costs. We provide integrated asset evaluation and analyses to help determine the underdeveloped reserves and remaining asset value. Our ability to update the reservoir model by recalibration from our microseismic imaging facilitates the rapid conversion of data to information enabling timely decisions to be made on a single well or for a whole field rejuvenation. Working closely with clients, we provide consultation on aging reservoirs and assess the revitalization potential on shut-in wells or wells that are not producing to full capacity because of blockage, sand, scale, debris, or other obstructions. We can also remediate formation damage and other reservoir problems.

Using the MetalSkin cased-hole solid expandable liner systems can permanently cover casing damage or isolate water producing perforations while conserving hole size. Our cost-effective technology ensures well integrity enabling clients to maximize on their investment.



More Reserves Through Better Technology

The increasing worldwide demand for intervention in mature wells requires the highest levels of expertise, experience, and innovative technologies. Weatherford meets these demands with our proven, integrated tools and services. Our Raptor™ Cased-Hole Reservoir Evaluation System features the industry's first five-detector array, which provides a higher level of sensitivity and accuracy than legacy technology to pinpoint the extent and location of hydrocarbons within a reservoir.

Aging wells that are no longer considered economically viable can now be restored to production profitably with our Rig-Free™ plugging-and-jacking unit. This diesel-powered unit is significantly more cost efficient and safer than expensive jackup and workover rigs or snubbing units. In addition, we recognize that each well is different and requires a tailored solution to extend its lifespan. Weatherford has the technology expertise to aid clients in identifying the appropriate solution to address the complexities of each well. For example, our Wireline Well Integrity Evaluation Suite identifies any zonal isolation or casing integrity challenges in aging reservoirs and enables our well engineering experts to design the appropriate remediation solution.

With operators looking to extract more hydrocarbons from reservoirs that would have been abandoned in the past, Weatherford offers unmatched breadth, depth, and production optimization experience. We provide clients the technology and expertise to proactively increase production and reduce costs.

Our casing remediation solutions offer the correct solutions for each unique well challenge. The well may require our inflatable straddle packers which are designed to isolate specific zones in cased- and perforated holes in horizontal or deviated wells for selective treating, testing or production evaluation. Alternatively, if longer lengths of the well require remediation our AXIOM® series liner hanger can be utilized to reline a portion of the well with a longer piece of casing. This provides a low-cost, high-efficiency solution for remediating the well and is ideally suited for mature fields. If maximum wellbore access is required, the application of our MetalSkin® and HOMCO® cased-hole solid expandable liner systems are specifically designed to deal with casing-remediation and mature-field challenges resulting in a larger inside diameter. This is critical to provide a maximum sized wellbore to facilitate maximum access to the wellbore, or to facilitate maximum production.

All of these technologies deliver fit-for-purpose casing remediation solutions, restoring well integrity to provide a quality conduit for restored production in aging reservoirs.

Our innovative completion technology focuses on maximizing the performance of aging reservoirs. Addressing sand control challenges is critical to this endeavor and a key area of expertise for Weatherford. From our industry-leading ESS® expandable sand screens and FloReg inflow control devices (ICD), to our wide range of stand-alone well screens and gravel packs, our portfolio enables operators to increase the ultimate recovery of each well.

Leaders in Artificial Lift

As the only company offering extensive products and expertise in all forms of artificial lift, Weatherford has the right solution for any production challenge and the flexibility to adapt to the changing needs of the reservoir throughout its lifecycle. As the experts in artificial lift, we provide an unbiased system recommendation, based on an exacting analysis of well and reservoir data to help ensure better control of lifting costs and reservoir recovery.

Understanding the Reservoir

Rich in resources and high in economic potential, unconventional fields pose unique challenges that range from uncertain geology to rapid decline rates and tight project economics. A pioneer in this area, Weatherford has expertise and leadership in challenging shale plays reaching back more than 27 years and long before unconventional became "conventional." For decades we have continued to strengthen our robust portfolio of services and technologies so clients can more easily access and maximize unconventional resources.

Weatherford holds a leading market position in specific competencies that address the greatest challenges to exploiting unconventional resources in the most economical manner. These include reservoir engineering, horizontal well engineering, formation evaluation, multizone completions, stimulation, in-well microseismic, artificial lift, production optimization, and reservoir monitoring.

A Scientific Approach to Shales
Just as horizontal drilling and hydraulic fracturing paved the way for economical shale resource development, Weatherford is applying a new generation of formation evaluation techniques and technologies to access reserves, maximize recovery, and reduce unconventional plays. We take a highly innovative, scientific approach to addressing complex shale developments with the industry's most comprehensive, integrated laboratory services worldwide. We are committed to higher standards, continually moving beyond conventional solutions to find new and better ways to optimize oil and gas production. Weatherford integrated laboratory services include real-time core analysis and geochemistry, which provide critical information on actual reservoir rock and fluid properties. With insights gained, operators can make the most informed decisions on where to build out the lateral section of a well and where to fracture to maximize production.

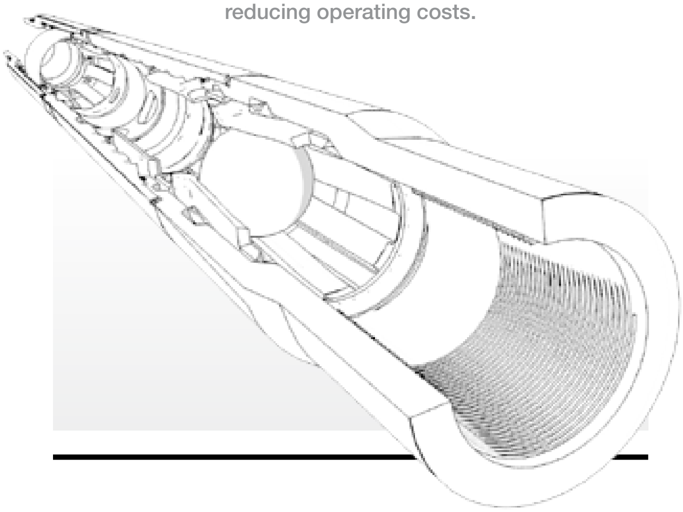
21 Countries **40** Labs **1** Resource

Weatherford is the only company to bring advanced, laboratory-based formation evaluation techniques right to the wellsite and boasts the largest network of petroleum geoscience facilities with 40 laboratories in 21 countries, combined to deliver 1 comprehensive resource to address client needs.

Weatherford Laboratories' core analysis comprehensively characterizes the sweet spot. Our suite of drilling services, including our SpectralWave™ sensor, the industry's first and only LWD azimuthal spectral gamma ray measurement device, and CrossWave®, the industry's first fully azimuthal acoustic LWD sonic tool, can be calibrated against the core data and used to track the sweet spot during horizontal drilling. These devices provide a real-time, dynamic means for optimizing the well trajectory. These products deliver superior value for unconventional reservoir well placement and evaluation. Our in-well microseismic tool allows passive microseismic monitoring, even where a separate monitoring well is not available.

Weatherford also offers a knowledgeable Petroleum Consulting team comprised of a multidisciplinary network of engineers and geoscience experts across the globe that can solve the most complex subsurface issues.

The Weatherford award winning i-ball® stimulation sleeve enhances the ZoneSelect® completion system by maximizing production and efficiency, while reducing operating costs.



Well Construction Solutions for Complex Wellbore Configurations

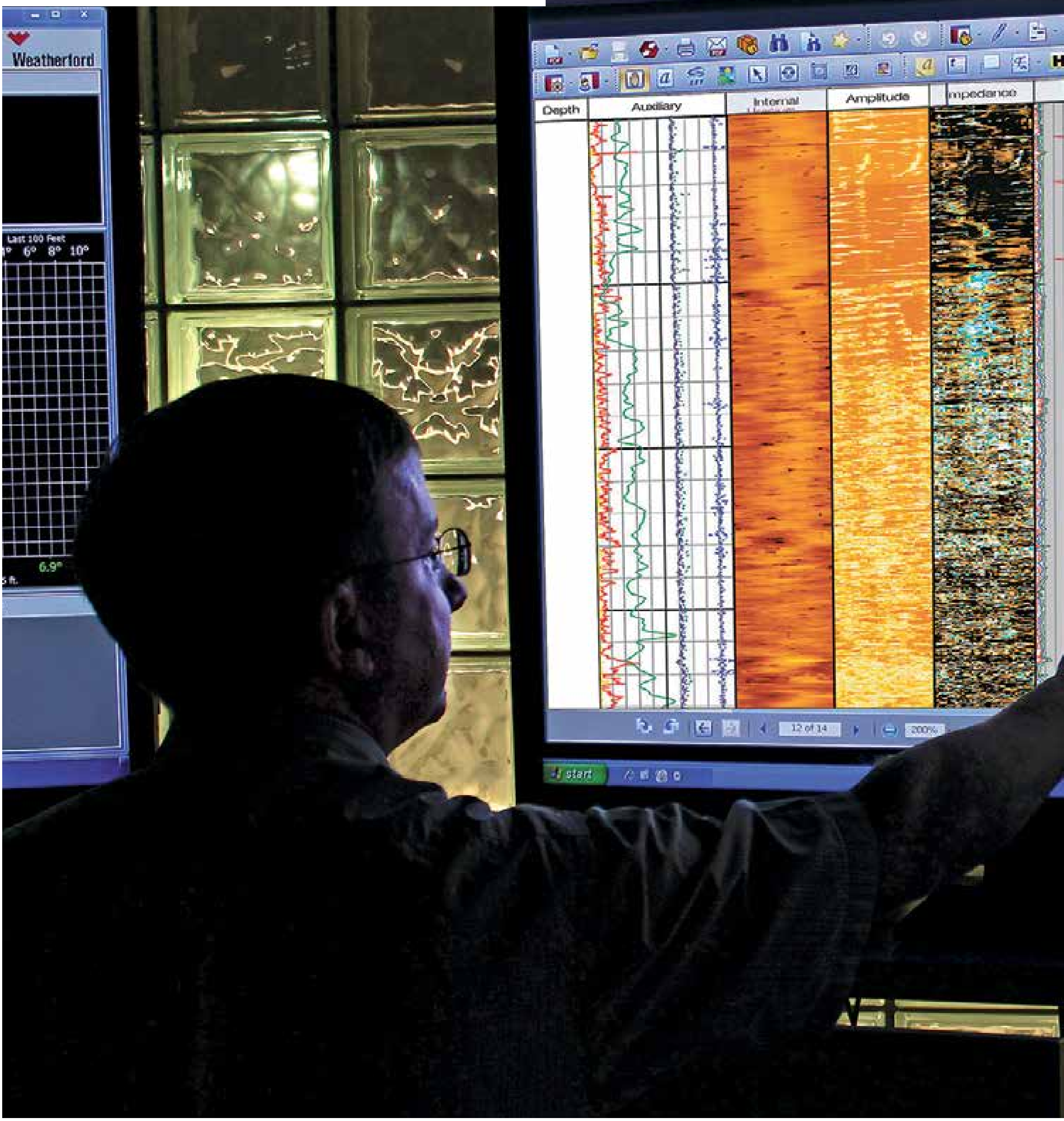
As operations move into unconventional and deepwater applications, operators have depended on Weatherford to provide top-quality well construction equipment in the world's toughest operating environments. For example, our portfolio of primary cementing products is the world's largest and most complete line of technologies available and is unmatched. From centralizers and float equipment to our exclusive surge reduction and friction reduction tools, each product is engineered to deliver superior value and unsurpassed reliability for total cement integrity.

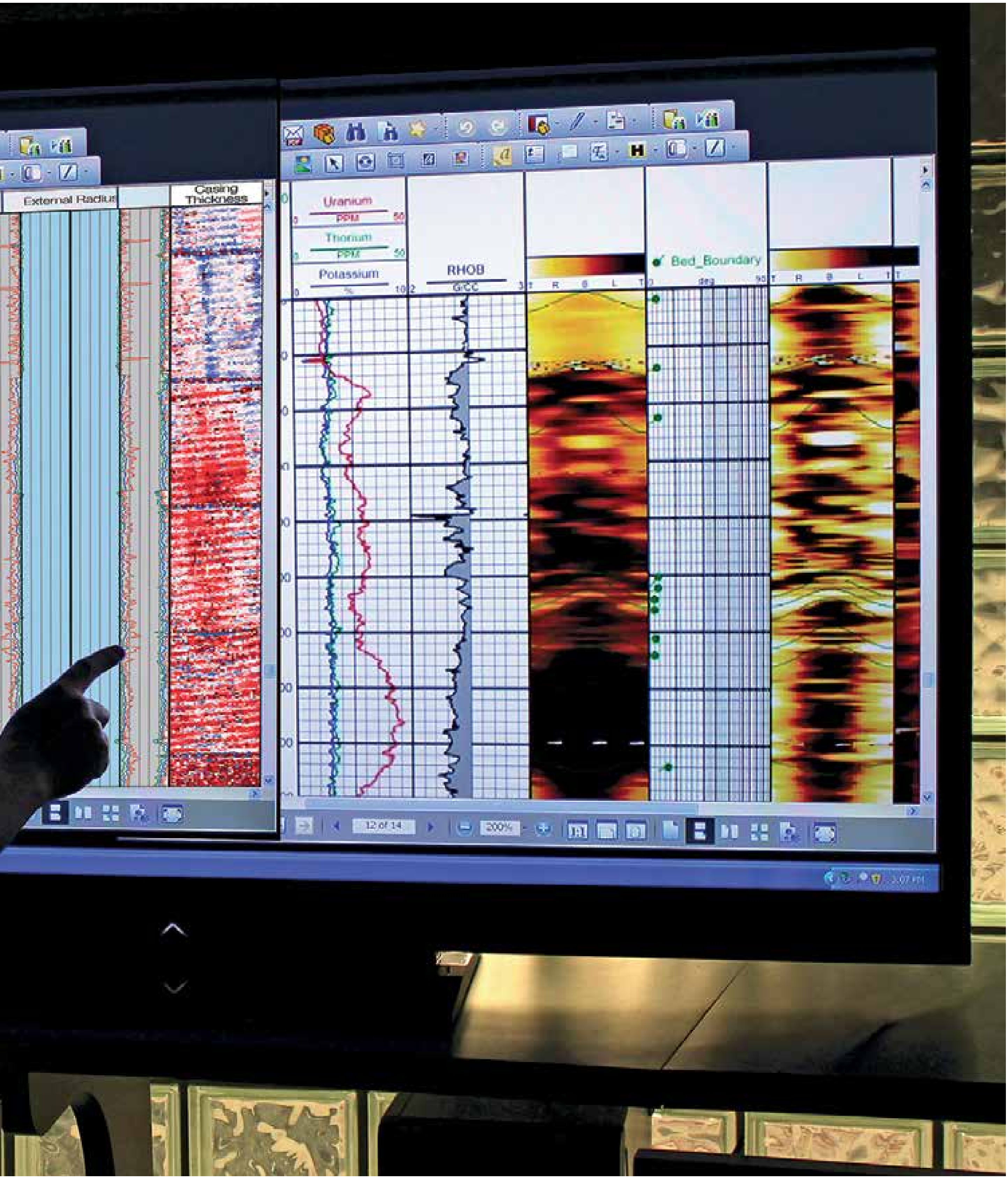
To help operators optimize performance, we provide expert completion services backed by technologies such as our ZoneSelect® multizone plug and perf system, the most comprehensive in the industry. The ZoneSelect system targets each zone with a customized design, enabling hydraulic fracturing of multiple reservoirs in a single trip, to enhance the efficiency of stimulation programs. With the addition of our patented i-ball® sleeve technology, the ZoneSelect system goes even further to maximize production, reduce operating costs, and increase fracturing efficiency.

Getting More from the Reservoir

More than ever, artificial lift plays a major role in the development of unconventional resources. High initial production rates typically fall off rapidly, so artificial lift is required early in the lives of these wells. Weatherford offers a complete breadth of artificial lift solutions including hydraulic piston pumps, gas lift, plunger lift systems, and more. We have teamed with operators around the world to develop a systematic optimization cycle for wells in all conditions, on an individual well or complete field basis. This exclusive Weatherford approach gives operators the technology and the expertise to proactively increase production and reduce operating costs. For every form of artificial lift, in any reservoir, anywhere in the world, Weatherford delivers a level of innovation, inventory, and expertise that is unmatched in the industry.

From core analysis and sampling at wellsite, to core preservation and stabilization, we continue to increase our focus on delivering innovative technology and depth of expertise in unconventional oil and gas as it plays a central role in the Company's long-term growth strategy.

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Assuring Well Integrity for the Lifecycle of the Well

In today's complex drilling and producing environments, wells must be designed, constructed, and maintained as secure pressure vessels to safely contain and control the flow of liquids and gases. Well integrity management provides the approach for creating and maintaining the integrity of that vessel. This process requires more than a single answer. It necessitates an extended approach made up of many components.

To address the critical need for well integrity, Weatherford has established a holistic approach that speaks to the needs of clients and defines a new language for well integrity. We are building process safety and economics into the life of a well by using a diverse and integrated mix of capabilities. Our well integrity management spans all phases of well construction, as a continuous, interrelated process that includes well engineering, completion, production, and finally abandonment.

Conversations that Matter

More than a trusted advisor, Weatherford acts as a partner to clients, providing the expertise, support, and technology to assure well integrity. Offshore or onshore, we collaborate closely with clients in the design phase and make certain that well design and engineering are conducted to achieve the clients' well objectives. With so much at stake, we are there for our clients during every phase, analyzing and minimizing risks, establishing process safety, mitigating drilling hazards, and recommending the best technology in terms of both application and availability.

Meeting Long-term Objectives

With the depth and breadth of our expertise, industry-leading products, and innovative technologies, the well is completed and provides effective barriers at the surface and subsurface to safely contain and control the flow of fluids from the formations that the well penetrates. This integrity must be maintained throughout all phases—from well construction to completion, production, intervention, decommissioning, and finally abandonment. This integrity must be sustained regardless of changes in reservoir pressures and regardless of the physical condition of casing, tubing, liners, and other well components.

To address these challenges, Weatherford brings a broad scope of technologies and methodologies to solve well integrity issues. For example, wellbore pressure management using closed-loop drilling techniques depends on leading technologies such as the industry's first API certified rotating control device (RCD) integrated with the marine riser system. Our solid expandable tubulars provide many unique solutions (in planned and contingency applications) to conserve hole size to reach total depth and enable the optimal completion.

For high-pressure well applications, our new barrier-qualified Gas Lift Valve enhances completion integrity and improves operational efficiency of a well with a secondary barrier that eliminates communication of tubing fluids with casing fluids. With over 1,500 installations, it is especially successful in the deepwater of Gulf of Mexico. Market opportunities abound in deepwater applications in the North Sea, Brazil, West Africa, Asia, and Russia.

A Phased Approach to Assuring Well Integrity

We collaborate with clients to understand their objectives and challenges, engineer an optimized well plan, and support efficient operation throughout the well lifecycle, including the final phase of abandonment—all to minimize risks and maximize the client's return on investment.

As a top-tier provider of well integrity services, with more than 900 service locations in approximately 100 countries, we are well positioned to deliver on client demand when they need it, in any location.

Elevating Well Integrity in Deepwater

While the importance of well integrity has been acknowledged by the industry for many years as a critical driver in keeping people and the environment safe, nowhere is it more critical than in deepwater environments. The deepwater domain brings with it a myriad of well integrity challenges. Operators must manage the drilling hazards of high pressure and high temperature reservoirs within the context of both post-salt and sub-salt challenges. The well needs to be appropriately placed to maximize recovery with fewer wells drilled. Costs must be balanced with reliability. Weatherford is there with the solutions that operators need.

Tools, Talent, and Technologies

We bring together the tools, talent, and technologies to help clients access deepwater oil and gas efficiently, reliably, and cost-effectively. Our Formation Evaluation solutions guide critical operational decisions that help clients understand and optimize the performance and position of their well in the best pay zones to maximize hydrocarbon recovery while balancing costs. Our trained analysts use advanced processing and interpretation technologies to deliver results that incorporate borehole imaging, acoustic, petrophysical, and well integrity based data, simultaneously from multiple sources. Our advanced logging tools give clients the wide range of accurate formation evaluation data necessary to build that knowledge—regardless of the complexity of wellbore geometries drilled today.

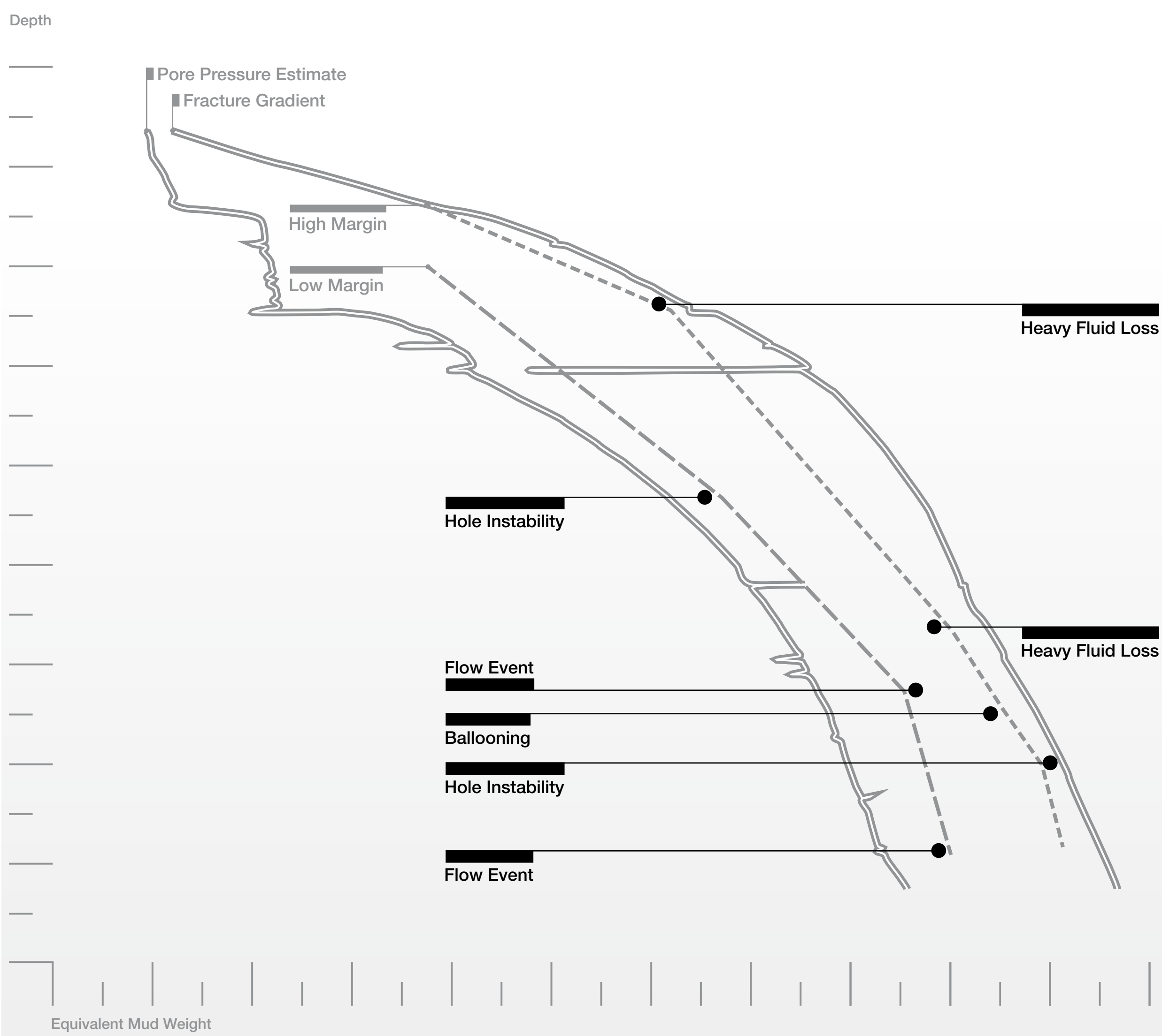
In the completion stage, our techniques enable clients to manage the reservoir reliably and economically. We are the industry's largest global provider of Managed Pressure Drilling (MPD) services with the only MPD system that has a marine capable RCD, which facilitates its deployment in deepwater. This is the only API certified RCD in the industry. Our MPD techniques deal with a multitude of hazards when drilling between surface and reservoir. We offer an expansive portfolio of MPD equipment and services, including the industry's largest selection of rotating control devices and our state of the art Microflux® control systems. Furthermore, to enhance production over the life of a well, we provide artificial lift solutions that improve our clients' system and overall profitability.

High-Reliability Products Provide Integrity for the Life of the Well

Weatherford is the industry leader in the design of high-performance well integrity products and services. Our RipTide™ drilling reamer is the drilling industry's most advanced. An intelligent downhole tool that is radio-frequency identification (RFID) enabled, it allows operators to enlarge holes up to 25 percent beyond bit diameter during hole enlargement-while-drilling (HEWD) operations. We also use RFID technology to set packers, operate ball valves, and open and close sliding sleeves. As a top-tier provider of well integrity services, with more than 900 service locations in approximately 100 countries, we are well positioned to deliver on client demand when they need it, in any location.

As market leader in services that impact critical primary and secondary barriers assuring well integrity, Weatherford continues to develop leading solutions that keep people safe, extend the economic life and performance of wells, and minimize environmental impact.

Assuring Well Integrity through Managed Pressure Drilling



Our technology-rich portfolio delivers solutions that overcome the most significant barriers, ensuring safe operations, assuring well integrity, minimizing environmental impact, and allowing our clients to maximize well performance and extend well life.

Becoming a Leaner Organization

A key management metric is running support functions and operations with a lower cost structure while maintaining quality of execution. To that point, we are engaged in a comprehensive cost reduction program to eliminate insufficiently profitable core operations, streamline our workforce, and lighten our support structure.

Eliminating Insufficiently Profitable Operations
In our initial growth mode, we allowed ourselves to be present in too many markets and product lines. Today, we are focusing on our core businesses and divesting or exiting our non-core businesses. Another key initiative is to carefully and prudently eliminate from our core product lines operations that do not have critical mass and that, over time, have proven to be unprofitable for Weatherford.

Heavy operational work is already underway, and we are pruning or eliminating various marginal and uneconomic operations from our core product lines. Our general contractual policy has been tightened. Now and in the future, we will conscientiously choose where we want to be. We will seek to minimize risk, and as we eliminate certain persistently unprofitable operations, the resulting redeployment of people and equipment to other more profitable markets will improve our returns. This is not expected to result in our exit from any country as a whole. Our established, widespread infrastructure footprint will remain consistent and solid.

Our future core growth will be disciplined and selective, fueled by the strength of our secular trends. Going forward, as we continue to grow our core businesses, we are committed to keeping our support cost base efficient to drive improved profitability.

One of our objectives is to reduce our net debt to total capitalization ratio from 52 to 25 percent over the next few years through a combination of higher, sustainable, and growing free cash flow augmented by divestiture proceeds, and have already made significant inroads. As a result of reestablishing a focused capital discipline program in 2013, we have already substantially improved our working capital metrics.

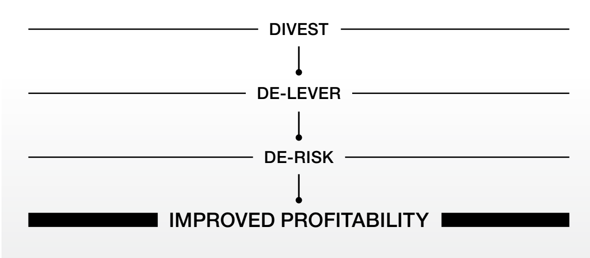
ELIMINATING INSUFFICIENTLY PROFITABLE OPERATIONS
↓
STREAMLINING OUR WORKFORCE
↓
LIGHTENING SUPPORT STRUCTURE
↓
IMPROVED PROFITABILITY

Streamlining Our Workforce
We are reducing the cost base of our core businesses. Our recently announced plan to streamline our worldwide employee headcount by 7,000 during the first half of 2014 represents a targeted annualized cost savings of $500 million. This is a difficult, but necessary step, and we are committed to building a more efficient and profitable organization.

Lightening Our Support Structure
Running support functions and operations with lower cost is a key management metric. We are standing by our commitment to build a more profitable organization by increasing operational efficiencies and standardizing the support structure in each country.

Developing a Culture of Cash

In 2013, we developed a culture of cash and returns as a guiding principle and value system. This culture is a way of life and is here to stay. We will generate free cash flow, efficient working capital, and lower capital intensity compatible with growing our core.



Divesting, De-levering, and De-risking
Our path to sustaining long-term performance is based on the objectives of divesting, de-levering and de-risking the Company. Plans are in place to divest or exit our non-core businesses. We will de-lever by using proceeds from the sale of our non-core businesses to pay down our debt. The expected increase in our operational free cash flow will contribute to our ability to de-lever. We will de-risk through selective growth fueled by secular trends. We will also decrease future risk with the completion of unfavorable contracts and a commitment to pursue work that is best suited to our core product lines. As a result, we will emerge as a leaner, more efficient, and stronger company that is strategically poised to deliver industry-leading returns.

Delivering a Step Change in Profitability
The combination of asset divestitures, including the largest international land drilling fleet worldwide, and our focus on generating strong cash flow will produce a powerful and positive effect and will help drive increased levels of profitability. These steps will position Weatherford on a path towards efficiency and operational excellence as well as capital and administrative quality driven by high margins and cash returns.

Our objectives are straightforward: clarify, simplify, focus, and deliver financial performance. With our distinctive technologies and highly developed expertise, in combination with the depth and breadth of our infrastructure, we are solidly positioned to deliver on our industrial vision.

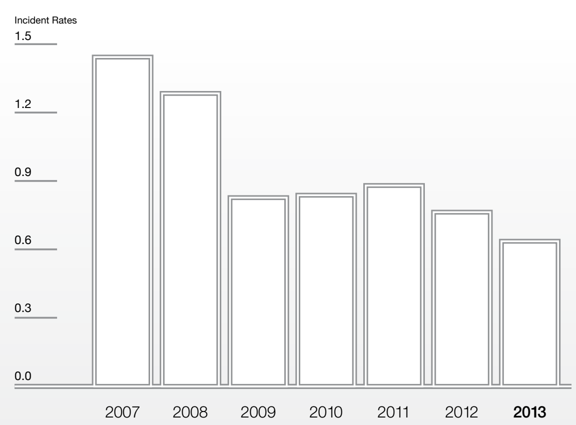
Differentiating Safety and Service Quality

Our focus on safety and service quality is a key differentiator for Weatherford. As Weatherford continues to evolve, pursuing the highest standards of excellence in all of our business practices remains essential to our operations. Guiding us on our journey to excellence is our Service Quality, Health, Safety, Security, and Environment (QHSSE) program and our Operational Excellence and Performance System (OEPS). In 2013, we continued to focus on initiatives that strengthened our culture and empowered our people to be their best.

A Continued Focus on Safety

With the guidance of key leaders, we are driving important behavioral change at Weatherford to deliver increased value to our clients, employees, and the industry. Year after year, we have significantly reduced our incident rates, while both protecting our people and increasing productivity. In 2013, we introduced the HSE Excellence Program as a part of our continued mission to reduce work-related incidents. This program successfully identified individuals with wide influence in the organization to drive positive behavior in safety. We also continued our comprehensive implementation of our EIGHT GEMS (Getting Everyone Managing Safety) Program to improve the culture of safety and accountability throughout our organization. Our continued focus on improving safety has resulted in a 17 percent reduction in the total recordable incident rate (TRIR), a 12 percent decrease in the lost-time incident rate (LTIR), and a 28 percent reduction in our preventable vehicle incident rate (PVIR).

TRIR (Total Recordable Incident Rate)



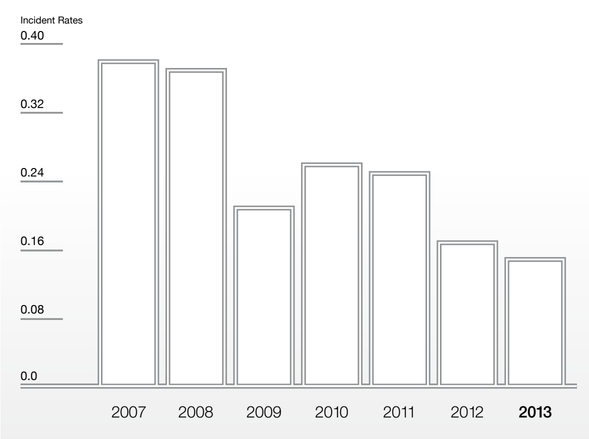
Raising Performance Standards Across All Regions

Around the globe, Weatherford is a dynamic force behind raising performance standards. Our OEPS is a testament to our dedication and ensures consistent and reliable operations while managing risks for our clients. This system empowers each individual at Weatherford to deliver on their commitments to our Company, their co-workers, and our clients.

During 2013, we placed a strong emphasis on improving service quality, training, and competency, as well as safety, environmental stewardship, and reliability across all regions. To that point, last year, we initiated our Right Start program. This program provides new Weatherford employees an introduction to our Company, emphasizing the importance of competency and our commitment to safety. This is but the

Our continued focus on improving safety has resulted in a 17 percent reduction in the total recordable incident rate (TRIR), a 12 percent decrease in the lost-time incident rate (LTIR), and a 28 percent reduction in our preventable vehicle incident rate (PVIR).

LTIR (Lost-time Incident Rate)



first step in an ongoing process, as we provide continuing education opportunities and training to increase competency, safety practices, and service quality throughout our organization. To help us better understand our clients' perspectives on our strengths and areas for improvement, we established a system of quarterly client service quality meetings.

Fostering a Strong Learning Environment

Our clients expect and deserve services by people who are experts in their roles. Our employees are eager to fulfill this expectation. Through our Competence Assurance Program (CAP), we are investing in developing our people by means of on-the-job mentoring and competency training, ensuring our employees are properly prepared to correctly manage the task at hand. CAP provides the foundation for safe and efficient operations at the work site. In 2014, we will further implement CAP within Weatherford.

People are the heart and drive behind our Company's longterm success. In 2013, we devoted more time and resources to expand and improve our QHSSE and OEPS systems and processes. With a range of exciting initiatives underway that affect the entire Company, from the field-level recruit to the executive suite, we will continue to raise our performance.

Creating Positive Change for People, Communities, and the Environment

Within the fabric of Weatherford is a solid commitment to economic, environmental, legal, and social responsibility. Our global presence positions us to create positive change in the communities in which we operate by directly contributing to their well-being. This means more than creating jobs. It also means participating in projects and programs that bring real value to local populations. Wherever we operate, we stay focused on our responsibility to people and their communities. It is our responsibility to be good stewards and to do what is right.

Making an Economic Impact for the Better
We are responsible to our stakeholders for using our capital and conducting our business in a way that is beneficial to all parties involved. Whenever possible, we work with local talent and vendors to build partnerships and economic growth in their communities. Additionally, we help clients deliver energy to the world through methods that increase production yet reduce costs. By maximizing recovery through state-of-the-art technology and services, we offer a more efficient approach to harnessing the world's natural reserves, which in turn minimizes waste.

Driving Compliance and Ethical Integrity
We have a robust compliance department which emphasizes our belief that ethical standards are essential to the growth, health, and sustainability of our organization, and relevant to the diverse economies and cultures in which we operate. We hold ourselves to a high standard to keep the interests of our Company, clients, supply chain, employees, and shareholders safe. For example, our Code of Business Conduct is provided in 16 languages as we strive to exceed the requirements of the U.S. Sentencing Guidelines, the Organization for Economic Cooperation and Development (OECD), the Partnering Against Corruption Initiative (PACI), and national and multinational trade compliance requirements applicable to our operations. The decisions we make enable us to move forward ethically and with integrity.

Raising Our Environmental Protection Performance
Developing innovative technologies is a cornerstone of our business and ensures energy production is safer for both people and the environment.

Our commitment to the environment and conscientious practices to address climate change is reflected in our 2013 Carbon Disclosure Project (CDP) report. We received high rankings based on key criteria such as leadership in understanding the risks from climate change and creating opportunities to innovate and generate revenue from sustainable products and services.

Our Focus on Sustainability
We are focused on making our chemical product portfolio greener in effort to provide products that are cleaner, safer, and more biodegradable in the environment. To achieve these goals, we have invested in acquiring chemical scoring/ranking software and the in-house testing capability that will allow us to better design our chemistry for more efficient biodegradation in the environment.

Our commitment to sustainability goes beyond the technologies we use; it extends to the facilities in which we operate. In 2013 our 335,000-square-foot office building in Houston, Texas, was awarded LEED Gold certification, a rating given by the U.S. Green Building Council that underlines our commitment to the environment, energy efficiency, and safety.

Creating Positive Change Around the World
We are dedicated to making a far-reaching impact on the lives we touch—making a difference by sponsoring educational programs, helping neighbors in times of need in the form of disaster relief efforts, and bringing medical care to children the world over. One such example is our support of Operation Smile in Thailand. This children's charity provides free surgeries for children born with facial deformities—healing their smiles and forever changing their lives.

Our employees have enabled us to achieve our foundational accomplishments. We are deeply grateful for their commitment in accepting and embodying our cultural transformation, and for turning the tide. Our employees are the future of Weatherford and a compelling reason for optimism.

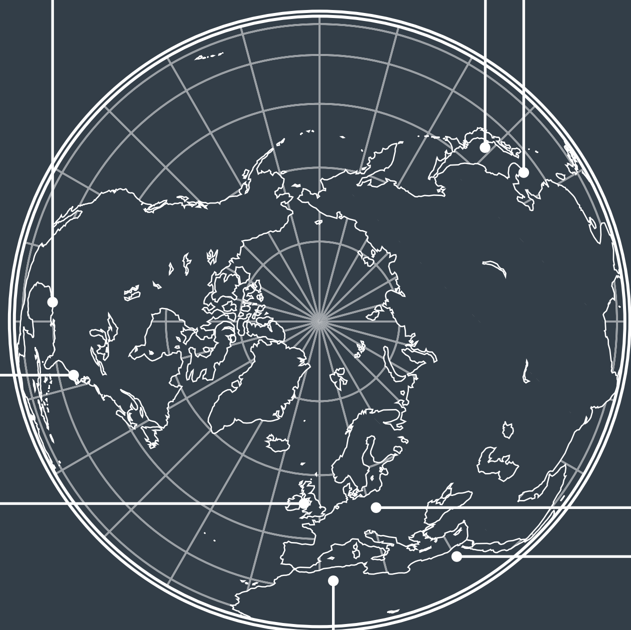
Creating Positive Change Around the World

Weatherford is a proud sponsor of the Engineering, Math & Science Summer Institute (EMSI), which brings science, math, and technology enrichment to under-represented youth in the greater Houston, Texas, area.

Disaster relief and health initiatives are high priorities for Weatherford. In the Asia Pacific region, our employees raised funds for victims of Typhoon Yolanda.

Weatherford is proud to participate and contribute to annual fundraising events for Operation Smile Thailand—an organization that changes the lives of children, one smile at a time.

We support local healthcare needs by volunteering and donating to areas hospitals such as Houston Methodist in Houston, Texas.



Weatherford is a strong supporter of the Transparency International USA Corporate Forum which seeks to promote transparency and integrity in government, business, and development assistance.

Weatherford supports the Central and Eastern European Law Initiative (CEELI) which promotes fair, transparent, and effective judicial systems, strengthens democratic institutions, builds respect for human rights, and promotes the continuing development of market economies.

We contribute to the ARCHIE Foundation, helping children who need care in the Royal Aberdeen Children's Hospital and other facilities in the North Scotland area.

Weatherford is a proud sponsor of the Egyptian Oilman's Golf Society. This annual charity event and weekly fundraising activities raised funds to provide medical procedures, services, and equipment for local children.

To support malaria relief efforts in Angola, we provide awareness training and hold Sub-Sahara Africa regional Malaria Awareness Stand-downs.

In Luanda, we are kicking off a revamp of our Viana-Luanda base, which includes building a road supported by drainage and streetlights.

Investing in Our People to Further Develop Talent and Opportunity

Attracting and retaining great talent at Weatherford is fundamental to the success of our Company. To do so, we strive to provide an environment where opportunities for individual advancement, learning, and career fulfillment flourish. More than ever, we are relentless in providing our dedicated workforce a reason and purpose to reach their true potential. We are committed to building our future with our employees.






A Dynamic Environment for Professional Growth
Weatherford is one of the largest oilfield-service companies in the industry. Our people have a passion for delivering results for our clients, and for being the best at what they do. The strengths of our multinational portfolio together with a culture founded in entrepreneurship provide a uniquely rewarding platform for dedicated, results-oriented people. We believe in providing structured autonomy and exposure that allows an employee's personal drive to determine reward.

Investing in Our People
Service excellence begins with our people. As such, we have invested in ongoing education to ensure the foundation of a stronger Weatherford. The knowledge and experience gained as an employee at Weatherford paves the way to professional achievement, recognition, and rewards. We recognize we are building industry leaders and provide a structured environment for career advancement. We use proven talent identification methods to ensure we are matching the right people with the right opportunity. We ensure that our people benefit from industry competitive compensation and an environment where talent is nurtured and promoted from within.

Thank You to Our Employees
We are energized about our future and the opportunity to take Weatherford to a new level of service excellence. We sincerely thank our employees whose support and commitment enable us to continue building on the momentum we achieved this past year.

Board of Directors

Dr. Bernard J. Duroc-Danner

Chairman of the Board, President
and Chief Executive Officer
Weatherford International Ltd.

The Honorable Robert A. Rayne

Non-Executive Chairman,
London Merchant Securities plc
(property development and venture capital company)

David J. Butters

President, Chairman and Chief Executive
Officer, Navigator Holdings, Ltd.
(international petrochemical gas shipping company)

John D. Gass

Former President, Chevron Global Gas
Former Corporate Vice President,
Chevron Corporation

Francis S. Kalman

Former Executive Vice President,
McDermott International Inc.

William E. Macaulay

Chairman and Chief Executive Officer,
First Reserve Corporation (private equity firm focusing
on energy industry)

Robert K. Moses, Jr.

Private Investor, Black Jack Resources, Inc.
(private investment company)

Sir Emyr Jones Parry

President, Aberystwyth University
Former UK Permanent Representative to the UN
Former UK Ambassador to NATO

Dr. Guillermo Ortiz

Chairman of Executive Board, Grupo Financiero
Banorte-Ixe (third largest bank in Mexico)
Former Governor, Bank of Mexico

Corporate Officers

Dr. Bernard J. Duroc-Danner
Chairman of the Board,
President and Chief Executive Officer

Dharmesh Mehta
Executive Vice President and
Chief Operating Officer

Krishna Shivram
Executive Vice President and Chief
Financial Officer

Tony J. Branch
Group Vice President
Europe, Africa and Middle East

Alejandro Cestero
Vice President, Co-General Counsel
and Corporate Secretary

Edgar K. Chapman
Vice President
Western Hemisphere

Karen David-Green
Vice President
Investor Relations

Ernest L. Dunn
Vice President
Production

William B. Jacobson
Senior Vice President,
Co-General Counsel and
Chief Compliance Officer

Peter J. Levens
Group Vice President
Asia Pacific and Russia

Lance R. Marklinger
Vice President
Well Construction and Completion

Douglas M. Mills
Vice President and
Chief Accounting Officer

James C. Parent
Vice President
Tax

Jennifer L. Presnall
Vice President
Audit Services

Paul A. Timmins
Vice President
Formation Evaluation

The years ahead will be our best. Weatherford's industrial might will re-emerge to the greater benefit of our clients, shareholders, and employees. We are ready to shine on an organized and disciplined course forward.

Weatherford International Ltd.

Form 10-K and Form 10-K/A for the Year Ended December 31, 2013

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Forward-Looking Statements

This report contains various statements relating to future financial performance and results, including certain projections, business trends and other statements that are not historical facts. These statements constitute "Forward-Looking Statements" as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "budget," "intend," "strategy," "plan," "guidance," "may," "should," "could," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words.

Forward-looking statements reflect our beliefs and expectations based on current estimates and projections. While we believe these expectations, and the estimates and projections on which they are based, are reasonable and were made in good faith, these statements are subject to numerous risks and uncertainties. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. Furthermore, from time to time, we update the various factors we consider in making our forward-looking statements and the assumptions we use in those statements. However, we undertake no obligation to correct, update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except to the extent required under federal securities laws. The following sets forth various assumptions we use in our forward-looking statements, as well as risks and uncertainties relating to those statements. Certain of the risks and uncertainties may cause actual results to be materially different from projected results contained in forward-looking statements in this report and in our other disclosures. These risks and uncertainties include, but are not limited to, those described below under "Item 1A. – Risk Factors" and the following:

- global political, economic and market conditions, political disturbances, war, terrorist attacks, changes in global trade policies, and international currency fluctuations;
- our inability to realize expected revenues and profitability levels from current and future contracts;
- our ability to manage our workforce, supply chain and business processes, information technology systems, and technological innovation and commercialization;
- increases in the prices and availability of our raw materials;
- nonrealization of expected reductions in our effective tax rate;
- nonrealization of expected benefits from our acquisitions or business dispositions;
- downturns in our industry which could affect the carrying value of our goodwill;
- member-country quota compliance within Organization of Petroleum Exporting Countries ("OPEC");
- adverse weather conditions in certain regions of our operations;
- failure to ensure on-going compliance with current and future laws and government regulations, including but not limited to environmental and tax and accounting laws, rules and regulations; and
- limited access to capital or significantly higher cost of capital related to liquidity or uncertainty in the domestic or international financial markets.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Securities Act of 1933, as amended (the "Securities Act"). For additional information regarding risks and uncertainties, see our other filings with the SEC. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are made available free of charge on our web site www.weatherford.com as soon as reasonably practicable after we have electronically filed the material with, or furnished it to, the SEC.

PART I

ITEM 1 Business

Weatherford International Ltd., a Swiss joint-stock corporation (together with its subsidiaries, "Weatherford," the "Company," "we," "us" and "our"), is one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. Many of our businesses, including those of our predecessor companies, have been operating for more than 50 years.

We conduct operations in over 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our operational performance is reviewed on a geographic basis and we report the following regions as separate, distinct reporting segments: North America, Latin America, Europe/Sub-Sahara Africa ("SSA")/Russia and Middle East/North Africa ("MENA")/Asia Pacific.

Our headquarters are located at 4-6 Rue Jean-Francois Bartholoni, 1204 Geneva, Switzerland and our telephone number at that location is +41.22.816.1500. Our internet address is www.weatherford.com. General information about us, including our corporate governance policies, code of business conduct and charters for the committees of our Board of Directors, can be found on our web site. On our web site we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file or furnish them to the SEC. The public may read and copy any materials we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site that contains our reports, proxy and information statements, and our other SEC filings. The address of that site is www.sec.gov.

The following is a summary of our business strategies and the markets we serve. We have also included a description of our products and services offered and of our competitors. Segment financial information appears in "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 20 – Segment Information."

Strategy

Our primary objective is to build stakeholder value through profitable growth with disciplined, efficient use of capital and a commitment to our core values and core product lines.

Principal components of our strategy include:

- Continuously improving the efficiency, productivity and quality of our products and services and their respective delivery in order to grow revenues, operating margins and generate free cash flow from our core operations (Formation Evaluation, Well Construction, Completion and Production) in all of our geographic markets at a rate exceeding underlying market activity;
- A commitment to innovation, invention and integration, developing and commercializing of new products and services that meet the evolving needs of our clients across the reservoir lifecycle;
- Further extending process, productivity, quality, safety and competency across our global infrastructure in scope and scale at a level consistent with meeting client demand for our core products and services in an operationally efficient manner; and
- Divestiture of our non-core businesses which include Land Rigs, Drilling Fluids, Wellhead, Pipelines and Specialty Services, and Well Testing.

Markets

We are a leading provider of equipment and services to the oil and natural gas exploration and production industry. Demand for our industry's services and products depends upon the number of oil and natural gas wells drilled, the depth and drilling conditions of wells, the number of well completions, the depletion and age of existing wells, and the level of workover activity worldwide.

As a result of the maturity of the world's oil and natural gas reservoirs, accelerating production decline rates and the focus on complex well designs, including deep-water prospects, technology has become increasingly critical to the marketplace. Clients continue to seek, test and use production-enabling technologies at an increasing rate. Technology is an important aspect of our products and services as it helps us provide our clients with more efficient tools to find and produce oil and natural gas. We have invested a substantial amount of our time and resources in building our technology offerings. We believe our products and services enable our clients to reduce their costs of drilling and production and/or increase production rates. Furthermore, these offerings afford us additional opportunities to sell our core products and services to our clients.

Product Offerings

Our principal business is to provide equipment and services to the oil and natural gas exploration and production industry, both on land and offshore, through our two product service line groups. Within each of our geographic reporting segments, we group our product offerings into two product service line groups: (1) Formation Evaluation and Well Construction and (2) Completion and Production, which together comprise a total of 15 service lines.

- ***Formation Evaluation and Well Construction*** service lines include Controlled-Pressure Drilling and Testing, Drilling Services, Tubular Running Services, Drilling Tools, Integrated Drilling, Wireline Services, Re-entry and Fishing, Cementing, Liner Systems, Integrated Laboratory Services and Surface Logging.
- ***Completion and Production*** service lines include Artificial Lift Systems, Stimulation and Chemicals, Completion Systems and Pipeline and Specialty Services.

With the exception of Integrated Drilling, which is offered outside of North America, our service line offerings are provided in all of our geographic segments.

Formation Evaluation and Well Construction

Within the Formation Evaluation and Well Construction product service line group we provide formation evaluation services from early well planning to reservoir management services, including core analysis, surface logging, well site geochemistry, logging while drilling, and wireline services. Our full suite of formation evaluation services has broad applications across all types of reservoirs. We also provide well construction services to help clients ensure well integrity for the full life cycle of the well using reliable casing and tubing strings, cementation design, reliable liner top isolation, and methods that ensure the well reaches total depth in the best condition possible. The descriptions of our service lines under the Formation Evaluation and Well Construction product service line group are as follows:

Controlled-Pressure Drilling and Testing

Includes several drilling techniques including closed-loop drilling, air drilling, controlled pressure drilling, and underbalanced drilling. Our testing and production services include drillstem test tools, early production facilities, life-of-field production facilities, produced-water systems, tubing conveyed perforating systems and well testing systems.

Drilling Services

Includes directional drilling, logging while drilling, measurement while drilling and rotary steerable systems. This service line also includes our full range of downhole equipment including high temperature motors, wireline steering tools, drillpipe, air rotary hammer drills, casing exit systems, downhole deployment valves and downhole data acquisition equipment.

Tubular Running Services

Consists of a wide variety of tubular connection and installation services for the drilling, completion and workover of an oil or natural gas well, including liner systems, solid expandable systems, zonal isolation products and swellable well-construction technologies. We also specialize in critical-service installations.

Drilling Tools

Includes our patented drilling jars, underreamers, rotating control devices, downhole tools, drillpipe and related tools, tubular handling equipment and other pressure-control equipment used in drilling oil and natural gas wells.

Integrated Drilling

Encompasses drilling and the project management services we provide to our clients in tandem with all of the products and services needed to drill and complete a well, including the rig.

Wireline Services

Includes open hole and cased-hole logging services to measure the physical properties of underground formations and help determine the location and potential deliverability of oil and gas from a reservoir. It also includes production and produced water systems for fracturing, production disposal and enhanced oil recovery operations. We also offer global petroleum consulting services in the geoscience and engineering domain.

Re-entry and Fishing Services

Provides re-entry services, fishing services, thru-tubing services, well abandonment services and wellbore cleaning services.

Cementing

Operations comprise one of the most expensive phases of well completion. We produce specialized equipment that allows operators to centralize the casing throughout the wellbore and control the displacement of cement and other fluids for proper zonal isolation. Our cementing engineers also analyze complex wells and provide all job requirements from pre-job planning to installation.

Liner Systems

Includes liner hangers, which allow suspension of strings of casing within a wellbore without the need to extend the casing to the surface. Most directional wells include one or more liners to optimize casing programs. Drilling liners are used to isolate areas within the well during drilling operations. Production liners are used in the producing area of the well to support the wellbore and to isolate various sections of the well.

Integrated Laboratory Services

Provides support for fluid reservoir characterization, specialized core and fluid testing, enhanced oil recovery, rock strength and characterization, sour richness and maturity, sorption properties assessment and reservoir flow studies.

Surface Logging Systems

Provide advanced gas analysis, drilling instrumentation, mud logging services and wellsite consultants.

Completion and Production

The Completion and Production product service line group uses multi-zone isolation and access systems. Our completion products, reservoir stimulation design and engineering capabilities are delivered to unlock reserves in deepwater, unconventional and aging reservoirs. Our suite of production optimization services boosts field productivity and profitability through our artificial lift portfolio as well as production workflows and optimization software. The descriptions of our service lines under the Completion and Production product service line group are as follows:

Artificial Lift Systems

Are installed in oil and gas wells without sufficient reservoir pressure to produce oil or natural gas from the well. We provide all forms of lift, including reciprocating rod lift systems which create a pumping action via a downhole rod pump, progressing cavity pumping for predominantly heavy oil, coal-bed methane and medium crude oil applications, gas lift systems for producing reservoirs or in wells that have stopped working, hydraulic lift systems to operate a downhole hydraulic pump (jet or piston), plunger lift systems primarily for dewatering liquid loaded gas wells and hybrid lift systems for special applications. We also offer wellhead systems to reduce time in changing wellhead sizes while increasing safety procedures, production monitoring and optimization, and flow measurement which measures how much oil, water and gas is flowing in a well.

Stimulation and Chemicals

Offers clients advanced chemical technology and services for safer and more effective production enhancement. These products and services include: a full fleet of pressure pumping services, including cementing services; coiled tubing services equipment designed to ensure effective results during operations that require coiled tubing intervention; and reservoir stimulation hydraulic fracturing services for oil and natural gas wells in low-permeability reservoirs. These products and services also include drilling and completion fluids to prevent formation fluids from entering into the well bore using hydrostatic pressure and Engineered Chemistry® services.

Completion Systems

Offers clients a comprehensive line of completion tools such as cased hole and flow control systems, well screens, industrial screens and sand screens. We also offer a full range of completion services including upper completions, lower completions and reservoir monitoring.

Pipeline and Specialty Services

Includes a range of services used throughout the life cycle of pipelines and process facilities, onshore and offshore. Our pipeline group serves the pipeline, process, industrial and energy markets worldwide. On permanently installed client equipment, we also provide services such as inspecting, cleaning, drying, testing, improving production, running, or establishing integrity from the wellhead out, including integrated management services.

Other Business Data

Competition

We provide our products and services worldwide, and compete in a variety of distinct segments with a number of competitors. Our principal competitors include Schlumberger, Halliburton and Baker Hughes. We also compete with various other regional suppliers that provide a limited range of equipment and services tailored for local markets. Competition is based on a number of factors, including performance, safety, quality, reliability, service, price, response time and, in some cases, breadth of products.

Raw Materials

We purchase a wide variety of raw materials as well as parts and components made by other manufacturers and suppliers for use in our manufacturing. Many of the products or components of products sold by us are manufactured by other parties. We are not dependent in any material respect on any single supplier for our raw materials or purchased components.

Customers

Substantially all of our customers are engaged in the energy industry. Most of our international sales are to large international or national oil companies and these sales have resulted in a concentration of receivables from certain national oil companies worldwide, especially in Latin America. As of December 31, 2013, our receivables from Latin America customers accounted for 38% of our net outstanding accounts receivable balance with $326 million due from Petroleos de Venezuela, S.A. (“PDVSA”) and $437 million from Petroleos Mexicanos (“Pemex”). On December 17, 2013, we accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold these bonds in a series of transactions recognizing a loss of $58 million. During 2013, 2012 and 2011, no individual customer accounted for more than 10% of our consolidated revenues.

Research, Development and Patents

We maintain world-class technology and training centers throughout the world. We have over 20 research, development and engineering facilities that are focused on improving existing products and services and developing new technologies to meet customer demands for improved drilling performance and enhanced reservoir productivity. Our expenditures for research and development totaled $265 million in 2013, $257 million in 2012 and $245 million in 2011.

As many areas of our business rely on patents and proprietary technology, we seek patent protection both inside and outside the U.S. for products and methods that appear to have commercial significance. We amortize patents over the years that we expect to benefit from their existence, which is limited by the life of the patent, and ranges from three to 20 years.

Although in the aggregate our patents are important to the manufacturing and marketing of many of our products and services, we do not believe that the loss of any one of our patents would have a material adverse effect on our business.

Seasonality

Weather and natural phenomena can temporarily affect the level of demand for our products and services. Spring months in Canada and winter months in the North Sea and Russia have been noted to affect our operations negatively. Additionally, heavy rains or an exceedingly cold winter in a given region may impact our reported results. The widespread geographical locations of our operations serve to mitigate the overall impact of the seasonal nature of our business.

Federal Regulation and Environmental Matters

Our operations are subject to federal, state and local laws and regulations relating to the energy industry in general and the environment in particular. Our 2013 expenditures to comply with environmental laws and regulations were not material, and we currently do not expect the cost of compliance with environmental laws and regulations for 2014 to be material.

Employees

At December 31, 2013, we employed approximately 67,000 employees. Certain of our operations are subject to union contracts. These contracts cover approximately 20% of our employees. We believe that our relationship with our employees is generally satisfactory. On January 30, 2014, we announced, as an important step in making our cost base more efficient, that we would reduce our workforce by 7,000 employees, primarily from our fixed support cost base. The workforce reduction is expected to be completed during the first half of 2014.

ITEM 1A Risk Factors

An investment in our securities involves various risks. You should consider carefully all of the risk factors described below, the matters discussed on the foregoing pages under "Forward-Looking Statements," other information included and incorporated by reference in this Form 10-K, as well as in other reports and materials that we file with the SEC. If any of the risks described below or elsewhere in this Form 10-K were to materialize, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, the trading price of our common stock could decline and you could lose part or all of your investment. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our financial condition, results of operations and cash flows.

Demand for our services and products is affected by fluctuations in oil and natural gas prices which, in turn, affect the level of exploration, development, and production activity of our customers and could have a material adverse effect on our business, financial condition and results of operations.

Demand for our services and products is tied to the level of exploration, development, production activity and the corresponding capital spending by oil and natural gas companies, including national oil companies. The level of exploration, development and production activity is directly affected by fluctuations in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, global market uncertainty, the ability of OPEC to set and maintain production levels for oil, oil and gas production levels by non-OPEC countries, member-country quota compliance within OPEC, governmental policies and subsidies, technological advances affecting energy consumption, weather conditions and a variety of other economic factors that are beyond our control. Any perceived or actual reduction in oil and natural gas prices will depress the immediate levels of exploration, development and production activity and decrease spending by our customers, which could have a material adverse effect on our business, financial condition and results of operations.

Our business is dependent on capital spending by our customers, and reductions in capital spending could have a material adverse effect on our business, financial condition and results of operations.

Any change in capital expenditures by our customers or reductions in their capital spending could directly impact our business by reducing demand for our services and products and have a material adverse effect on our business, financial condition and results of operations. Our customers are subject to risks which, in turn, could impact our business, including volatile oil and natural gas prices, difficulty accessing capital on economically advantageous terms and adverse developments in their own business or operations. With respect to national oil company customers, we are also subject to risk of policy, regime and budgetary changes.

Seasonal and weather conditions could adversely affect demand for our services and operations.

Variation from normal weather patterns, such as cooler or warmer summers and winters, can have a significant impact on demand. Adverse weather conditions, such as hurricanes in the Gulf of Mexico or extreme winter conditions in Canada, Russia and the North Sea, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions or loss of productivity or result in a loss of revenue or damage to our equipment and facilities, which may or may not be insured. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

The oilfield services business is highly competitive, which may adversely affect our ability to succeed.

Our business, particularly marketing our products and services to our customers and securing equipment and trained personnel, is highly competitive. This competitive environment could impact our ability to maintain market share, defend, maintain or increase pricing for our products and services and negotiate acceptable contract terms with our customers and suppliers, due in part to the industry's capacity relative to customer demand and our ability to differentiate the value delivered by our products and services from that of our competitors. In order to remain competitive, we must continue to add value for our customers by providing, relative to our peers, new technologies, reliable products and services and competent personnel. The anticipated timing and cost of the development of competitive technology and new product introductions can impact our financial results, particularly if one of our competitors were to develop competing technology that accelerates the obsolescence of any of our products or services. Additionally, we may be disadvantaged competitively and financially by a significant movement of exploration and production operations to areas of the world in which we are not currently active, particularly if one or more of our competitors is already operating in that area of the world.

Physical dangers are inherent in our operations and may expose us to significant potential losses. Personnel and property may be harmed during the process of drilling for oil and natural gas.

Drilling for and producing hydrocarbons, and the associated products and services that we provide, include inherent dangers that may lead to property damage, personal injury, death or the discharge of hazardous materials into the environment. Many of these events are outside our control. Typically, we provide products and services at a well site where our personnel and equipment are located together with personnel and equipment of our customer and third parties, such as other service providers. At many sites, we depend on other companies and personnel to conduct drilling operations in accordance with appropriate safety standards. From time to time, personnel are injured or equipment or property is damaged or destroyed as a result of accidents, failed equipment, faulty products or services, failure of safety measures, uncontained formation pressures or other dangers inherent in drilling for oil and natural gas. Any of these events can be the result of human error. With increasing frequency, our products and services are deployed on more challenging prospects both onshore and offshore, where the occurrence of the types of events mentioned above can have an even more catastrophic impact on people, equipment and the environment. Such events may expose us to significant potential losses.

We may not be fully indemnified against financial losses in all circumstances where damage to or loss of property, personal injury, death or environmental harm occur.

As is customary in our industry, our contracts typically provide that our customers indemnify us for claims arising from the injury or death of their employees, the loss or damage of their equipment, damage to the reservoir, and pollution originating from the customer's equipment or from the reservoir (including uncontained oil flow from a reservoir). Conversely, we typically indemnify our customers for claims arising from the injury or death of our employees, the loss or damage of our equipment or pollution emanating from our equipment. Our contracts typically provide that our customer will indemnify us for claims arising from catastrophic events, such as a well blowout, fire or explosion.

Our indemnification arrangements may not protect us in every case. For example, from time to time we may enter into contracts with less favorable indemnities or perform work without a contract that protects us;

our indemnity arrangements may be held unenforceable in some courts and jurisdictions; or we may be subject to other claims brought by third parties or government agencies. Furthermore, the parties from which we seek indemnity may not be solvent, may become bankrupt, may lack resources or insurance to honor their indemnities or may not otherwise be able to satisfy their indemnity obligations to us. The lack of enforceable indemnification could expose us to significant potential losses.

Further, our assets generally are not insured against loss from political violence such as war, terrorism or civil commotion. If any of our assets are damaged or destroyed as a result of an uninsured cause, we could recognize a loss of those assets.

Our business may be exposed to uninsured claims and litigation might result in significant potential losses. The cost of our insured risk management program may increase.

In the ordinary course of business, we become the subject of various claims and litigation. We maintain liability insurance, which includes insurance against damage to people, property and the environment, up to maximum limits of $600 million, subject to self-insured retentions and deductibles.

Our insurance policies are subject to exclusions, limitations and other conditions and may not apply in all cases, for example where willful wrongdoing on our part is alleged. It is possible an unexpected judgment could be rendered against us in cases in which we could be uninsured and beyond the amounts we currently have reserved or anticipate incurring, and in some cases those potential losses could be material.

Our insurance may not be sufficient to cover any particular loss, or our insurance may not cover all losses. For example, although we maintain product liability insurance, this type of insurance is limited in coverage and it is possible an adverse claim could arise in excess of our coverage. Finally, insurance rates have in the past been subject to wide fluctuation. In response to the April 2010 catastrophic accident in the Gulf of Mexico, insurance rates are volatile and increasing, and some forms of insurance may become entirely unavailable in the future or unavailable on terms that we or our customers believe are economically acceptable. Reductions in coverage, changes in the insurance markets and accidents affecting our industry may result in further increases in our cost and higher deductibles and retentions in future years and may also result in reduced activity levels in certain markets. Any of these events would have an adverse impact on our financial performance.

Our operations are subject to environmental and other laws and regulations that may expose us to significant liabilities and could reduce our business opportunities and revenues.

We are subject to various laws and regulations relating to the energy industry in general and the environment in particular. An environmental claim could arise with respect to one or more of our current businesses, products or services, or a business or property that one of our predecessors owned or used, and such claims could involve material expenditures. Generally, environmental laws have in recent years become more stringent and have sought to impose greater liability on a larger number of potentially responsible parties. The scope of regulation of our industry and our products and services may increase further, including possible increases in liabilities or funding requirements imposed by governmental agencies. We also cannot ensure that our future business in the deepwater Gulf of Mexico, if any, will be profitable in light of new regulations that have been and may continue to be promulgated and in light of the current risk environment and insurance markets. Further, additional regulations on deepwater drilling elsewhere in the world could be imposed, and those regulations could limit our business where they are imposed.

In addition, members of the U.S. Congress, the U.S. Environmental Protection Agency and various agencies of several states within the U.S. are reviewing more stringent regulation of hydraulic fracturing, a service we provide to clients, and regulators are investigating whether any chemicals used in the fracturing process might adversely affect groundwater or whether the fracturing processes could lead to other unintended effects or damages. In recent years, several states within the U.S. passed new laws and regulations concerning hydraulic fracturing. A significant portion of North American service activity today is directed at prospects that require hydraulic fracturing in order to produce hydrocarbons. Therefore, additional regulation could increase the costs of conducting our business by subjecting fracturing to more stringent regulation. Such regulation, among other things, may change construction standards for wells intended for hydraulic fracturing, require additional certifications concerning the conduct of hydraulic fracturing operations, change requirements pertaining to the management of water used in hydraulic fracturing operations, or require other measures intended to prevent operational hazards. Any such federal, state or foreign legislation could increase our costs of providing services or could materially reduce our business opportunities and revenues if our customers decrease their levels of activity in response to such regulation or if we are not able to pass along any cost increases on to our customers. We are unable to predict whether changes in laws or regulations or any other governmental proposals or responses will ultimately occur, and accordingly, we are unable to assess the potential financial or operational impact they may have on our business.

We conduct some of our business using fixed-fee or turn-key contracts, which subject us to risks associated with cost over-runs, operating cost inflation and potential claims for liquidated damages.

We conduct our business under various types of contracts, including in some cases fixed-fee or turn-key contracts where we estimate costs in advance of our performance. We price these types of contracts based in part on assumptions including prices and availability of labor, equipment and materials as well as productivity, performance and future economic conditions. If our cost estimates prove inaccurate, there are errors or ambiguities as to contract specifications or if circumstances change due to, among other things, unanticipated technical problems, difficulties in obtaining permits or approvals, changes in local laws or labor conditions, weather delays, changes in the costs of equipment and materials or our suppliers' or subcontractors' inability to perform, then cost over-runs may occur. We may not be able to obtain compensation for additional work performed or expenses incurred in all cases. Additionally, in some contracts we may be required to pay liquidated damages if we do not achieve schedule or performance requirements of our contracts. Our failure to accurately estimate the resources and time required for fixed-fee contracts or our failure to complete our contractual obligations within the time frame and costs committed could result in reduced profits or a loss for that contract. If the contract is significant, or we encounter issues that impact multiple contracts, cost over-runs could have a material adverse effect on our business, financial condition and results of operations. For example, during 2013, we recognized estimated project losses of $232 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage of completion method. Total estimated losses on these two projects were $307 million at December 31, 2013.

We have significant operations that would be adversely impacted in the event of war, political disruption, civil disturbance, economic and legal sanctions or changes in global trade policies.

Like most multinational oilfield service companies, we have operations in certain international areas, including parts of the Middle East, Africa, Latin America, the Asia Pacific region and the former Soviet Union, that are subject to risks of war, political disruption, civil disturbance, economic and legal sanctions (such as restrictions against countries that the U.S. government may deem to sponsor terrorism) and changes in global trade policies. Our operations may be restricted or prohibited in any country in which the foregoing risks occur.

In particular, the occurrence of any of these risks could result in the following events, which in turn, could materially and adversely impact our results of operations:

- disruption of oil and natural gas exploration and production activities;
- restriction of the movement and exchange of funds;
- our inability to collect receivables;
- loss of or nationalization of assets in affected jurisdictions;
- enactment of additional or stricter U.S. government or international sanctions; and
- limitation of our access to markets for periods of time.

In early 2011, our operations in Libya, Egypt, Algeria, Tunisia, and to a lesser extent Bahrain and Yemen were disrupted by political revolutions and uprisings in these countries, which had a negative impact on our results for 2011 and 2012. During 2013 and 2012, these six countries accounted for less than 2% of our global revenue, down from 3% in 2011 and 6% in 2010.

Due to the hostilities in Libya, and following an examination of our assets and an evaluation of our accounts receivable, we recognized an expense of $59 million in 2011 to establish a reserve for these assets. We were able to secure our assets and rigs and restart our operations base in Libya in the fourth quarter of 2012 and they have remained secure throughout 2013. At December 31, 2013, we had inventory, property, plant and equipment with a carrying value of approximately $76 million in Libya, as well as $13 million of accounts receivable. We risk loss of assets in any location where hostilities arise and persist. In these areas we also may not be able to perform the work we are contracted to perform, which could lead to forfeiture of performance bonds.

We have been the subject of governmental and internal investigations related to alleged corrupt conduct and violations of U.S. sanctioned country laws, which were costly to conduct, resulted in a loss of revenue and substantial financial penalties and created other disruptions for the business. If we are the subject of such investigations in the future, it could have a material adverse effect on our business, financial condition and results of operations.

On January 17, 2014, the U.S. District Court for the Southern District of Texas approved the settlement agreements between us and certain of our subsidiaries and the U.S. Department of Justice ("DOJ"). On November 26, 2013, we announced that we and our subsidiaries also entered into settlement agreements with the U.S. Departments of Treasury and Commerce and with the SEC, which the U.S. District Court for the Southern District of Texas entered on December 20, 2013. These agreements collectively resolved investigations of prior alleged violations by us and certain of our subsidiaries relating to certain trade sanctions laws, participation in the United Nations oil-for-food program governing sales of goods into Iraq, and non-compliance with the Foreign Corrupt Practices Act ("FCPA").

Approximately $66 million of the $253 million to be paid by us and our subsidiaries under the settlement agreements was paid in January 2014 and the remaining $187 million was paid pursuant to the terms of the settlement agreements in February of 2014. These agreements include a requirement to retain, for a period of at least 18 months, an independent monitor responsible to assess our compliance with the terms of the agreement so as to address and reduce the risk of recurrence of alleged misconduct, after which we would continue to evaluate our own compliance program and make periodic reports to the DOJ and SEC and a requirement to maintain agreed compliance monitoring and reporting systems, all of which is costly to us. These agreements also require us to retain an independent third party to retroactively audit our compliance with U.S. export control laws during the years 2012, 2013 and 2014.

Failure to comply with the terms of the settlement agreements could have serious consequences. Breach of the settlement agreements with the DOJ could subject us and certain of our subsidiaries to prosecution, including for the FCPA and trade sanctions criminal violations that were resolved in the settlement. Under such circumstances, DOJ would be permitted to rely upon the admissions we and certain of our subsidiaries made in the settlement, and would benefit from our waiver of certain procedural and evidentiary defenses. In addition, if we were to breach the terms of the settlement agreements concerning trade sanctions violations, all of our export privileges, and the export privileges of certain of our subsidiaries, could be revoked for one year. Moreover, failure to abide by the terms of the settlement agreements with the SEC or the Commerce or Treasury Departments would permit these agencies to pursue rescission of the settlement agreements, exposing us and certain of our subsidiaries to civil enforcement proceedings in connection with the conduct that had previously been resolved in those settlement agreements.

For additional information about these actions and claims, you should refer to the sections entitled "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 18 – Disputes, Litigation and Contingencies" and "– Note 21 – Subsequent Events."

To the extent we violate trade sanctions laws, the FCPA or other laws or regulations in the future, additional fines and other penalties may be imposed and there would be uncertainty as to the ultimate amount of any penalties we could pay and there can be no assurance that actual fines or penalties, if any, will not have a material adverse effect on our business, financial condition and results of operations.

Our significant operations in foreign countries expose us to currency fluctuation risks or devaluation.

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as Latin America, the Middle East and Southeast Asia, the currency of our primary economic environment is the U.S. dollar, and we use the U.S. dollar as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar, and the functional currency is the applicable local currency.

As a result, we are subject to significant risks, including foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

The credit risks of our concentrated customer base could result in losses.

The concentration of our customers in the energy industry may impact our overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions. Those countries that rely heavily upon income from hydrocarbon exports would be hit particularly hard by a drop in oil prices. Further, laws in some jurisdictions in which we operate could make collection difficult or time consuming. We perform on-going credit evaluations of our customers and do not generally require collateral in support of our trade receivables. While we maintain reserves for potential credit losses, we cannot assure such reserves will be sufficient to meet write-offs of uncollectible receivables or that our losses from such receivables will be consistent with our expectations.

Our business in Venezuela subjects us to actions by the Venezuelan government or our primary customer which could have a material adverse effect on our liquidity, results of operations and financial condition.

The future results of our Venezuelan operations may be adversely affected by many factors, including our ability to take action to mitigate the effect of a further devaluation of the Venezuelan bolivar, the foreign currency exchange rate and exchange controls, other actions of the Venezuelan government and the general economic conditions in the country, resulting from continued inflation and future customer payments and spending. We may continue to see a delay in payment on our receivables from our primary customer in Venezuela or may be compelled to accept bonds as payment, which may then be sold at a loss. On December 17, 2013, we accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold these bonds in a series of transactions recognizing a loss of $58 million. If PDVSA further delays paying or fails to pay a significant amount of our outstanding receivables, or if there is a major action by the Venezuelan government, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Credit rating agencies could lower our credit ratings.

Credit rating agencies could downgrade our credit ratings. Our Standard & Poor's Ratings Services' credit rating on our senior unsecured debt is currently BBB- and our short-term rating is A-3, both with a stable outlook. Our Moody's Investors Ratings Services' credit rating on our unsecured debt is currently Baa2 and our short-term rating is P-2, both with a negative outlook. If our credit ratings are lowered to non-investment grade levels this could limit our ability to refinance our existing debt, could cause us to refinance or issue debt with less favorable terms and conditions and could increase certain fees and interest rates of our borrowings. Suppliers and financial institutions may lower or eliminate the level of credit provided through payment terms or intraday funding when dealing with us thereby increasing the need for higher levels of cash on hand, which would decrease our ability to repay debt balances.

Any capital financing that may be necessary to fund growth may not be available to us at economic rates.

The condition of the credit and equity markets and the potential impact on liquidity of major financial institutions may have an adverse effect on our ability to fund growth opportunities through borrowings, under either existing or newly created instruments in the public or private markets on terms we believe to be reasonable. If we are unable to borrow via debt offerings, our credit facility or commercial paper program, we could experience a reduction of liquidity and may result in difficulty funding our operations, repayment of short-term borrowings, payments of interest and other obligations. This could be detrimental to our business and have a material adverse effect on our liquidity, consolidated results of operations and financial condition.

A terrorist attack could have a material and adverse effect on our business.

We operate in many dangerous countries, such as Iraq, in which acts of terrorism or political violence are a substantial and frequent risk. Such acts could result in kidnappings or the loss of life of our employees or contractors, a loss of equipment, which may or may not be insurable in all cases, or a cessation of business in an affected area. We cannot be certain that our security efforts will in all cases be sufficient to deter or prevent acts of political violence or terrorist strikes against us or our customers' operations.

Our failure to maintain effective internal controls over financial reporting has resulted in governmental investigations and shareholder lawsuits and could further result in material misstatements in our financial statements which, in turn, could require us to restate financial statements, may cause investors to lose confidence in our reported financial information and could have an adverse effect on our share price or our debt ratings.

We have previously identified a material weakness in our internal controls over financial reporting that had resulted in a material weakness in accounting for income taxes. As of December 31, 2013, we have remediated our material weakness in accounting for income taxes. We cannot assure you that additional material weaknesses in our internal controls over financial reporting will not be identified in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional material weaknesses, cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of periodic management evaluations and annual auditor attestation reports regarding the effectiveness of our internal controls over financial reporting. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, cause us to fail to meet our reporting obligations and/or cause investors to lose confidence in our reported financial information, potentially leading to a decline in our share price.

The SEC and DOJ are investigating the circumstances surrounding the prior material weakness in our internal controls over financial reporting for income taxes and the subsequent restatements of our historical financial statements. We are cooperating fully with these investigations. Additionally, in March 2011, a purported shareholder class action captioned *Dobina v. Weatherford International Ltd.*, *et al.*, No. 1:11-cv-01646-LAK (SDNY), was filed in the U.S. District Court for the Southern District of New York, following our announcement on March 1, 2011 of a material weakness in our internal controls over financial reporting for income taxes, and restatement of our historical financial statements. The *Dobina* lawsuit alleged violation of the federal securities laws by us and certain current and former officers. On January 29, 2014, we, together with certain current and former officers, resolved the *Dobina* lawsuit. The settlement is subject to notice to the putative class, approval by the U.S. District Court for the Southern District of New York, and other conditions. Pursuant to the settlement, we will pay approximately $53 million, all of which is recoverable from insurance, in exchange for dismissal with prejudice of the litigation and the unconditional release of all claims, known or unknown, that settlement class members brought or could have brought against us and individual defendants related to the facts and allegations in the litigation. As a condition of the settlement, we and the other defendants deny any liability or wrongdoing related to the allegations in the litigation.

Also in March 2011, a shareholder derivative action was filed purportedly on behalf of the Company against certain current and former officers and directors, alleging breaches of duty related to the material weakness and restatement announcement. In February 2012, a second shareholder derivative action was filed. In March 2012, a second purported securities class action was filed against us and certain current and former officers. That case alleges violation of the federal securities laws related to the restatement of our historical financial statements announced on February 21, 2012, and later added claims related to the announcement of a subsequent restatement on July 24, 2012. For additional information about these actions and claims, you should refer to the section entitled "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 18 – Disputes, Litigation and Contingencies."

We are unable to predict the outcome of these investigations and lawsuits due to the inherent uncertainties they present and we are unable to predict potential outcomes or estimate the range of potential loss contingencies, if any. The government, generally, has a broad range of civil and criminal penalties available for these types of matters under applicable law and regulation, including injunctive relief, fines, penalties and modifications to business practices, some of which, if imposed on us, could be material to our business, financial condition or results of operations. For additional information about these actions and claims, you should refer to the sections entitled "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 18 – Disputes, Litigation and Contingencies" and "– Note 21 – Subsequent Events."

Adverse changes in tax laws both in the United States and abroad, changes in tax rates or exposure to additional income tax liabilities could have a material adverse effect on our results of operations.

In 2002, we reorganized from Delaware to Bermuda and in 2009, we redomesticated from Bermuda to Switzerland. There are frequently legislative proposals in the United States that attempt to treat companies that have undertaken similar transactions as U.S. corporations subject to U.S. taxes or to limit the tax deductions or tax credits available to

United States subsidiaries of these corporations. The realization of the tax benefit of our 2002 reorganization from Delaware to Bermuda and our 2009 redomestication from Bermuda to Switzerland could be impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof or differing interpretation or enforcement of applicable law by the U.S. Internal Revenue Service or other taxing jurisdictions. The inability to realize this benefit could have a material impact on our financial statements.

Our effective tax rate has fluctuated in the past and may fluctuate in the future. Future effective tax rates could be affected by changes in the composition of earnings in countries with differing tax rates, changes in deferred tax assets and liabilities or changes in tax laws. Numerous foreign jurisdictions in which we operate have been influenced by studies performed by the Organization of Economic Cooperation and Development ("OECD") and are increasingly active in evaluating changes to their tax laws. The OECD, which represents a coalition of member countries, has issued various white papers addressing tax Base Erosion and Jurisdictional Profit Shifting. Their recommendations are aimed at combating what they believe is tax avoidance. Changes in tax laws could affect the distribution of our earnings and the results of our operations.

U.S. persons that own, or are deemed to own, 10% or more of our shares may be subject to U.S. federal income taxation under the controlled foreign corporation ("CFC") rules and may also subject the Company to increased taxation. The potential for shareholders to be taxed under the CFC rules may impact demand for our shares.

Currently, certain of our subsidiary corporations are not considered CFCs because they are less than 50% owned by our U.S. group of subsidiaries and other 10% or greater shareholders. However, there is a risk that if a U.S. shareholder holds 10% or more of our shares, directly, indirectly or by attribution, that some of our subsidiaries could be classified as CFCs for U.S. federal income tax purposes. If one or more of our subsidiaries is classified as a CFC, any shareholder that is a U.S. person that owns, directly or indirectly or by attribution, 10% or more of our outstanding shares, as well as the Company, may be subject to U.S. income taxation at ordinary income tax rates on all or a portion of the CFC's undistributed earnings and profits attributable to "subpart F income." The CFC rules are complex and U.S. persons that hold our shares are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances. The risk of being subject to increased taxation may deter our current shareholders from acquiring additional ordinary shares or new shareholders from establishing a position in our ordinary shares. Either of these scenarios could impact the demand for, and value of, our shares.

The rights of our shareholders are governed by Swiss law and documents following the redomestication.

The rights of our shareholders are governed by Swiss law and Weatherford Switzerland's articles of association and organizational regulations. The rights of shareholders under Swiss law differ from the rights of shareholders of companies incorporated in other jurisdictions. For example, directors of Weatherford Switzerland may be removed by shareholders with or without cause, but such removal requires the vote of shareholders holding at least 66 2/3% of the voting rights and the absolute majority of the par value of the registered shares represented at the meeting as well as a quorum of at least two-thirds of the registered shares recorded in the share register.

The recent adoption of the Ordinance Against Executive Compensation by the Swiss Federal Council could have a material adverse effect on our business, financial condition and results of operations.

On November 20, 2013, the Swiss Federal Council approved the final Ordinance Against Executive Compensation, commonly known as the Minder Initiative. Starting January 1, 2014, all Swiss companies that are publicly traded on any exchange, including us, are subject to the ordinance. The Minder Initiative requires a mandatory, binding shareholder vote on director and executive management compensation (starting in 2015), requires separate votes for the chairman of the board, board members, compensation committee members and independent proxy holder, prohibits severance payments to directors and executive management and will require substantial amendments to our articles of association and additional proxy disclosure and reports. We believe the adoption of this ordinance may have significant consequences for our corporate governance practices as well as our executive compensation, which in turn, may affect our ability to attract and retain executives. Additionally, implementation of changes required by the Minder Initiative is expected to be cumbersome and costly, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, we are subject to the Exchange Act and its proxy rules, which provide for a non-binding say-on-pay vote by our shareholders for compensation of our chief executive officer, chief financial officer, and three other most highly compensated executive officers and other disclosures relating to our executive compensation. The regulatory requirements under the Minder Initiative for executive compensation are inconsistent with the proxy rules, both of which are applicable to us, and could lead to confusing and inconsistent proposals to our shareholders for approval at annual general meetings and inconsistencies in executive compensation disclosure in related proxy statements and our other SEC disclosure documents. Any other voter or other initiatives that result in changes in Swiss corporate law could also have a material adverse effect on our business, financial condition and results of operations.

We hold shareholder meetings in Switzerland, and our required quorum for those meetings is lower.

We hold shareholders meetings in Switzerland, which may make attendance in person more difficult for some investors. For shareholders meetings for the transaction of any business other than removal of a director or certain other specified resolutions, a quorum comprises at least one-third of the registered shares recorded in the share register and entitled to vote (and at least two-thirds of the registered shares recorded in the share register and entitled to vote for the removal of directors and certain other specified resolutions).

The divestiture of certain of our non-core business lines may not be completed on the currently contemplated timeline, or at all, and we may not achieve the intended benefits.

In November 2013, we announced our intention to divest certain of our non-core business lines (land drilling rigs, drilling fluids, pipeline and specialty services, testing and production services, and wellheads) and target dates for completing these divestitures. Each of the proposed divestitures is complex in nature and may be affected by unanticipated developments, delays in obtaining regulatory or governmental approvals, challenges in establishing processes and infrastructure and changes in market conditions for both the underlying business and for potential investors or buyers in the targeted businesses. In addition, accomplishing the divestitures will incur considerable expense and require significant time and attention from management and our employees, which could distract them from other tasks in operating our business. Any or all of these proposed divestitures may take longer than we currently anticipate and may lead to the divestitures occurring under less favorable conditions (or not occurring at all), or without our fully realizing the intended benefits of such transactions.

ITEM 1B Unresolved Staff Comments

None.

ITEM 2 Properties

Our operations are conducted in over 100 countries and we have manufacturing facilities, research and technology centers, fluids and processing centers and sales, service and distribution locations throughout the world. The following sets forth the location of our principal owned or leased facilities for our operations by geographic segment as of December 31, 2013:

Region	Specific Location
North America:	Greenville, Katy, Pasadena and San Antonio, Texas; Schriever, Louisiana; Leetsdale, Pennsylvania; New Brighton, Minnesota; Williston, North Dakota; and Nisku, Canada.
Latin America:	Poza Rica, Reynosa, Venustiano Carranza and Ciudad Del Carmen, Mexico; Ciudad Ojeda, Venezuela; and Rio de Janeiro, Brazil.
Europe/SSA/Russia:	Lukhovitsy and Nizhnevartovsk, Russia; Langenhagen, Germany; and Stavanger, Norway.
MENA/Asia Pacific:	Tianjin and Shifang, China; Kurdistan, Iraq; Abu Dhabi and Jebel Ali, United Arab Emirates; Dharan, Saudi Arabia; and Singapore, Singapore.

Our headquarters are in Geneva, Switzerland and our corporate offices are located in Houston, Texas. We own or lease numerous other facilities such as service centers, shops and sales and administrative offices throughout the geographic regions in which we operate. All of our owned properties are unencumbered. We believe that our facilities that we currently occupy are suitable for their intended use.

ITEM 3 Legal Proceedings

In the ordinary course of business, we are the subject of various claims and litigation. We maintain insurance to cover many of our potential losses, and we are subject to various self-retention limits and deductibles with respect to our insurance.

Please see the following:

- "Item 1. – Business – Other Business Data – Federal Regulation and Environmental Matters," which is incorporated by reference into this item.
- "Item 1A. – Risk Factors" – We have been the subject of governmental and internal investigations related to alleged corrupt conduct and violations of U.S. sanctioned country laws, which were costly to conduct, resulted in a loss of revenue and substantial financial penalties and created other disruptions for the business. If we are the subject of such investigations in the future, it could have a material adverse effect on our business, financial condition and results of operations," which is incorporated by reference into this item.
- "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 18 – Disputes, Litigation and Contingencies" and "– Note 21 – Subsequent Events."

Although we are subject to various on-going items of litigation, we do not believe it is probable that any of the items of litigation to which we are currently subject will result in any material uninsured losses to us. It is possible, however, that an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases that would result in a liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material.

ITEM 4 Mine Safety Disclosures

Not applicable.

PART II

ITEM 5 Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Our shares are traded under the symbol "WFT" on the New York Stock Exchange ("NYSE"), the Euronext-Paris Exchange and the SIX Swiss Exchange. As of February 14, 2014, there were 2,204 shareholders of record. The following table sets forth, for the periods indicated, the range of high and low sales prices per share for our stock as reported on the NYSE.

	Price	
	High	Low
Year ending December 31, 2013		
First Quarter	$ 13.70	$ 11.08
Second Quarter	14.65	11.66
Third Quarter	15.80	13.60
Fourth Quarter	17.38	14.44
Year ending December 31, 2012		
First Quarter	$ 18.33	$ 14.57
Second Quarter	15.47	11.14
Third Quarter	14.04	11.17
Fourth Quarter	12.92	8.84

On February 14, 2014, the closing sales price of our shares as reported by the NYSE was $14.78 per share. We have not declared or paid cash dividends on our shares since 1984. We intend to retain any future earnings and do not expect to pay any cash dividends in the near future.

Under our restricted share plan, employees may elect to have us withhold shares to satisfy minimum statutory federal, state and local tax withholding obligations arising on the vesting of restricted stock awards and exercise of options. When we withhold these shares, we are required to remit to the appropriate taxing authorities the market price of the shares withheld, which could be deemed a purchase of shares by us on the date of withholding. During the quarter ended December 31, 2013, we withheld shares to satisfy these tax withholding obligations as follows:

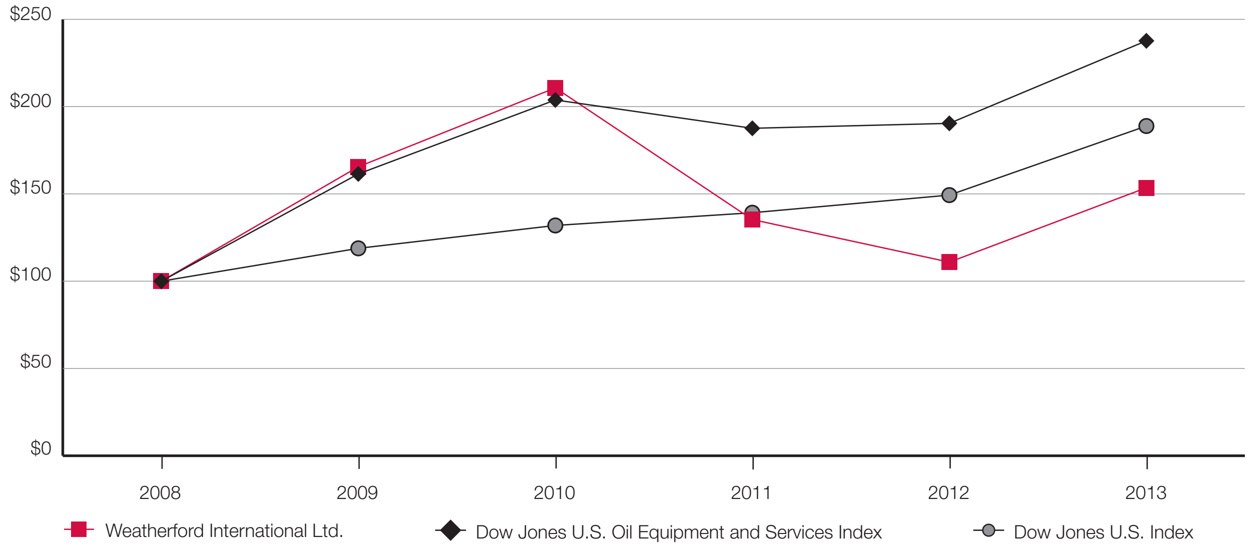
Period	No. of Shares	Average Price
October 1 - October 31, 2013	18,342	$ 15.63
November 1 - November 30, 2013	140,450	16.98
December 1 - December 31, 2013	151,129	13.86

Information concerning securities authorized for issuance under equity compensation plans is set forth in Part III of this report under "Item 12(d). – Securities Authorized for Issuance Under Equity Compensation Plans," which is incorporated by reference into this item.

Performance Graph

This graph compares the yearly cumulative return on our shares with the cumulative return on the Dow Jones U.S. Oil Equipment & Services Index and the Dow Jones U.S. Index for the last five years. The graph assumes the value of the investment in our shares and each index was $100 on December 31, 2008. The stockholder return set forth below is not necessarily indicative of future performance. The following graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

Comparison of Five-Year Cumulative Total Return Weatherford Common Stock, the Dow Jones U.S. Oil Equipment and Services Index and the Dow Jones U.S. Index



ITEM 6 Selected Financial Data

The following table sets forth certain selected historical consolidated financial data and should be read in conjunction with "Item 7. – Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. – Financial Statements and Supplementary Data," which contain information on the comparability of the selected financial data and are both contained in this report. Discussion of material uncertainties is included in "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 18 – Disputes, Litigation and Contingencies." The following information may not be indicative of our future operating results.

	Year Ended December 31,				
(Dollars in millions, except per share amounts)	**2013**	**2012**	**2011**	**2010**	**2009**
Statements of Operations Data:					
Revenues	$ 15,263	$ 15,215	$ 12,988	$ 10,221	$ 8,833
Operating Income	523	298	1,307	774	687
Income (Loss) From Continuing Operations Attributable To Weatherford	(345)	(778)	189	(217)	87
Basic Earnings (Loss) Per Share From Continuing Operations Attributable To Weatherford	(0.45)	(1.02)	0.25	(0.29)	0.12
Diluted Earnings (Loss) Per Share From Continuing Operations Attributable To Weatherford	(0.45)	(1.02)	0.25	(0.29)	0.12
Balance Sheet Data:					
Total Assets	$ 21,977	$ 22,795	$ 21,051	$ 19,199	$ 18,782
Long-term Debt	7,061	7,049	6,286	6,530	5,847
Shareholders' Equity	8,203	8,818	9,345	9,118	9,175
Cash Dividends Per Share	—	—	—	—	—

ITEM 7 Management's Discussion and Analysis of Financial Condition and Results of Operations

Our Management's Discussion and Analysis of Financial Condition and Results of Operations begins with an executive overview that provides a general description of our Company, a synopsis of industry market trends, insight into management's perspective of the opportunities and challenges we face and our outlook for 2014. Next, we analyze the results of our operations for the last three years, including the trends in our business. We then review our cash flows and liquidity, capital resources and contractual commitments. We conclude with an overview of our critical accounting policies and estimates and a summary of recently issued accounting pronouncements.

The following discussion should be read in conjunction with our Consolidated Financial Statements and Notes thereto included in "Item 8. – Financial Statements and Supplementary Data." Our discussion includes various forward-looking statements about our markets, the demand for our products and services and our future results. These statements are based on certain assumptions we consider reasonable. For information about these assumptions, you should refer to the section entitled "Forward-Looking Statements" and the section entitled "Item 1A. – Risk Factors."

Overview

General

Our principal business is to provide equipment and services to the oil and natural gas exploration and production industry both on land and offshore, through our two product service line groups: (1) Formation Evaluation and Well Construction and (2) Completion and Production, which together comprise a total of 15 service lines.

- ***Formation Evaluation and Well Construction*** service lines include Controlled-Pressure Drilling and Testing, Drilling Services, Tubular Running Services, Drilling Tools, Integrated Drilling, Wireline Services, Re-entry and Fishing, Cementing, Liner Systems, Integrated Laboratory Services and Surface Logging.
- ***Completion and Production*** service lines include Artificial Lift Systems, Stimulation and Chemicals, Completion Systems and Pipeline and Specialty Services.

We may sell our products and services separately or may bundle them together to provide integrated solutions, up to and including integrated well construction where we are responsible for the entire process of drilling, constructing and completing a well. Our customers include both exploration and production companies and other oilfield service companies. Depending on the service line, customer and location, our contracts vary in their terms, provisions and indemnities. We earn revenues under our contracts when products and services are delivered. Typically, we provide products and services at a well site where our personnel and equipment may be located together with personnel and equipment of our customer and third parties, such as other service providers. Our services are usually short-term in nature; day-rate based and cancellable should our customer wish to alter the scope of work. Consequently, our backlog of firm orders is not material to the Company.

We conduct operations in over 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our operational performance is reviewed on a geographic basis and we report the following regions as separate, distinct reporting segments: North America, Latin America, Europe/SSA/Russia, MENA/Asia Pacific.

Industry Trends

Changes in the current price and expected future prices of oil and natural gas influence the level of energy industry spending. Changes in expenditures result in an increased or decreased demand for our products and services. Rig count is an indicator of the level of spending for the exploration for and production of oil and natural gas reserves. The following chart sets forth certain statistics that reflect historical market conditions:

	WTI Oil[(a)]	Henry Hub Gas[(b)]	North American Rig Count[(c)]	International Rig Count[(c)]
2013	$ 98.42	$ 4.19	2,129	1,320
2012	91.82	3.35	2,178	1,260
2011	98.83	2.99	2,481	1,188

(a) Price per barrel of West Texas Intermediate ("WTI") crude oil as of the last business day of the year indicated at Cushing Oklahoma – Source: Thomson Reuters

(b) Price per MM/BTU as of the last business day of the year indicated at Henry Hub Louisiana – Source: Thomson Reuters

(c) Average rig count for the fourth quarter – Source: Baker Hughes Rig Count

Oil prices fluctuated during 2013, ranging from a high of $110.53 per barrel in early September to a low of $86.68 per barrel in mid-April. Natural gas ranged from a high of $4.50 MM/BTU in late December to a low of $3.11 MM/BTU in early January. Factors influencing oil and natural gas prices during the period include hydrocarbon inventory levels, realized and expected global economic growth, realized and expected levels of hydrocarbon demand, levels of spare production capacity within the Organization of Petroleum Exporting Countries ("OPEC"), weather and geopolitical uncertainty.

Opportunities and Challenges

Our industry offers many opportunities and challenges. The cyclicality of the energy industry impacts the demand for our products and services. Certain of our products and services, such as our drilling and evaluation services, well installation services and well completion services, depend on the level of exploration and development activity and the completion phase of the well life cycle. Other products and services, such as our production optimization and artificial lift systems, are dependent on production activity. We have created a long-term strategy aimed at growing our businesses, servicing our customers, and most importantly, creating value for our shareholders. The success of our long-term strategy will be determined by our ability to manage effectively any industry cyclicality, respond to industry demands, successfully maximize the benefits from our acquisitions and successfully complete the disposition of our non-core businesses.

Outlook

In 2014, we expect to achieve improved profitability by focusing the organization on growing our core businesses, making our cost base more efficient, divesting our non-core businesses and reducing our debt. We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or dispositions of assets, businesses, investments or joint ventures. We evaluate our disposition candidates based on the strategic fit within our business and/or objectives. In November 2013, we announced our intention to divest certain non-core business lines (land drilling rigs, drilling fluids, pipeline and specialty services, testing and production services and wellheads) and target dates for completing these divestitures. The cash proceeds from these divestitures will be used to pay down debt. On January 30, 2014, we announced, as an important step in making our cost base more efficient, that we would reduce our workforce by 7,000 employees, primarily from our fixed support cost base. The workforce reduction is expected to be completed during the first half of 2014 and is designed to lighten our support structure as a complement to our planned divestiture program. Our strategic business reviews of operations that do not generate good margins and are a drain on our cash flow are underway, and we expect to begin eliminating select operations in certain markets in the second quarter of 2014. We expect these actions will bring additional costs savings, in the form of headcount reduction as well as other areas.

In 2014, we expect revenue growth, primarily in our core businesses, in North America, Europe/SSA/Russia and MENA/Asia Pacific regions while Latin America is expected to decline. Overall margins will improve as a result of lower costs and the growth in our more profitable core businesses. The revenue growth and margins will show improvements throughout the year, but will be stronger in the second half of 2014. Our effective tax rate is expected to be between 25% and 35% and will depend on the geographical mix of earnings. Capital expenditures are targeted at approximately 8% of revenues. The continued focus on reducing working capital coupled with improved earnings is expected to generate improved positive free cash flow during 2014.

We believe the long-term outlook for our businesses is favorable. As well production decline rates accelerate and reservoir productivity complexities increase, our clients will continue to face growing challenges securing desired rates of production growth. These challenges increase our customers' requirements for technologies that improve productivity and efficiency and increase demand for our products and services. These factors provide us with a positive outlook for our core businesses over the longer term. The level of improvement in our businesses in the future will continue to depend heavily on pricing and volume increases, our control of costs and our ability to further penetrate existing markets with our younger technologies, as well as to successfully introduce these technologies to new markets.

The continued and increasing strength of the industry, including client spending, will be highly dependent on many external factors, such as world economic and political conditions, the price of oil and natural gas, member-country quota compliance within OPEC and weather conditions, including the factors described in the section entitled "Forward-Looking Statements" and the section entitled "Item 1A. – Risk Factors."

Results of Operations

The following charts contain selected financial data comparing our consolidated and segment results from operations for 2013, 2012 and 2011. See "Notes to Consolidated Financial Statements – Note 20 – Segment Information" for additional information regarding variances in operating income.

	Year Ended December 31,		
(Dollars in millions, except per share data)	**2013**	**2012**	**2011**
Revenues:			
North America	$ 6,390	$ 6,824	$ 6,023
MENA/Asia Pacific	3,344	2,795	2,441
Europe/SSA/Russia	2,693	2,519	2,298
Latin America	2,836	3,077	2,226
	15,263	15,215	12,988
Operating Income (Expense):			
North America	820	1,078	1,259
MENA/Asia Pacific	(96)	34	25
Europe/SSA/Russia	288	315	287
Latin America	306	395	254
Research and Development	(266)	(257)	(245)
Corporate Expenses	(200)	(196)	(177)
Goodwill and Equity Investment Impairment	—	(793)	—
U.S. Government Investigation Loss	(153)	(100)	—
Other Items	(176)	(178)	(96)
	523	298	1,307
Interest Expense, Net	(516)	(486)	(453)
Devaluation of Venezuelan Bolivar	(100)	—	—
Other, Net	(77)	(100)	(107)
Provision for Income Tax	(144)	(462)	(542)
Net Income (Loss) per Diluted Share	(0.45)	(1.02)	0.25
Depreciation and Amortization	1,402	1,282	1,136

Revenues

The following chart contains the percentage distribution of our consolidated revenues by product service line group for 2013, 2012 and 2011:

	Year Ended December 31,		
	2013	2012	2011
Formation Evaluation and Well Construction	61%	56%	57%
Completion and Production	39	44	43
TOTAL	**100%**	**100%**	**100%**

Consolidated revenues increased $48 million in 2013 compared to 2012. International revenues increased $482 million, or 6%, in 2013 compared to 2012, on a 5% increase in the 2013 annual international average rig count. International revenues include revenue from all segments other than North America. Increased activity in the eastern hemisphere, primarily due to higher demand for our drilling services, well construction, artificial lift and integrated drilling product service lines, was the driver for the increase compared to 2012. Revenue in our North America segment decreased $434 million, or 6%, in 2013 compared to the prior year, on a 7% decrease in 2013 annual North American average rig count. The decrease in revenue was due to reduced demand and the associated pricing pressure on our pressure pumping and wireline service lines as well as the sale of our industrial screen business in the first half of 2013.

Consolidated revenues increased $2.2 billion, or 17%, in 2012 compared to 2011. North America segment revenues increased $801 million, or 13%, in 2012 compared to 2011, on a 1% decrease in rig count. International revenues increased $1.4 billion, or 20%, on a 6% rig count increase. Latin America was the strongest contributor to our year-over-year international revenue growth. From a service line perspective, artificial lift, integrated drilling, and pipeline and specialty services experienced the strongest growth in 2012.

Operating Income

Consolidated operating income increased $225 million, or 76%, in 2013 compared to 2012, primarily due to the 2012 goodwill and equity investment impairment charges totaling $793 million. Excluding these impairment charges, operating income declined $568 million, driven by a $504 million decrease from our operating segments income primarily due to pricing pressure and decreased demand across most service lines in our North America segment as compared to 2012, as well as estimated losses of $232 million for our long-term early production facility construction contracts in Iraq. In 2013, we recognized bad debt expense of $98 million, of which $59 million was in Latin America and almost entirely attributable to a $58 million loss on PDVSA bond exchange for Venezuelan accounts receivable, $27 million in MENA/Asia Pacific, $10 million in Europe/SSA/Russia and $2 million in North America.

During 2013, we recorded a $153 million accrual related to U.S. government investigations and recognized other items of $176 million, including $67 million in professional fees and expenses related to the settlement of the U.S. government investigations and the remediation of our material weakness related to income taxes, $94 million of severance, and $15 million of exit costs and other items, net of $24 million of gains related to the sale of our 38.5% equity interest in Borets International Limited ("Borets") and our industrial screen business.

Consolidated operating income decreased $1 billion, or 77%, in 2012 compared to 2011. Our operating segments contributed to only $3 million of the decrease. The primary drivers of the decline in operating income were the recognition of goodwill and equity investment impairment charges of $793 million, a $100 million accrual related to settlement of U.S. government investigations and an $82 million increase in other items expenses compared to 2011. Research and development expenditures represented a consistent 2% of revenues in both 2012 and 2011. The increase in our corporate general and administrative expenses is primarily attributable to increased personnel cost and professional services fees.

We incurred $178 million of net other items during 2012, which included $103 million of professional fees associated with our income tax restatement and material weakness remediation, $79 million of severance, exit and other charges, including $13 million of costs incurred in connection with investigations by the U.S. government, $12 million of total costs, including fees and expenses, associated with our 2012 debt consent solicitation, offset by a $28 million gain related to the sale of our subsea controls business.

We incurred $96 million of net other items during 2011, which included $55 million of severance, exit and other charges, income tax restatement and material weakness remediation expenses of $22 million, $10 million of costs incurred in connection with investigations by the U.S. government and $9 million associated with the termination of a corporate consulting contract.

Devaluation of Venezuelan Bolivar

Effective January 1, 2011, the Venezuelan government modified the fixed rate of exchange, eliminating the previous two-tier structure and establishing 4.30 per dollar as the official exchange rate of the Venezuelan bolivar for all goods and services. This modification did not have a material impact to our financial position or results of operations.

On February 8, 2013, the Venezuelan government announced its intention to further devalue its currency effective February 13, 2013 at which time the official exchange rate moved from 4.30 per dollar to 6.30 per dollar for all goods and services. In connection with this devaluation, we recognized a charge of $100 million in 2013 for the remeasurement of our net monetary assets denominated in the Venezuelan bolivar at the date of the devaluation, which was not tax deductible in Venezuela. We also recorded a $6 million benefit for Venezuelan income tax purposes related to our net U.S. dollar determined tax liability in the country.

As of December 31, 2013, we had a net monetary asset position denominated in Venezuelan bolivars of approximately $238 million, comprised primarily of accounts receivable and current liabilities. We are continuing to explore opportunities to reduce our exposure, but should another devaluation occur in the future, we may be required to take further charges related to the remeasurement of our net monetary asset position.

Interest Expense, Net

Interest expense, net increased $30 million, or 6%, in 2013 compared to 2012 due to increases in our levels of indebtedness. Interest expense, net increased $33 million, or 7%, in 2012 compared to 2011 due to increases in our levels of indebtedness. In both years the increase in indebtedness was largely via our commercial paper program.

Other Expense, Net

Other expense, net was $77 million in 2013, $100 million in 2012 and $107 million in 2011, and these expenses primarily represent foreign currency exchange losses, excluding the devaluation of the Venezuelan bolivar, associated with our foreign denominated net asset or liability positions relative to the strength of the U.S. dollar. In addition, during 2013 we recognized a charge of approximately $100 million on the devaluation of the Venezuelan bolivar. Due to the magnitude the 2013 devaluation of the Venezuelan bolivar we have provided a discussion mentioned previously under the heading "Devaluation of Venezuelan Bolivar."

Income Taxes

We provide for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes. We are exempt from Swiss cantonal and communal tax on income derived outside Switzerland, and are also granted participation relief from Swiss federal tax for qualifying dividend income and capital gains related to the sale of qualifying investments in subsidiaries. We expect that the participation relief will result in a full exemption of participation income from Swiss federal income tax.

The relationship between our pre-tax income or loss from continuing operations and our income tax benefit or provision varies from period to period as a result of various factors which include changes in total pre-tax income or loss, the jurisdictions in which our income is earned, the tax laws in those jurisdictions, the impacts of tax planning activities and the resolution of tax audits. Our income derived in Switzerland is taxed at a rate of 7.83%; however, our effective rate is substantially above the Swiss statutory tax rate as the majority of our operations are taxed in jurisdictions with much higher tax rates.

Our provision for income taxes in the countries in which we operate was $144 million in 2013, $462 million in 2012 and $542 million in 2011, which resulted in an effective tax rate of (85)%, (160)% and 73%, respectively. Our provision for income taxes was significantly impacted by discrete tax expense items in each of these years. In 2013, our income before tax includes a $153 million charge for the settlement of the United Nations oil-for-food program governing sales of goods into Iraq and FCPA matters, a $299 million loss on certain projects in Iraq, a $98 million Venezuela notes receivable impairment charge and other bad debt expense and a $100 million loss due to the devaluation of the Venezuelan bolivar, all with no or little tax benefit. Our 2013 tax provision includes certain discrete tax benefits primarily due to tax planning activities, decreases in reserves for uncertain tax positions due to statute of limitation expiration and audit closures and the enactment of the American Taxpayer Relief Act, which decreased our effective tax rate for the period. In 2012, our results include a $589 million goodwill impairment charge, which was substantially non-deductible, a $204 million equity method impairment charge and a $100 million accrual for a loss contingency, both of which are fully non-deductible. In 2011, we recognized $20 million of withholding tax on the redemption of equity in one of our U.S. subsidiaries. Our results in 2013 and 2012 included significant losses in Iraq with a valuation allowance of $134 million and $72 million, respectively.

Our effective tax rate for these periods was also negatively impacted by the taxing regimes in certain countries and our operating structure. Several of the countries in which we operate, primarily in our MENA/Asia Pacific segment, tax us based on “deemed,” rather than actual, profits. We are not currently profitable in certain of those countries, which results in us accruing and paying taxes based on a “deemed profit” instead of recognizing no tax expense or potentially recognizing a tax benefit. Our operating structure results in us paying withholding taxes on intercompany charges for items such as rentals, management fees, royalties, and interest as well as on applicable third party transactions. Such withholding taxes were $85 million in 2013, $138 million in 2012 and $94 million in 2011. We also incur pre-tax losses in certain jurisdictions that do not have a corporate income tax and thus we are not able to recognize an income tax benefit on those losses.

Our effective tax rate decreased from 2012 to 2013 primarily due to tax restructuring benefits and decrease in our reserve for uncertain tax positions due to audit settlements and statue expirations. These reductions were partially offset by higher valuation allowances recognized in 2013, mainly as a result of an increase of losses on certain projects in Iraq and the loss due to the devaluation of the Venezuelan bolivar. Our effective tax rate increased from 2011 to 2012 due primarily to significant impairment charges and accrual for a loss contingency that are not deductible for tax. Our effective tax rate will generally be lower in periods of higher pre-tax earnings as the rate impact of certain of the items discussed above is mitigated by the higher earnings.

Segment Results

North America

North America segment revenues decreased $434 million, or 6%, in 2013 compared to 2012. The 2013 North America average rig count decreased 7% compared to 2012. The decline in revenues was primarily due to reduced demand and the related pricing pressure on our pressure pumping and wireline service lines, as well as a decline in our industrial screens revenue due to the sale of this business unit in 2013. These declines were partially offset by an increase in service line revenues from our well construction services.

Operating income decreased $258 million, or 24%, in 2013 compared to 2012. Declines in operating margin are primarily attributable to pressure pumping margin declines due to price reductions and higher fixed costs, as well as lower gross profit in drilling services driven by a decline in activity. Operating margins were 13% in 2013 compared to 16% in 2012. These margin declines were partially offset by increases in artificial lift operating margins due to increased demand and utilization of our products and services.

North America revenues increased $801 million, or 13%, in 2012 compared to 2011 on a 1% decrease in average rig count in North America over the comparable period. Revenues increased due to higher demand for our well construction, artificial lift systems, drilling services and completions services, which were our strongest service line contributors year-over-year.

Operating income decreased $181 million, or 14%, in 2012 compared to 2011. Operating margins fell to 16% in 2012 compared to 21% in 2011. Pricing pressures in stimulation contributed to the decline in margins over the comparable period of the prior year. Also, during 2012, we recognized charges attributable to the North America reporting segment totaling $51 million to adjust the carrying value of our guar inventory, a component of certain drilling fluids, to the lower of cost or market, and for excess and obsolete inventory.

MENA/Asia Pacific

MENA/Asia Pacific revenues increased $549 million, or 20%, which includes $512 million related to projects in Iraq, in 2013 compared to 2012. The increased revenue was due to higher demand for our drilling services, well construction and artificial lift service lines primarily in Iraq, Saudi Arabia and United Arab Emirates.

Operating income decreased $130 million in 2013 compared to 2012. The 2013 decrease in operating income is primarily due to increased costs in completions, drilling services and integrated drilling, and the additional losses on the long-term early production facility construction contracts in Iraq, accounted for under the percentage of completion method. During 2013, we recognized estimated project losses of $232 million related to these construction contracts. Total estimated losses on these projects were $307 million at December 31, 2013. During 2013, we recognized bad debt expense of $27 million in the MENA/Asia Pacific reporting segment.

MENA/Asia Pacific revenues increased $354 million, or 15%, in 2012 compared to 2011, outpacing the 10% increase in rig count. The increase in revenues is attributable to the contribution made by several key countries including Iraq, Saudi Arabia and Oman. Increased demand for our drilling services, integrated drilling, artificial lift systems and completions service lines were the strong contributors in the region.

Operating income increased $9 million, or 36%, in 2012 as compared to 2011 and operating margins were flat. Losses incurred in our Iraq operations during 2012 of $189 million were more than offset by increases in operating income in Saudi Arabia and in Asia Pacific countries. During 2012, we recognized a charge for excess and obsolete inventory of $16 million attributable to the MENA/Asia Pacific reporting segment.

In early 2011, our operations in Libya, Algeria, Tunisia, Egypt, and to a lesser extent Yemen and Bahrain were disrupted by political revolutions and uprisings in these countries, which had a negative impact on our results for 2011 and 2012. During 2013 and 2012, these six countries accounted for less than 2% of our global revenue, down from 3% in 2011 and 6% in 2010.

Due to the hostilities in Libya, and following an examination our assets and an evaluation of our accounts receivable, we recognized an expense of $59 million in 2011 to establish a reserve for these assets. We were able to secure our assets and rigs and restart our operations base in Libya in the fourth quarter of 2012 and they have remained secure throughout 2013. At December 31, 2013, we had inventory, property, plant and equipment with a carrying value of approximately $76 million in Libya, as well as $13 million of accounts receivable.

Europe/SSA/Russia

Revenues in our Europe/SSA/Russia segment increased $174 million, or 7%, in 2013 compared to 2012. The region realized strong performances due to increased activity in integrated drilling in Russia. In addition, Russia and SSA, particularly in Gabon, Congo and Cameroon, had higher demand for our drilling services in 2013.

Operating income decreased $27 million, or 9%, in 2013 compared to 2012. Operating margins were 11% in 2013 and 13% in 2012. The decrease in operating income and margins was due to increased costs for drilling equipment in Russia, relative to the prior year related to drilling services, integrated drilling and pipeline and specialty services activity.

Revenues in our Europe/SSA/Russia segment increased $221 million, or 10%, in 2012 compared to 2011, with a 6% rig count increase over the comparable period. Our integrated drilling, completions, pipeline and specialty services and drilling tool service lines were the strongest contributors to the year-over-year growth.

Operating income increased $28 million, or 10%, in 2012 compared to 2011. Operating margins were flat when compared to 2011. With consistent margins the increases are attributable to integrated drilling, completions, pipeline and specialty services and drilling tool service lines, which offset a charge recognized during 2012 for excess and obsolete inventory of $11 million attributable to the Europe/SSA/Russia reporting segment.

Latin America

Revenues in our Latin America segment decreased $241 million, or 8%, in 2013 compared to 2012 largely due to lower demand for our artificial lift and integrated drilling services in Mexico, Venezuela and Brazil, partially offset by increased demand for our well construction and pipeline and specialty services.

Operating income decreased $89 million, or 23%, in 2013 compared to 2012 due in part to a $58 million loss recognized upon settlement of $127 million in outstanding receivables due from PDVSA. On December 17, 2013, we accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold these bonds in a series of transactions recognizing a bad debt expense of $58 million. Operating margins were 11% in 2013 and 13% in 2012 due primarily to higher bad debt expenses in the region. Without this bad debt expense, operating margin in 2013 would have been 13%.

Latin American revenues increased $851 million, or 38%, in 2012 compared to 2011, despite a flat average rig count for the region. The increase in revenue was mostly due to improved demand in our integrated drilling, artificial lift systems, completions and stimulation and chemicals service lines. Geographically, Colombia, Mexico and Venezuela contributed significant revenue improvements.

Operating income for Latin America increased $141 million, or 56%, in 2012 compared to 2011. Operating margins were 13% in 2012 compared to 11% in 2011. A main driver of this increase was the extent of progress on our project work in Mexico. During 2012, we recognized a charge for excess and obsolete inventory of $5 million attributable to the Latin America reporting segment.

Liquidity and Capital Resources

Cash Flows

	Year Ended December 31,		
(Dollars in millions)	**2013**	**2012**	**2011**
Net cash provided by operating activities	$ 1,229	$ 1,221	$ 852
Net cash used by investing activities	(1,104)	(2,306)	(1,674)
Net cash provided by financing activities	6	1,012	777

At December 31, 2013, we had cash and cash equivalents of $435 million compared to $300 million at December 31, 2012. Cash flows provided by operating activities were $1.2 billion during both 2013 and 2012. Our net loss decreased by $436 million for 2013 compared to the net loss in 2012, primarily due to the non-cash charges related to the impairment of goodwill and equity investment which occurred in 2012 that did not recur in 2013. The change in our net working capital provided operating cash flows of $186 million.

At December 31, 2012, we had cash and cash equivalents of $300 million compared to $371 million at December 31, 2011. Cash flow from operating activities provided $1.2 billion during 2012 compared to $852 million during 2011. Our net loss in 2012 was $750 million compared to a net income of $205 million in 2011. Non-cash charges in 2012 were higher by $891 million compared to 2011, primarily due to the impairment of goodwill and equity investment which occurred in 2012. The net change in our total operating assets and liabilities used $433 million less cash in 2012 than in 2011.

Investing Activities

The main driver of our investing cash flow activities is capital expenditures for property, plant and equipment. Capital expenditures were $1.6 billion in 2013, $2.2 billion in 2012 and $1.5 billion in 2011. The amount we spend for capital expenditures varies each year based on the type of contracts in which we enter, our asset availability and our expectations with respect to industry activity levels in the following year.

Investing activities also include net cash amounts paid for acquisitions and net proceeds received for sales of assets, businesses and equity investments. Cash proceeds received from dispositions were $488 million in 2013, primarily from the sale of our 38.5% equity interest in Borets and our industrial screen business. Cash proceeds received from dispositions were $61 million from the sale of our subsea controls business in 2012 and $31 million from other dispositions in 2011. We paid $17 million for acquisitions in 2013, $190 million in 2012 and $166 million in 2011. Our current focus is on disposition of businesses or capital assets that are no longer core to our long-term strategy, although we will continue to make business acquisitions when strategically advantageous.

Financing Activities

Our financing activities primarily consisted of borrowing and repayment of long-term and short-term debt. Our short-term borrowings amounted to $612 million in 2013 and $992 million in 2011. In 2012, our net repayments of short-term borrowings were $13 million. In 2013, our long-term borrowings were $3 million. In 2012, we increased our long-term debt by $1.3 billion through the issuance of senior notes, as noted below under "Sources of Liquidity." In 2011, our long-term borrowings were $22 million. Total long-term debt repayments were $603 million in 2013, $310 million in 2012 and $216 million in 2011, which included the repayment of our senior notes of $544 million in 2013, $273 million in 2012 and $183 million in 2011.

During 2012, our financing activities include $65 million for the exercise of warrants as discussed below. Our other financing activities included dividends paid to noncontrolling partners in consolidated joint ventures of $27 million in 2013, $21 million in 2012 and $29 million in 2011. In addition, we received proceeds from the exercise of stock options issued to our employees and directors of $22 million for 2013, $4 million for 2012 and $3 million for 2011.

Expense, fees and other costs associated with our debt consent solicitation in 2012 included approximately $18 million we paid to the holders of our senior notes in connection with a consent solicitation from our senior note holders and $12 million of total other costs, including fees and expenses, incurred associated with our 2012 debt consent solicitation. See "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 11 – Long-term Debt."

Sources of Liquidity

Our sources of available liquidity include cash and cash equivalent balances, cash generated from operations, commercial paper and committed availabilities under bank lines of credit. We also historically have accessed banks for short-term loans from uncommitted borrowing arrangements and the capital markets with debt, equity and convertible bond offerings. From time to time we may enter into transactions to factor accounts receivable or dispose of businesses or capital assets that are no longer core to our long-term strategy.

Committed Borrowing Facility

We maintain a $2.25 billion unsecured, revolving credit agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent, scheduled to mature July 13, 2016. The Credit Agreement can be used for a combination of borrowings, support for our $2.25 billion commercial paper program and issuances of letters of credit. This agreement requires that we maintain a debt-to-total capitalization ratio of less than 60%. We were in compliance with this covenant at December 31, 2013. At December 31, 2013, our borrowings under our commercial paper program had a weighted average interest rate of 1.00%, and there were $42 million in outstanding letters of credit under the Credit Agreement.

The following summarizes our availability under the Credit Agreement at December 31, 2013 (dollars in millions):

Facility	$	2,250
Less uses of facility:		
Revolving credit facility		772
Commercial paper		292
Letters of credit		42
Availability	**$**	**1,144**

On May 1, 2013, we entered into a $300 million, 364-day term loan facility with a syndicate of banks. The facility was fully drawn on May 1, 2013 and will mature on April 30, 2014. The terms and conditions of the facility are substantially similar to our $2.25 billion revolving credit agreement. The facility is used for general corporate purposes, including the repayment of other credit facility borrowings and the reduction of outstanding commercial paper.

On April 4, 2012, we completed a $1.3 billion long-term debt offering comprised of $750 million of 4.5% Senior Notes due 2022 and $550 million of 5.95% Senior Notes due 2042. The net proceeds from this offering were used to repay short-term indebtedness under our commercial paper program and for general corporate purposes.

In August 2012, as a result of the delay in filing our second quarter report on Form 10-Q and potential delay in filing our third quarter report on Form 10-Q, we sought consents from the holders of our senior notes to extend the due date under the senior note indentures for providing our Form 10-Q filings and our 2012 Form 10-K filing to no later than March 31, 2013. We received sufficient consents to apply this extension to all series of our publicly traded senior notes. We offered a cash payment of $2.50 for each $1,000 in principal amount for those note holders who consented to the extension and we paid approximately $30 million in connection with this consent solicitation including costs.

Our Standard & Poor's Ratings Services' credit rating on our senior unsecured debt is currently BBB- and our short-term rating is A-3, both with a stable outlook. Our Moody's Investors Ratings Services' credit rating on our unsecured debt is currently Baa2 and our short-term rating is P-2, both with a negative outlook. We have access and expect we will continue to have access to credit markets, including the U.S. commercial paper market, although the commercial paper amounts outstanding may be reduced as a result of a negative rating change. We expect to utilize the Credit Agreement or other facilities to supplement commercial paper borrowings as needed.

Cash Requirements

During 2014, we anticipate our cash requirements will include payments for working capital needs and capital expenditures, interest payments on our outstanding debt, the repayment of our 364-day term loan facility, payments associated with our settlement agreement with the DOJ and SEC related to the United Nations oil-for-food program governing sales of goods into Iraq and our subsidiaries' non-compliance with the Foreign Corrupt Practices Act. Our cash requirements may also include opportunistic business acquisitions and an amount to settle the governmental investigations described in "Item 1A. – Risk Factors" and "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 18 – Disputes, Litigation and Contingencies." Consistent with 2013, we anticipate funding these requirements from cash generated from operations, availability under our existing or additional credit facilities, the issuance of commercial paper and potential proceeds from disposals of businesses or capital assets that are no longer closely aligned with our core long-term growth strategy. Capital expenditures for 2014 are projected to be approximately 8% of our revenues. The amounts we ultimately spend will depend on a number of factors including the type of contracts we enter into, asset availability and our expectations with respect to industry activity levels in 2014. Expenditures are expected to be used primarily to support anticipated near-term growth of our core businesses and our sources of liquidity are anticipated to be sufficient to meet our needs. Capital expenditures during 2013 were $1.6 billion.

Cash and cash equivalents of $434 million at December 31, 2013 are held by subsidiaries domiciled outside of Switzerland. Based on the nature of our structure, we are generally able to redeploy cash with no significant incremental tax expense.

Accounts Receivable Factoring

Since 2010, we have entered into an accounts receivable factoring program to sell accounts receivable in Mexico to third party financial institutions. In 2013, we sold $215 million under the program, received cash totaling $204 million and recognized a loss of $3 million on these sales. In 2012, we sold approximately $177 million under the program, received cash totaling $163 million and recognized a loss of $1 million on these sales. In 2011, we sold approximately $65 million under our factoring program, received cash totaling $64 million and recognized a loss of $1 million on these sales. In each of the years, our factoring transactions qualified for sale accounting under U.S. generally accepted accounting principles ("U.S. GAAP") and proceeds are included in operating cash flows in our Consolidated Statements of Cash Flows.

Contractual Obligations

The following summarizes our contractual obligations and contingent commitments by period. The obligations we pay in future periods may vary due to certain assumptions including the duration of our obligations and anticipated actions by third parties.

	Payments Due by Period				
(Dollars in millions)	**2014**	**2015 and 2016**	**2017 and 2018**	**Thereafter**	**Total**
Short-term Debt	$ 1,593	$ —	$ —	$ —	$ 1,593
Long-term Debt[(a)]	71	480	1,181	5,458	7,190
Interest on Long-term Debt	456	891	782	4,075	6,204
Noncancellable Operating Leases	277	424	246	270	1,217
Purchase Obligations	399	—	—	—	399
Government investigations and other litigation obligations	306	—	—	—	306
	$ 3,102	**$ 1,795**	**$ 2,209**	**$ 9,803**	**$ 16,909**

(a) Amounts represent the expected cash payments of principal associated with our long-term debt. These amounts do not include the unamortized discounts or deferred gains on terminated interest rate swap agreements.

Due to the uncertainty with respect to the timing of future cash flows associated with our uncertain tax positions, we are unable to make reasonably reliable estimates of the period of cash settlement, if any, to the respective taxing authorities. Therefore, $410 million in uncertain tax positions, including interest and penalties, have been excluded from the contractual obligations table above.

We have defined benefit pension and other post-retirement benefit plans covering certain of our U.S. and international employees. During 2013, we contributed approximately $12 million towards those plans and we anticipate funding approximately $12 million during 2014. Our projected benefit obligations for our defined benefit pension and other post-retirement benefit plans were $297 million as of December 31, 2013.

Derivative Instruments

Fair Value Hedges

We may use interest rate swaps to help mitigate exposures related to changes in the fair values of the associated debt. Amounts paid or received upon termination of the interest rate swaps accounted for as fair value hedges represent the fair value of the agreements at the time of termination and are amortized as a reduction, in the case of gains, or as an increase, in the case of losses, to interest expense over the remaining term of the debt.

In July 2011, we entered into interest rate swap agreements to pay a variable interest rate and receive a fixed interest rate with an aggregate notional amount of $300 million. These swaps were designed as fair value hedges of our 6.35% senior notes. In June 2012 these swaps were terminated. As a result of these terminations, we received a cash settlement of $18 million. The gain associated with these interest rate swap terminations was deferred and is being amortized over the remaining term of our 6.35% senior notes as a reduction in interest expense.

As of December 31, 2013 and 2012, we had net unamortized gains of $42 million and $52 million, respectively, associated with interest rate swap terminations.

Cash Flow Hedges

In 2008, we entered into interest rate derivative instruments to hedge projected exposures to interest rates in anticipation of a debt offering. These hedges were terminated at the time of the issuance of the debt and the associated loss is being amortized from accumulated other comprehensive income (loss) to interest expense over the remaining term of the debt. As of December 31, 2013 and 2012, we had net unamortized losses of $11 million in both years associated with our cash flow hedge terminations.

In August 2011, we entered into interest rate locks with a notional amount of $294 million intended to hedge our projected exposures to interest rates. In October 2011, we terminated a portion of these interest rate locks with a notional value of $235 million and realized a gain on settlement of $4 million. We recognized a $5 million loss associated with these instruments in the fourth quarter of 2011.

Other Derivative Instruments

As of December 31, 2013 and 2012, we had foreign currency forward contracts with aggregate notional amounts of $635 million and $990 million, respectively. These contracts were entered into to hedge exposure to currency fluctuations in various foreign currencies. The total estimated fair value of these contracts and amounts owed associated with closed contracts at December 31, 2013 and 2012 resulted in a net liability of approximately $1 million and $15 million, respectively. These derivative instruments were not designated as hedges, and the changes in fair value of the contracts are recorded each period in current earnings in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations.

We have cross-currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar. At December 31, 2013 and 2012, we had notional amounts outstanding of $168 million for each year. The total estimated fair value of these contracts at December 31, 2013 and 2012 resulted in a liability of $21 million and $34 million, respectively. These derivative instruments were not designated as hedges, and the changes in fair value of the contracts are recorded in current earnings each period in the line captioned “Other, Net” on the accompanying Consolidated Statements of Operations.

Warrants

At December 31, 2010, warrants were outstanding to purchase up to 12.9 million of our shares at a price of $15.00 per share. On March 4, 2011, 4.3 million of these warrants were exercised through net share settlement resulting in the issuance of 1.7 million shares. At December 31, 2011, 8.6 million of these warrants were outstanding and exercisable until February 28, 2012. On February 28, 2012, 4.3 million of these warrants were exercised through physical delivery of shares in exchange for $65 million and the remaining 4.3 million of these warrants were exercised through net share settlement resulting in the issuance of 494 thousand shares.

Off Balance Sheet Arrangements

Guarantees

Weatherford Switzerland is the ultimate parent of the Weatherford group and guarantees the obligations of Weatherford International Ltd., a Bermuda exempted company (“Weatherford Bermuda”), and Weatherford International, LLC, a Delaware limited liability company (“Weatherford Delaware”), noted below.

The following obligations of Weatherford Delaware were guaranteed by Weatherford Bermuda at December 31, 2013, 2012 and 2011: (1) the 6.35% senior notes and (2) 6.80% senior notes. In addition to these obligations, the 5.95% senior notes of Weatherford Delaware were guaranteed by Weatherford Bermuda at December 31, 2011.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at December 31, 2013, 2012 and 2011: (1) the revolving credit facility, (2) 5.50% senior notes, (3) 6.50% senior notes, (4) 6.00% senior notes, (5) 7.00% senior notes, (6) 9.625% senior notes, (7) 9.875% senior notes, (8) 5.125% senior notes, (9) 6.75% senior notes, (10) 4.50% senior notes and (11) 5.95% senior notes. In addition to these obligations, the following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at December 31, 2012 and 2011: (1) the 4.95% senior notes and (2) 5.15% senior notes. In 2013, we entered into a 364-day term loan facility, which is an obligation of Weatherford Bermuda guaranteed by Weatherford Delaware.

Letters of Credit and Performance and Bid Bonds

We use letters of credit and performance and bid bonds in the normal course of our business. As of December 31, 2013, we had $869 million of letters of credit and performance and bid bonds outstanding, consisting of $541 million outstanding under various uncommitted credit facilities, $42 million letters of credit outstanding under our committed facility and $286 million of surety bonds, primarily performance bonds, issued by financial sureties against an indemnification from us. These obligations could be called by the beneficiaries should we breach certain contractual or performance obligations. If the beneficiaries were to call the letters of credit under our committed facilities, our available liquidity would be reduced by the amount called.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operation is based upon our consolidated financial statements. We prepare these financial statements in conformity with U.S. GAAP. As such, we are required to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We base our estimates on historical experience, available information and various other assumptions we believe to be reasonable under the circumstances. On an on-going basis, we evaluate our estimates; however, actual results may differ from these estimates under different assumptions or conditions. The accounting policies we believe require management’s most difficult, subjective or complex judgments and are the most critical to our reporting of results of operations and financial position are as follows:

Business Combinations and Goodwill

Goodwill and intangible assets acquired in connection with business combinations represent the excess of consideration over the fair value of tangible net assets acquired. Certain assumptions and estimates are employed in determining the fair value of assets acquired, the fair value of liabilities assumed and the allocation of goodwill to the appropriate reporting unit. We had goodwill totaling $3.7 billion at December 31, 2013 and $3.9 billion at December 31, 2012.

We perform an impairment test for goodwill and indefinite-lived intangible assets annually as of October 1, or more frequently if indicators of potential impairment exist. Goodwill impairment is evaluated using a two-step process. The first step of the goodwill impairment test involves a comparison of the fair value of each of our reporting units with their carrying values. Our reporting units are based on our regional structure and consist of the United States, Canada, Latin America, Europe, SSA, Russia, MENA and Asia Pacific. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test shall be performed.

The second step compares the implied fair value of the reporting unit’s goodwill to the carrying amount of its goodwill by performing a hypothetical purchase price allocation on the reporting unit’s assets and liabilities using the fair value of the reporting unit as the purchase price in the calculation. If the amount of goodwill resulting from this hypothetical purchase price allocation is less than the recorded amount of goodwill, the recorded goodwill is written down to the new amount.

The fair values of all our reporting units were in excess of their carrying value as of our October 2013 annual impairment test. The fair value of our Latin America reporting unit was closest to its carrying value and was 21% in excess of its carrying value at October 1, 2013 and our goodwill at December 31, 2013 for Latin America was $345 million.

The fair value of our reporting units is determined using primarily an income approach. Several estimates and judgments are required in the application of this model. The income approach estimates fair value by discounting each reporting unit’s estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and the risk profile of each reporting unit. To arrive at our future cash flows, we use estimates of economic and market information, including growth rates in revenues, costs, estimates of future expected changes in operating margins, tax rates and also cash needs and expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. The risk-adjusted discount rates applied to our future cash flows under the income approach ranged from 10% to 19% in our October 2013 test. The aggregate fair values estimated using primarily the income approach are then reconciled to our market capitalization, taking into account observable control premiums.

Several of the assumptions used in our discounted cash flow analysis are based upon our annual financial forecast. Our annual planning process takes into consideration many factors including historical results and operating performance, related industry trends, pricing strategies, customer analysis, operational issues, competitor analysis and marketplace data, among others. Assumptions are also made for growth rates for periods beyond the financial forecast period. Our estimates of fair value are sensitive to changes in all of these variables, certain of which relate to conditions outside our control. If any one of the above assumptions changes or fails to materialize, the resulting decline in our estimated fair value could result in an impairment charge to goodwill associated with the applicable reporting unit.

Our reporting unit fair values and the resulting impairment conclusions are sensitive to changes in key variables. Should our forecasted 2014 revenue for our respective reporting units decrease by more than 22.5% of the amount projected, the decline experienced by our Latin America reporting unit would result in a fair value that is exceeded by its carrying value. In the event that the applicable discount rates each climb by 50 basis points, we expect that the resulting fair values would exceed our reporting unit carrying values. In the event that the applicable discount rates each climb by 100 basis points, we expect that the resulting fair values would still exceed our reporting unit carrying values.

During the second quarter of 2012, we noted a sustained decline in the market price of our registered shares such that our market capitalization was lower than our total shareholders' equity for an extended period. Additionally, certain of our reporting units were not performing at the levels previously expected. In response, we considered the associated circumstances to assess whether an event or change occurred that, more likely than not, reduced the fair value of any of our reporting units below their carrying amount. After considering the relevant circumstances, we concluded that the decline in our market capitalization was a potential indicator of impairment and we prepared the analysis necessary to identify potential impairment through the comparison of reporting unit fair values and carrying amounts. This "step one" analysis indicated that the goodwill attributed to our MENA and SSA reporting units was potentially impaired. Consequently, we performed the "step two" analysis of the goodwill impairment test, comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. The "step two" analysis indicated that the goodwill for both reporting units was fully impaired and we recognized an impairment loss of $589 million in the second quarter, of which $512 million was attributable to MENA and $77 million to SSA.

Long-Lived Assets

Long-lived assets, which include property, plant and equipment and definite-lived intangibles, comprise a significant amount of our assets. In accounting for long-lived assets, we must make estimates about the expected useful lives of the assets and the potential for impairment based on the fair value of the assets and the cash flows they are expected to generate. The value of the long-lived assets is then amortized over its expected useful life. A change in the estimated useful lives of our long-lived assets would have an impact on our results of operations. We estimate the useful lives of our long-lived asset groups as follows:

	Useful Lives
Buildings and leasehold improvements	10 – 40 years or lease term
Rental and service equipment	2 – 20 years
Machinery and other	2 – 12 years
Intangible assets	2 – 20 years

In estimating the useful lives of our property, plant and equipment, we rely primarily on our actual experience with the same or similar assets. The useful lives of our intangible assets are determined by the years over which we expect the assets to generate a benefit based on legal, contractual or regulatory terms.

Long-lived assets to be held and used by us are reviewed to determine whether any events or changes in circumstances indicate that we may not be able to recover the carrying amount of the asset. Factors that might indicate a potential impairment may include, but are not limited to, significant decreases in the market value of the long-lived asset, a significant change in the long-lived asset's physical condition, the introduction of competing technologies, legal challenges, a change in industry conditions or a reduction in cash flows associated with the use of the long-lived asset. If these or other factors exist that indicate the carrying amount of the asset may not be recoverable, we determine whether an impairment has occurred through the use of an undiscounted cash flow analysis. The undiscounted cash flow analysis consists of estimating the future cash flows that are directly associated with, and are expected to arise from, the use and eventual disposition of the asset over its remaining useful life. These cash flows are inherently subjective and require significant estimates based upon historical experience and future expectations such as budgets and internal projections. If the undiscounted cash flows do not exceed the carrying value of the long-lived asset, an impairment has occurred, and we recognize a loss for the difference between the carrying amount and the estimated fair value of the asset. The fair value of the asset is measured using market prices, or in the absence of market prices, is based on an estimate of discounted cash flows. Cash flows are generally discounted at an interest rate commensurate with our weighted average cost of capital for a similar asset.

Percentage-of-Completion Revenue Recognition

Revenue from long-term contracts, primarily for our integrated project management services, is reported on the percentage-of-completion method of accounting. This method of accounting requires us to calculate contract profit to be recognized in each reporting period for each contract based upon our projections of future outcomes, which include:

- estimates of the available revenue under the contracts;
- estimates of the total cost to complete the project;
- estimates of project schedule and completion date;
- estimates of the extent of progress toward completion; and
- amounts of any change orders or claims included in revenue.

Measurements of progress are generally based on costs incurred to date as a percentage of total estimated costs or output based related to physical progress. At the outset of each contract, we prepare a detailed analysis of our estimated cost to complete the project. Risks related to service delivery, usage, productivity and other factors are considered in the estimation process. Our personnel periodically evaluate the estimated costs, claims, change orders and percentage of completion at the contract level. The recording of profits and losses on long-term contracts requires an estimate of the total profit or loss over the life of each contract. This estimate requires consideration of total contract value, change orders and claims, less costs incurred and estimated costs to complete. Anticipated losses on contracts are recorded in full in the period in which they become evident. Profits are recorded based upon the total estimated contract profit multiplied by the current estimated percentage complete for the contract. There are many factors that impact future costs, including but not limited to weather, inflation, client activity levels and budgeting constraints, labor and community disruptions, timely availability of materials, productivity and other factors as outlined in our "Risk Factors."

During 2013, we recognized estimated project losses of $232 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage of completion method. Total estimated losses on these projects were $307 million at December 31, 2013. As of December 31, 2013, our percentage of completion project estimates include $36 million of claims revenue and $82 million for liquidated damages that we are contractually obligated to pay as a result of delays in the expected completion of the project. We have a variety of unapproved contract change orders or claims that are not included in our revenues as of December 31, 2013. Amounts representing these contract change orders or claims are included in revenue only when they can be estimated reliably and their realization is reasonably assured.

During 2012, we recognized losses of $100 million related to a long-term construction contract in Iraq accounted for under the percentage of completion method. As of December 31, 2012, we had claims against our customer of $68 million that were not included in our revenue estimates because they do not meet the criteria for recognition. Additionally, we had accrued $17 million for liquidated damages that we are contractually obligated to pay as a result of delays in the expected completion of the project. In addition, in the quarter ended December 31, 2012, we recognized $63 million in revenue upon revision of project estimates on our projects in Mexico. These amounts were determined to be realizable in the fourth quarter of 2012.

Although we have not yet met the recognition criteria for revenue recognition, we expect to vigorously pursue collection of the claims and reduction or elimination of the liquidated damages. Any benefits resulting from those efforts will be recognized when the criteria for the revenue recognition are met.

Income Taxes

We take into account the differences between the financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized as income or expense in the period that includes the enactment date. Our provisions for income taxes for 2013, 2012 and 2011 were $144 million, $462 million and $542 million, respectively.

We recognize the impact of an uncertain tax position taken or expected to be taken on an income tax return in the financial statements at the largest amount that is more likely than not to be sustained upon examination by the relevant taxing authority.

We operate in over 100 countries through hundreds of legal entities. As a result, we are subject to numerous tax laws in the jurisdictions, and tax agreements and treaties among the various taxing authorities. Our operations in these jurisdictions in which we operate are taxed on various bases: income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits), withholding taxes based on revenue, and other alternative minimum taxes. The calculation of our tax liabilities involves consideration of uncertainties in the application and interpretation of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in the tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. As of December 31, 2013, we had recorded reserves for uncertain tax positions of $289 million, excluding accrued interest and penalties of $121 million.The tax liabilities are reflected net of realized tax loss carryforwards. We adjust these reserves upon specific events; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is different from our current estimate of the tax liabilities.

If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when the contingency has been resolved and the liabilities are no longer necessary. Changes in tax laws, regulations, agreements and treaties, foreign currency exchange restrictions or our level of operations or profitability in each taxing jurisdiction could have an impact upon the amount of income taxes that we provide during any given year.

Valuation Allowance for Deferred Tax Assets

We record a valuation allowance to reduce the carrying value of our deferred tax assets when it is more likely than not that a portion or all of the deferred tax assets will expire before realization of the benefit or future deductibility is not probable. The ultimate realization of the deferred tax assets depends on the ability to generate sufficient taxable income of the appropriate character and in the related jurisdiction in the future. In evaluating our ability to recover our deferred tax assets, we consider the available positive and negative evidence, including our past operating results, the existence of cumulative losses in the most recent years and our forecast of future taxable income. In estimating future taxable income, we develop assumptions, including the amount of future pre-tax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment.

We have identified various tax planning strategies that we would implement, if necessary, to enable the realization of our deferred tax assets; however, when the likelihood of the realization of existing deferred tax assets changes, adjustments to the valuation allowance are charged to our income tax provision in the period in which the determination is made.

As of December 31, 2013, our gross deferred tax assets were $1.2 billion before a related valuation allowance of $571 million. As of December 31, 2012, our gross deferred tax assets were $976 million before a related valuation allowance of $317 million. Our results in 2013 and 2012 include significant operating losses in Iraq upon which we recorded a valuation allowance of $134 million and $72 million, respectively.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts in order to record accounts receivable at their net realizable value. Significant judgment is involved in recognizing this allowance. The determination of the collectability requires us to use estimates and make judgments regarding future events and trends, including monitoring our customers' payment history and current creditworthiness to determine that collectability is reasonably assured, as well as consideration of the overall business and political climate in which our customers operate. Provisions for doubtful accounts are recorded when it becomes evident that customer accounts are uncollectible. At December 31, 2013 and 2012, the allowance for doubtful accounts totaled $114 million, or 3%, and $84 million, or 2%, of total gross accounts receivable, respectively. We believe that our allowance for doubtful accounts is adequate to cover potential bad debt losses under current conditions. However, uncertainties regarding changes in the financial condition of our customers, either adverse or positive, could impact the amount and timing of any additional provisions for doubtful accounts that may be required. A 5% change in the allowance for doubtful accounts would have had an impact on income before income taxes of approximately $6 million in 2013.

Inventory Reserves

Inventory represents a significant component of current assets and is stated at the lower of cost or market using either a first-in, first-out ("FIFO") or average cost method. To maintain a book value that is the lower of cost or market, we maintain reserves for excess, slow moving and obsolete inventory. To determine these reserve amounts, we review inventory quantities on hand, future product demand, market conditions, production requirements and technological obsolesce. This review requires us to make judgments regarding potential future outcomes. At December 31, 2013 and 2012, inventory reserves totaled $87 million, or 3%, and $88 million, or 2%, of gross inventory, respectively. During 2013, we recognized a charge for excess and obsolete inventory of $62 million ($0.08 per share) attributable to each reporting segment as follows: $35 million for North America, $7 million for MENA/Asia Pacific, $13 million for Europe/SSA/Russia and $7 million for Latin America. During 2012, we recognized a charge for excess and obsolete inventory of $53 million ($0.07 per share) attributable to each reporting segment as follows: $21 million for North America, $16 million for MENA/Asia Pacific, $11 million for Europe/SSA/Russia and $5 million for Latin America. We believe that our reserves are adequate to properly value potential excess, slow-moving and obsolete inventory under current conditions.

Disputes, Litigation and Contingencies

As of December 31, 2013, we have accrued an estimate of the probable and estimable cost to resolve certain legal and investigation matters. For matters not deemed probable and reasonably estimable, we have not accrued any amounts in accordance with U.S. GAAP. Our legal department manages all pending or threatened claims and investigations on our behalf. The estimate of the probable costs related to these matters is developed in consultation with internal and outside legal counsel. Our contingent loss estimates are based upon an analysis of potential results, assuming a combination of probable litigation and settlement strategies. The accuracy of these estimates is impacted by the complexity of the issues. Whenever possible, we attempt to resolve these matters through settlements, mediation and arbitration proceedings if advantageous to us. If the actual settlement costs, final judgments or fines differ from our estimates, our future financial results may be adversely affected. For a more comprehensive discussion of our Disputes, Litigation and Contingencies, see "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 18 – Disputes, Litigation and Contingencies."

For a more comprehensive list of our accounting policies, see "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 1 – Summary of Significant Accounting Policies."

New Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued new guidance intended to improve the reporting of reclassifications out of accumulated other comprehensive income. The guidance requires an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety from accumulated other comprehensive income to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. This guidance became effective for us in our second quarter of 2013. Please see "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 14 – Shareholders' Equity", which presents the reclassifications out of Accumulated Other Comprehensive Income.

In July 2013, the FASB issued new guidance intended to clarify the presentation of unrecognized tax benefits. An unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carry forward, a similar tax loss or a tax credit carryforward, with certain exceptions. The unrecognized tax benefit should be presented as a liability and should not be combined with deferred tax assets to the extent that: (1) the deferred tax asset is not available under the tax law of the applicable jurisdiction to settle additional income taxes resulting from disallowance of the tax position, or (2) the entity is not required to use the deferred tax asset under the tax law of the applicable jurisdiction and the entity does not intend to use the deferred tax asset to offset additional taxes that would result from disallowance of the position. This guidance will be effective for us beginning with the first quarter of 2014 and may be adopted prospectively for all unrecognized tax benefits that exist at the effective date or retrospectively. The adoption of this guidance is not expected to have a material impact on our financial position, results of operations or cash flows.

ITEM 7A Quantitative and Qualitative Disclosures about Market Risk

We are currently exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk. A discussion of our market risk exposure in these financial instruments follows.

Foreign Currency Exchange Rates

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as Latin America, the Middle East and Southeast Asia, the currency of our primary economic environment is the U.S. dollar, and we use the U.S. dollar as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar, and the functional currency is the applicable local currency.

In January 2010, the Venezuelan government announced its intention to devalue its currency and move to a two-tier exchange structure. The official exchange rate moved from 2.15 per dollar to 2.60 per dollar for essential goods and from 2.15 per dollar to 4.30 per dollar for non-essential goods and services. Our Venezuelan entities maintain the U.S. dollar as their functional currency. In connection with this devaluation, we incurred a charge of $64 million for the remeasurement of our net monetary assets denominated in Venezuelan bolivars at the date of the devaluation, which was not tax deductible in Venezuela. We also recorded a $24 million tax benefit for local Venezuelan income tax purposes related to our net U.S. dollar-denominated monetary liability position in the country. Effective January 1, 2011, the Venezuelan government again modified the fixed rate of exchange, eliminating the two-tier structure and establishing 4.30 per dollar as the official exchange rate for all goods and services. This modification did not have a material impact to our financial position or results of operations. On February 8, 2013, the Venezuelan government announced its intention to further devalue its currency effective February 13, 2013 at which time the official exchange rate moved from 4.30 per dollar to 6.30 per dollar for all goods and services. In connection with this devaluation, we recognized a charge of $100 million for the remeasurement of our net monetary assets denominated in the Venezuelan bolivar at the date of the devaluation. We also recorded a $6 million benefit for Venezuelan income tax purposes related to our net U.S. dollar determined tax liability in the country. As of December 31, 2013, we had a net monetary asset position denominated in Venezuelan bolivars of approximately $238 million, comprised primarily of accounts receivable and current liabilities. We are continuing to explore opportunities to reduce our exposure, but should devaluation occur in the future, we may be required to take further charges related to the remeasurement of our net monetary asset position.

Assets and liabilities of entities for which the functional currency is the local currency are translated into U.S. dollars using the exchange rates in effect at the balance sheet date, resulting in translation adjustments that are reflected in accumulated other comprehensive income (loss) in the shareholders' equity section on our consolidated balance sheets. A portion of our net assets are impacted by changes in foreign currencies in relation to the U.S. dollar. We recorded a $316 million adjustment to decrease shareholders' equity for 2013 to reflect the change in the U.S. dollar against various foreign currencies.

As of December 31, 2013 and 2012, we had foreign currency forward contracts with aggregate notional amounts of $635 million and $990 million, respectively. These contracts were entered into in order to hedge our net monetary exposure to currency fluctuations in various foreign currencies. The total estimated fair value of these contracts and amounts owed associated with closed contracts at December 31, 2013 and 2012 resulted in a net liability of approximately $1 million and $15 million, respectively. These derivative instruments were not designated as hedges, and the changes in fair value of the contracts are recorded each period in current earnings.

We have cross-currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar. At December 31, 2013 and 2012, we had notional amounts outstanding of $168 million for each year. The estimated fair value of these contracts at December 31, 2013 and 2012 resulted in a liability of $21 million and $34 million, respectively. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

Interest Rates

We are subject to interest rate risk on our long-term fixed-interest rate debt and variable-interest rate borrowings. Variable rate debt, where the interest rate fluctuates periodically, exposes us to short-term changes in market interest rates. Fixed rate debt, where the interest rate is fixed over the life of the instrument, exposes us to changes in market interest rates reflected in the fair value of the debt and to the risk that we may need to refinance maturing debt with new debt at a higher rate. All other things being equal, the fair value of our fixed rate debt will increase or decrease as interest rates change.

Our long-term borrowings that were outstanding at December 31, 2013 and 2012, and that were subject to interest rate risk consist of the following:

	December 31,			
	2013		2012	
(Dollars in millions)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
5.15% Senior Notes due 2013	$ —	$ —	$ 294	$ 296
4.95% Senior Notes due 2013	—	—	250	258
5.50% Senior Notes due 2016	353	378	354	380
6.35% Senior Notes due 2017	610	682	613	690
6.00% Senior Notes due 2018	498	557	497	570
9.625% Senior Notes due 2019	1,021	1,290	1,025	1,307
5.125% Senior Notes due 2020	798	856	797	875
4.50% Senior Notes due 2022	747	754	747	794
6.50% Senior Notes due 2036	595	629	595	645
6.80% Senior Notes due 2037	298	325	298	339
7.00% Senior Notes due 2038	497	556	497	564
9.875% Senior Notes due 2039	247	350	247	370
6.75% Senior Notes due 2040	596	646	596	680
5.95% Senior Notes due 2042	545	557	545	600

We have various other long-term debt instruments of $329 million at December 31, 2013, but believe the impact of changes in interest rates in the near term will not be material to these instruments. The carrying value of our short-term borrowings of $1.6 billion at December 31, 2013 approximates their fair value.

As it relates to our variable rate debt, if market interest rates increase by an average of 1% from the rates as of December 31, 2013, interest expense for 2014 would increase by approximately $16 million. This amount was determined by calculating the effect of the hypothetical interest rate on our variable rate debt. For purposes of this sensitivity analysis, we assumed no changes in our capital structure.

Interest Rate Swaps and Derivatives

We manage our debt portfolio to limit our exposure to interest rate volatility and may employ interest rate derivatives as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. The counterparties to our interest rate swaps are multinational commercial banks. We continually re-evaluate counterparty creditworthiness and modify our requirements accordingly.

Amounts paid or received upon termination of the interest rate swaps represent the fair value of the agreements at the time of termination and are amortized as a reduction, in the case of gains, or an increase, in the case of losses, to interest expense over the remaining term of the debt.

In July 2011, we entered into interest rate swap agreements to pay a variable interest rate and receive a fixed interest rate with an aggregate notional amount of $300 million. These agreements were designed as fair value hedges of our 6.35% senior notes. In June 2012 these swaps were terminated. As a result of these terminations, we received a cash settlement of $18 million. The gain associated with these interest rate swap terminations was deferred and is being amortized over the remaining term of our 6.35% senior notes as a reduction in interest expense.

In August 2011, we entered into interest rate locks with a notional amount of $294 million intended to hedge our projected exposures to interest rates. In October 2011, we terminated a portion of these interest rate locks with a notional value of $235 million and realized a gain on settlement of $4 million. We recognized a $5 million loss associated with these instruments in the fourth quarter of 2011.

As of December 31, 2013 and 2012, we had net unamortized gains of $42 million and $52 million, respectively, associated with interest rate swap terminations.

ITEM 8 Financial Statements and Supplementary Data

Index to Financial Statements and Financial Statement Schedule

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Weatherford International Ltd. and Subsidiaries:

We have audited the accompanying consolidated balance sheet of Weatherford International Ltd. and subsidiaries as of December 31, 2013, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for the year ended December 31, 2013. In connection with our audit of the consolidated financial statements, we also have audited financial statement schedule II for the year ended December 31, 2013. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Weatherford International Ltd. and subsidiaries as of December 31, 2013 and the results of their operations and their cash flows for the year ended December 31, 2013, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule for the year ended December 31, 2013, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Weatherford International Ltd.'s internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 25, 2014 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP
Houston, Texas

February 25, 2014

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Weatherford International Ltd. and Subsidiaries:

We have audited Weatherford International Ltd.'s internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Weatherford International Ltd.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Weatherford International Ltd. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Weatherford International Ltd. and subsidiaries as of December 31, 2013, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for the year ended December 31, 2013, and our report dated February 25, 2014 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP
Houston, Texas

February 25, 2014

Report of the Statutory Auditor to the General Meeting of Shareholders of
Weatherford International Ltd., Zug

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Weatherford International Ltd. and subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2013 and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for the year ended December 31, 2013 and notes thereto (pages 30 to 57).

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles and comply with Swiss law.

Other Matter

The consolidated financial statements of Weatherford International Ltd. as of and for the years ended December 31, 2012 and 2011 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 4, 2013.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

/s/ Martin Rohrbach
Licensed Audit Expert
Auditor in Charge

/s/ Doug Mullins
Partner

Zurich, February 25, 2014

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Weatherford International Ltd. and Subsidiaries

We have audited the accompanying consolidated balance sheet of Weatherford International Ltd. and Subsidiaries (the "Company") as of December 31, 2012, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the two years in the period then ended. Our audits also included the financial statement schedule for each of the two years in the period ended December 31, 2012 listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's Board of Directors and management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2012, and the consolidated results of its operations and its cash flows for each of the two years in the period then ended in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Ernst & Young LLP
Houston, Texas

March 4, 2013

Weatherford International Ltd. and Subsidiaries Consolidated Balance Sheets

(Dollars and shares in millions, except par value)	December 31, 2013	2012
Current Assets		
Cash and Cash Equivalents	$ 435	$ 300
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $114 in 2013 and $84 in 2012	3,594	3,885
Inventories, Net	3,371	3,675
Deferred Tax Assets	309	376
Other Current Assets	1,065	793
Total Current Assets	8,774	9,029
Property, Plant and Equipment:		
Land, Buildings and Leasehold Improvements	1,860	1,714
Rental and Service Equipment	10,869	10,208
Machinery and Other	2,547	2,407
	15,276	14,329
Less: Accumulated Depreciation	6,908	6,030
	8,368	8,299
Goodwill	3,709	3,871
Other Intangible Assets, Net	626	766
Equity Investments	296	646
Other Non-current Assets	204	184
TOTAL ASSETS	**$ 21,977**	**$ 22,795**
Current Liabilities		
Short-term Borrowings and Current Portion of Long-term Debt	$ 1,666	$ 1,585
Accounts Payable	2,091	2,108
Accrued Salaries and Benefits	472	490
Billings in Excess of Costs and Estimated Earnings	127	281
Income Taxes Payable	183	167
Other Current Liabilities	1,160	1,079
Total Current Liabilities	5,699	5,710
Long-term Debt	7,061	7,049
Other Non-current Liabilities	1,014	1,218
TOTAL LIABILITIES	**13,774**	**13,977**
Shareholders' Equity:		
Shares - Par Value 1.16 Swiss Francs; Authorized 840 shares, Conditionally Authorized 372 shares, Issued 840 shares at December 31, 2013 and 2012, Outstanding 767 shares and 761 shares at December 31, 2013 and 2012, respectively.	775	775
Capital in Excess of Par Value	4,600	4,674
Treasury Shares, 73 shares and 79 shares, at cost, at December 31, 2013 and 2012, respectively.	(37)	(182)
Retained Earnings	3,011	3,356
Accumulated Other Comprehensive Income	(187)	163
Weatherford Shareholders' Equity	8,162	8,786
Noncontrolling Interests	41	32
Total Shareholders' Equity	8,203	8,818
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 21,977**	**$ 22,795**

The accompanying notes are an integral part of these consolidated financial statements.

Weatherford International Ltd. and Subsidiaries Consolidated Statements of Operations

	Year Ended December 31,		
(Dollars and shares in millions, except per share amounts)	2013	2012	2011
Revenues:			
Products	$ 6,007	$ 6,024	$ 4,884
Services	9,256	9,191	8,104
	15,263	15,215	12,988
Costs and Expenses:			
Cost of Products	4,480	4,693	3,742
Cost of Services	7,822	7,162	5,936
Research and Development	265	257	245
Selling, General and Administrative Attributable to Segments	1,728	1,585	1,532
Corporate General and Administrative	316	355	226
Goodwill and Equity Investment Impairment	—	793	—
U.S. Government Investigation Loss	153	100	—
Gain on Sale of Businesses	(24)	(28)	—
	14,740	14,917	11,681
Operating Income	**523**	**298**	**1,307**
Other Income (Expense):			
Interest Expense, Net	(516)	(486)	(453)
Devaluation of Venezuelan Bolivar	(100)	—	—
Other, Net	(77)	(100)	(107)
Income (Loss) Before Income Taxes	**(170)**	**(288)**	**747**
Provision for Income Taxes	(144)	(462)	(542)
Net Income (Loss)	**(314)**	**(750)**	**205**
Net Income Attributable to Noncontrolling Interests	(31)	(28)	(16)
Net Income (Loss) Attributable to Weatherford	**$ (345)**	**$ (778)**	**$ 189**
Earnings (Loss) Per Share Attributable to Weatherford:			
Basic	$ (0.45)	$ (1.02)	$ 0.25
Diluted	$ (0.45)	$ (1.02)	$ 0.25
Weighted Average Shares Outstanding:			
Basic	772	765	753
Diluted	772	765	760

The accompanying notes are an integral part of these consolidated financial statements.

Weatherford International Ltd. and Subsidiaries Consolidated Statements of Comprehensive Income (Loss)

	Year Ended December 31,		
(Dollars in millions)	2013	2012	2011
Net Income (Loss)	**$ (314)**	**$ (750)**	**$ 205**
Other Comprehensive Income (Loss), Net of Tax:			
Foreign Currency Translation	(353)	86	(118)
Defined Benefit Pension Activity	2	(4)	(5)
Other	1	1	1
Other Comprehensive Income (Loss)	**(350)**	**83**	**(122)**
Comprehensive Income (Loss)	**(664)**	**(667)**	**83**
Comprehensive Income (Loss) Attributable to Noncontrolling Interests	(31)	(28)	(16)
Comprehensive Income (Loss) Attributable to Weatherford	**$ (695)**	**$ (695)**	**$ 67**

The accompanying notes are an integral part of these consolidated financial statements.

Weatherford International Ltd. and Subsidiaries
Consolidated Statements of Shareholders' Equity

(Dollars in millions)	Par Value of Issued Shares	Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Non-controlling Interests	Total Shareholders' Equity
BALANCE AT DECEMBER 31, 2010	**$ 761**	**$ 4,617**	**$ 3,949**	**$ 202**	**$ (478)**	**$ 67**	**$ 9,118**
Net Income	—	—	189	—	—	16	205
Other Comprehensive Loss	—	—	—	(122)	—	—	(122)
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(29)	(29)
Shares Issued for Acquisitions	6	63	—	—	65	—	134
Equity Awards Granted, Vested and Exercised	—	(7)	—	—	79	—	72
Excess Tax Benefits of Share-based Compensation Plans	—	4	—	—	—	—	4
Deconsolidation of Joint Ventures	—	—	(4)	—	—	(34)	(38)
Other	2	(2)	—	—	—	1	1
BALANCE AT DECEMBER 31, 2011	**769**	**4,675**	**4,134**	**80**	**(334)**	**21**	**9,345**
Net Income (Loss)	—	—	(778)	—	—	28	(750)
Other Comprehensive Income	—	—	—	83	—	—	83
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(21)	(21)
Shares Issued for Acquisitions	—	(27)	—	—	66	—	39
Equity Awards Granted, Vested and Exercised	—	(22)	—	—	86	—	64
Excess Tax Benefit of Share-Based Compensation Plans	—	(3)	—	—	—	—	(3)
Exercise of Warrants	6	59	—	—	—	—	65
Other	—	(8)	—	—	—	4	(4)
BALANCE AT DECEMBER 31, 2012	**775**	**4,674**	**3,356**	**163**	**(182)**	**32**	**8,818**
Net Income (Loss)	—	—	(345)	—	—	31	(314)
Other Comprehensive Loss	—	—	—	(350)	—	—	(350)
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(27)	(27)
Equity Awards Granted, Vested and Exercised	—	(68)	—	—	145	—	77
Excess Tax Benefit of Share-Based Compensation Plans	—	(1)	—	—	—	—	(1)
Other	—	(5)	—	—	—	5	—
BALANCE AT DECEMBER 31, 2013	**$ 775**	**$ 4,600**	**$ 3,011**	**$ (187)**	**$ (37)**	**$ 41**	**$ 8,203**

The accompanying notes are an integral part of these consolidated financial statements.

Weatherford International Ltd. and Subsidiaries Consolidated Statements of Cash Flows

	Year Ended December 31,		
(Dollars in millions)	2013	2012	2011
Cash Flows From Operating Activities:			
Net Income (Loss)	$ (314)	$ (750)	$ 205
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,402	1,282	1,136
Goodwill and Equity Investment Impairment	—	793	—
U.S. Government Investigation Loss	153	100	—
Employee Share-Based Compensation Expense	66	76	87
Bad Debt Expense	102	22	52
(Gain) Loss on Sale of Assets and Businesses, Net	6	(9)	29
Deferred Income Tax Provision (Benefit)	(33)	(13)	121
Excess Tax Benefits from Share-Based Compensation	1	(1)	(4)
Devaluation of Venezuelan Bolivar	100	—	—
Other, Net	10	43	(19)
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:			
Accounts Receivable	(12)	(705)	(623)
Inventories	129	(738)	(606)
Other Current Assets	(65)	(231)	(81)
Accounts Payable	69	543	242
Billings in Excess of Costs and Estimated Earnings	(154)	255	29
Other Current Liabilities	(185)	452	202
Other, Net	(46)	102	82
Net Cash Provided by Operating Activities	**1,229**	**1,221**	**852**
Cash Flows from Investing Activities:			
Capital Expenditures for Property, Plant and Equipment	(1,575)	(2,177)	(1,524)
Acquisitions of Businesses, Net of Cash Acquired	(8)	(165)	(144)
Acquisition of Intellectual Property	(9)	(17)	(8)
Acquisition of Equity Investments in Unconsolidated Affiliates	—	(8)	(14)
Proceeds from Sale of Assets and Businesses, Net	488	61	31
Other Investing Activities	—	—	(15)
Net Cash Used by Investing Activities	**(1,104)**	**(2,306)**	**(1,674)**
Cash Flows From Financing Activities:			
Borrowings of Long-term Debt	3	1,313	22
Repayments of Long-term Debt	(603)	(310)	(216)
Borrowings (Repayments) of Short-term Debt, Net	612	(13)	992
Proceeds from Exercise of Warrants	—	65	—
Excess Tax Benefits from Share-Based Compensation	(1)	1	4
Other Financing Activities, Net	(5)	(44)	(25)
Net Cash Provided by Financing Activities	**6**	**1,012**	**777**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	4	2	—
Net Increase (Decrease) in Cash and Cash Equivalents	135	(71)	(45)
Cash and Cash Equivalents at Beginning of Year	300	371	416
Cash and Cash Equivalents at End of Year	**$ 435**	**$ 300**	**$ 371**

The accompanying notes are an integral part of these consolidated financial statements.

Weatherford International Ltd. and Subsidiaries
Notes to Consolidated Financial Statements

NOTE 1 Summary of Significant Accounting Policies

Organization and Nature of Operations

Weatherford International Ltd., a Swiss joint-stock corporation (together with its subsidiaries, "Weatherford," the "Company," "we," "us," and "our"), is one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. We operate in over 100 countries, which are located in nearly all of the oil and natural gas producing regions in the world. Many of our businesses, including those of our predecessor companies, have been operating for more than 50 years.

Our parent company was Weatherford International, Inc., a Delaware corporation ("Weatherford Delaware"), until we moved our incorporation to Bermuda in 2002. In February 2009, we completed a share exchange transaction in which Weatherford International Ltd., a Bermuda exempted company, and our then parent company ("Weatherford Bermuda"), became a wholly-owned subsidiary of Weatherford International Ltd., a Swiss joint-stock corporation ("Weatherford Switzerland"), for purposes of changing the Company's place of incorporation from Bermuda to Switzerland (the "Transaction"). Pursuant to the Transaction, each common share, par value U.S. $1.00 per share, of Weatherford Bermuda was exchanged for one registered share, par value 1.16 Swiss francs ("CHF") per share, of Weatherford Switzerland. Weatherford Bermuda and Weatherford Delaware continue to be wholly-owned subsidiaries of Weatherford Switzerland.

Principles of Consolidation

The consolidated financial statements include the accounts of Weatherford International Ltd., all wholly-owned subsidiaries, controlled joint ventures and variable interest entities in which the Company has determined it is the primary beneficiary for accounting purposes. All material intercompany accounts and transactions have been eliminated within our consolidated financial statements.

Investments in affiliates in which we exercise significant influence over operating and financial policies are accounted for using the equity method. We recognize equity in earnings of unconsolidated affiliates in Selling, General and Administration attributable to segments in our Consolidated Statements of Operations (see Note 9 –Equity Investments).

We have a significant variable interest in a lessor trust that is a variable interest entity. We are not the primary beneficiary and do not consolidate the trust. The variable interest in the trust is created by the residual fair value guarantees on the leased assets. Our maximum exposure to loss associated with this variable interest and the respective fair value guarantees totaled $46 million at December 31, 2013. In addition, we have guaranteed debt on behalf of equity investees in whom we have a variable interest and for which we are not the primary beneficiary. These guarantees totaled $118 million at December 31, 2013.

Deconsolidation

During 2011, we deconsolidated three joint ventures that should have been deconsolidated as of January 1, 2010 in accordance with the U.S. generally accepted accounting principles ("U.S. GAAP") variable interest entity accounting guidance, effective in 2010. We recognized equity investments totaling $43 million and derecognized the associated noncontrolling interests totaling $34 million.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period and disclosure of contingent liabilities. On an on-going basis, we evaluate our estimates, including those related to uncollectible accounts receivable, lower of cost or market value of inventories, equity investments, intangible assets and goodwill, property, plant and equipment, income taxes, percentage-of-completion accounting for long-term contracts, self-insurance, pension and post-retirement benefit plans, contingencies and share based payments. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities not readily apparent from other sources. Actual results could differ from those estimates.

Disputes, Litigation and Contingencies

We accrue an estimate of the probable and estimable cost to resolve certain legal and investigation matters. For matters not deemed probable and reasonably estimable, we have not accrued any amounts in accordance with U.S. GAAP. Our contingent loss estimates are based upon an analysis of potential results, assuming a combination of probable litigation and settlement strategies. The accuracy of these estimates is impacted by the complexity of the associated issues.

Cash and Cash Equivalents

We consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

We establish an allowance for doubtful accounts based on various factors including historical experience, the current aging status of our customer accounts, the financial condition of our customers and the business and political environment in which our customers operate. Provisions for doubtful accounts are recorded when it becomes probable that customer accounts are uncollectible.

Major Customers and Credit Risk

Substantially all of our customers are engaged in the energy industry. This concentration of customers may impact our overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. We perform on-going credit evaluations of our customers and do not generally require collateral in support of our trade receivables. We maintain reserves for potential credit losses, and actual losses have historically been within our expectations. International sales also present various risks, including risks of war, civil disturbances and governmental activities that may limit or disrupt markets, restrict the movement of funds, or result in the deprivation of contract rights or the taking of property without fair consideration. Most of our international sales are to large international or national oil companies and these sales have resulted in a concentration of receivables from certain national oil companies in Latin America. As of December 31, 2013 our receivables from Latin America customers accounted for 38% of our net outstanding accounts receivable balance with $326 million due from Petroleos de Venezuela, S.A. ("PDVSA") and $437 million due from Petroleos Mexicanos ("Pemex"). In 2013 we recognized a loss of $58 million, upon settlement of $127 million in outstanding receivables due from PDVSA. We accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold these bonds for a loss in a series of transactions. During 2013, 2012 and 2011, no individual customer accounted for more than 10% of our consolidated revenues.

Inventories

We value our inventories at lower of cost or market using either the first-in, first-out ("FIFO") or average cost methods. Cost represents third-party invoice or production cost. Production cost includes material, labor and manufacturing overhead. Work in process and finished goods inventories include the cost of materials, labor and manufacturing overhead.

Property, Plant and Equipment

We carry our property, plant and equipment, both owned and under capital lease, at cost less accumulated depreciation. The carrying values are based on our estimates and judgments relative to capitalized costs, useful lives and salvage value, where applicable. We expense maintenance and repairs as incurred. We capitalize expenditures for improvements as well as renewals and replacements that extend the useful life of the asset. We depreciate our fixed assets on a straight-line basis over their estimated useful lives, allowing for salvage value where applicable.

Our depreciation expense for the years ended December 31, 2013, 2012 and 2011 was $1.3 billion, $1.2 billion and $1.0 billion, respectively. We classify our rig assets as Rental and Service Equipment on the Consolidated Balance Sheets.

The estimated useful lives of our major classes of property, plant and equipment are as follows:

	Estimated Useful Lives
Buildings and leasehold improvements	10 – 40 years or lease term
Rental and service equipment	2 – 20 years
Machinery and other	2 – 12 years

Goodwill and Indefinite-Lived Intangible Assets

We test for the impairment of goodwill and other intangible assets with indefinite lives annually as of October 1, or more frequently if indicators of impairment exist. Our goodwill impairment test involves a comparison of the fair value of each of our reporting units with its carrying amount.

The fair value of our reporting units is determined using primarily an income approach. The fair value was estimated using discounted cash flows using a discount rate adjusted for credit risk of the regional reporting unit tested. If the fair value of a reporting unit is less than the recorded book value of the reporting unit's assets (including goodwill), less liabilities, then a hypothetical purchase price allocation is performed on the reporting unit's assets and liabilities using the fair value of the reporting unit as the purchase price in the calculation. If the amount of goodwill resulting from this hypothetical purchase price allocation is less than the recorded amount of goodwill, the recorded goodwill is written down to the new amount. Our indefinite-lived asset impairment test involves a comparison of the fair value of the intangible asset and its carrying value. If the fair value is less than the carrying value, the asset is written down to fair value.

Intangible Assets

Our intangible assets, excluding goodwill, are acquired technology, licenses, patents, customer relationships and other identifiable intangible assets. Intangible assets are amortized on a straight-line basis over their estimated economic lives generally ranging from two to 20 years, except for intangible assets with indefinite lives, which are not amortized. As many areas of our business rely on patents and proprietary technology, we seek patent protection both inside and outside the U.S. for products and methods that appear to have commercial significance. We capitalize patent defense costs when we determine that a successful defense is probable.

Long-Lived Assets

We review our long-lived assets to determine whether any events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. Factors that might indicate a potential impairment may include, but are not limited to, significant decreases in the market value of the long-lived asset, a significant change in the long-lived asset's physical condition, a change in industry conditions or a reduction in cash flows associated with the use of the long-lived asset. If these or other factors indicate the carrying amount of the asset may not be recoverable, we determine whether an impairment has occurred through analysis of undiscounted cash flow of the asset at the lowest level that has an identifiable cash flow. If an impairment has occurred, we recognize a loss for the difference between the carrying amount and the fair value of the asset. We measure the fair value of the asset using market prices or, in the absence of market prices, based on an estimate of discounted cash flows. Cash flows are generally discounted using an interest rate commensurate with a weighted average cost of capital for a similar asset.

Research and Development Expenditures

Research and development expenditures are expensed as incurred.

Environmental Expenditures

Environmental expenditures that relate to the remediation of an existing condition caused by past operations and that do not contribute to future revenues are expensed. Liabilities for these expenditures are recorded when it is probable that obligations have been incurred and costs can be reasonably estimated. Estimates are based on available facts and technology, enacted laws and regulations and our prior experience in remediation of contaminated sites.

Derivative Financial Instruments

We record derivative instruments on the balance sheet at their fair value, as either an asset or a liability. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income (loss), depending on whether the derivative is designated as part of a hedge relationship, and if so, the type of hedge transaction. Any gain or loss associated with the termination of an interest rate swap that was accounted for as a hedge instrument is deferred and amortized as an adjustment to interest expense over the remaining term of the designated debt instrument.

Foreign Currency

Results of operations for our foreign subsidiaries with functional currencies other than the U.S. dollar are translated using average exchange rates during the period. Assets and liabilities of these foreign subsidiaries are translated using the exchange rates in effect at the balance sheet dates, and the resulting translation adjustments are included as Accumulated Other Comprehensive Income (Loss), a component of shareholders' equity.

For our subsidiaries that have a functional currency that differs from the currency of their balances and transactions, inventories, property, plant and equipment and other non-monetary assets and liabilities, together with their related elements of expense or income, are remeasured using historical exchange rates. All monetary assets and liabilities are remeasured at current exchange rates. All revenues and expenses are translated at average exchange rates. Remeasurement gains and losses for these subsidiaries are recognized in our results of operations during the period incurred. We had net foreign currency losses, excluding the devaluation of the Venezuelan bolivar of $66 million, $85 million and $84 million in 2013, 2012 and 2011, respectively. In addition, during 2013 we recognized a charge of approximately $100 million on the devaluation of the Venezuelan bolivar. Due to the magnitude, the 2013 devaluation of the Venezuelan bolivar is discussed separately below under the heading "Foreign Currency - Devaluation of Venezuelan Bolivar." The gain or loss related to individual foreign currency transactions, excluding the devaluation of the Venezuelan bolivar, is included in Other, Net in our Consolidated Statements of Operations.

Foreign Currency - Devaluation of Venezuelan Bolivar

On February 8, 2013, the Venezuelan government announced its intention to devalue its currency effective February 13, 2013 at which time the official exchange rate will have moved from 4.30 per dollar to 6.30 per dollar for all goods and services. In connection with this devaluation, we recognized a charge of approximately $100 million in 2013 for the remeasurement of our net monetary assets denominated in the Venezuelan bolivar at the date of the devaluation. Our net investment in Venezuela was $666 million at December 31, 2013. Our net monetary asset position denominated in Venezuelan bolivar was $238 million at December 31, 2013.

Share-Based Compensation

We account for all share-based payment awards, including shares issued under employee stock purchase plans, stock options, restricted stock and performance units by measuring these awards at the date of grant and recognizing the grant date fair value as an expense, net of expected forfeitures, over the service period, which is usually the vesting period.

Income Taxes

Income taxes have been provided based upon the tax laws and rates in the countries in which our operations are conducted and income is earned. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance for deferred tax assets is recorded when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized. The impact of an uncertain tax position taken or expected to be taken on an income tax return is recognized in the financial statements at the largest amount that is more likely than not to be sustained upon examination by the relevant taxing authority.

Revenue Recognition

Revenue is recognized when all of the following criteria have been met: (1) evidence of an arrangement exists; (2) delivery to and acceptance by the customer has occurred; (3) the price to the customer is fixed or determinable; and (4) collectability is reasonably assured.

Both contract drilling and pipeline service revenue is contractual by nature and generally governed by day-rate based contracts. We recognize revenue for these day-rate contracts based on the criteria outlined above, which is consistent with our other product offerings.

From time to time, we may receive revenues for preparation and mobilization of equipment and personnel. In connection with new drilling contracts, revenues earned and incremental costs incurred directly related to preparation and mobilization are deferred and recognized over the primary contract term using the straight-line method. Costs of relocating equipment without contracts to more promising market areas are expensed as incurred. Demobilization fees received are recognized, along with any related expenses, upon completion of contracts.

We incur rebillable expenses including shipping and handling, third-party inspection and repairs, and customs costs and duties. We recognize the revenue associated with these rebillable expenses as Products Revenues and all related costs as Cost of Products in the accompanying Consolidated Statements of Operations.

Percentage-of-Completion

Revenue from certain long-term construction type contracts is reported based on the percentage-of-completion method of accounting. This method of accounting requires us to calculate contract profit to be recognized in each reporting period for each contract based upon our projections of future outcomes, which include:

- estimates of the available revenue under the contracts;
- estimates of the total cost to complete the project;
- estimates of project schedule and completion date;
- estimates of the extent of progress toward completion; and
- amount of any change orders or claims included in revenue.

Measurements of progress are based on costs incurred to date as a percentage of total estimated costs or output based related to physical progress. At the outset of each contract, we prepare a detailed analysis of our estimated cost to complete the project. Risks related to service delivery, usage, productivity and other factors are considered in the estimation process. We periodically evaluate the estimated costs, claims, change orders and percentage-of-completion at the contract level. The recording of profits and losses on long-term contracts requires an estimate of the total profit or loss over the life of each contract. This estimate requires consideration of total contract value, change orders and claims, less costs incurred and estimated costs to complete. Anticipated losses on contracts are recorded in full in the period in which they become evident. Profits are recorded based upon the total estimated contract profit multiplied by the current estimated percentage complete for the contract.

Earnings per Share

Basic earnings per share for all periods presented equals net income divided by the weighted average number of our shares outstanding during the period including participating securities. Diluted earnings per share is computed by dividing net income by the weighted average number of our shares outstanding during the period including participating securities, adjusted for the dilutive effect of our stock options, restricted shares, performance units and our outstanding warrants.

Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and are included in the computation of earnings per share following the two-class method. Accordingly, we include our restricted share awards ("RSA"), which contain the right to vote and receive dividends, in the computation of both basic and diluted earnings per share. The following reconciles basic and diluted weighted average shares outstanding:

	Year Ended December 31,		
(Shares in millions)	**2013**	**2012**	**2011**
Basic weighted average shares outstanding	772	765	753
Dilutive effect of:			
Warrants	—	—	2
Stock options and restricted shares	—	—	5
Diluted weighted average shares outstanding	772	765	760

Our diluted weighted average shares outstanding for the years ended December 31, 2013, 2012 and 2011, exclude potential shares that are anti-dilutive, such as options where the exercise price exceeds the current market price of our stock. In addition, diluted weighted average shares outstanding for the years ended December 31, 2013 and 2012, exclude potential shares for stock options, restricted shares and performance units outstanding as we have net losses for that period as their inclusion would be anti-dilutive. The following table discloses the number of anti-dilutive shares excluded:

	Year Ended December 31,		
(Shares in millions)	**2013**	**2012**	**2011**
Anti-dilutive potential shares	5	4	5

New Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued new guidance intended to improve the reporting of reclassifications out of accumulated other comprehensive income. The guidance requires an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety from accumulated other comprehensive income to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. This guidance became effective for us in our second quarter of 2013. Please see Note 14 – Shareholders' Equity, which presents the reclassifications out of Accumulated Other Comprehensive Income.

In July 2013, the FASB issued new guidance intended to clarify the presentation of unrecognized tax benefits. An unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carry forward, a similar tax loss, or a tax credit carryforward, with certain exceptions. The unrecognized tax benefit should be presented as a liability and should not be combined with deferred tax assets to the extent that: (1) the deferred tax asset is not available under the tax law of the applicable jurisdiction to settle additional income taxes resulting from disallowance of the tax position, or (2) the entity is not required to use the deferred tax asset under the tax law of the applicable jurisdiction and the entity does not intend to use the deferred tax asset to offset additional taxes that would result from disallowance of the position. This guidance will be effective for us beginning with the first quarter of 2014 and may be adopted prospectively for all unrecognized tax benefits that exist at the effective date or retrospectively. The adoption of this guidance is not expected to have a material impact on our financial position, results of operations or cash flows.

NOTE 2 Business Combinations and Dispositions

Acquisitions

We have acquired businesses we feel are important to our long-term strategy. Results of operations for acquisitions are included in the accompanying Consolidated Statements of Operations from the date of acquisition. The balances included in the Consolidated Balance Sheets related to current year acquisitions are based on preliminary information and are subject to change when final asset valuations are obtained and the potential for liabilities has been evaluated. The purchase price for the acquisitions is allocated to the net assets acquired based upon their estimated fair values at the date of acquisition. During the year ended December 31, 2013, we acquired businesses for cash consideration of $8 million, net of cash acquired.

In May 2012, we acquired a company that designs and produces well completion tools. As purchase consideration, we paid $29 million in cash, issued three million shares valued at approximately $39 million, settled a previously existing note receivable for $16 million and entered into a contingent consideration arrangement valued at approximately $8 million at December 31, 2013 that will be settled in early 2015. This contingent consideration arrangement is dependent on the acquired company's 2014 revenue and will be marked to market through current earnings in each reporting period prior to settlement. The liability is valued using a Monte Carlo simulation and Level 3 inputs.

During the year ended December 31, 2012, we also acquired other businesses and equity investments for cash consideration of $144 million, net of cash acquired. We acquired various businesses and equity investments during the year ended 2011 for cash consideration of $158 million, net of cash acquired. In addition, our 2011 acquisitions included the issuance of approximately eight million shares valued at $134 million.

Dispositions

During the fourth quarter of the year ended December 31, 2013, we completed the sale of our 38.5% equity interest in Borets International Limited ("Borets") (formerly Premier Business Solutions, "PBS") for $400 million, net of settlement items. Borets is an electric submersible pump manufacturer that operates in Russia. The consideration consisted of $359 million in cash and a three-year $30 million promissory note. As part of the sale, it was agreed that any payables or receivables between the parties would be net settled and, as a result, $11 million that we owed to Borets was deducted from the total consideration. We recorded a gain on sale of $18 million.

During the first half of 2013, we also completed the sale of our industrial screen business for proceeds totaling $137 million. Through our industrial screen operations, we delivered screen technologies used in numerous industries and, as a result, the screen business was not closely aligned with our goals as a leading provider of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. During the year ended December 31, 2013, we recognized gains totaling $6 million resulting from these industrial screen transactions. The major classes of assets sold in these transactions included $54 million in cash, $36 million of accounts receivable, $37 million of inventory and $93 million of other assets primarily comprised of property, plant and equipment, other intangible assets and goodwill. Liabilities of $69 million were also transferred in the sale, of which $60 million were current liabilities.

During 2012, we completed the sale of our subsea controls business in exchange for an equity investment, valued at $173 million, in ProServ Group Inc., an entity that is positioned to provide complete subsea solutions to clients (see Note 9 – Equity Investments). We recognized a $28 million gain from the transaction (approximately $25 million net of tax). The major classes of assets sold included $39 million of accounts receivable and other current assets, $38 million of inventories, $5 million of property plant and equipment and $74 million of goodwill. Liabilities of $13 million were also transferred in the sale.

NOTE 3 Supplemental Cash Flow Information

Cash paid for interest and income taxes, net of refunds, was as follows:

	Year Ended December 31,		
(Dollars in millions)	**2013**	**2012**	**2011**
Interest paid, net of capitalized interest	$ 525	$ 478	$ 461
Income taxes paid, net of refunds	442	443	291

NOTE 4 Percentage of Completion Contracts

During 2013, we recognized estimated project losses of $232 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage of completion method. Total estimated losses on these projects were $307 million at December 31, 2013. As of December 31, 2013, our percentage of completion project estimates include $36 million of claims revenue and $82 million for liquidated damages that we are contractually obligated to pay as a result of delays in the expected completion of the project. We have a variety of unapproved contract change orders or claims that are not included in our revenues as of December 31, 2013. Amounts representing these contract change orders or claims are included in revenue only when they can be estimated reliably and their realization is reasonably assured.

During 2012, we recognized losses of $100 million related to a long-term construction contract in Iraq accounted for under the percentage of completion method. As of December 31, 2012, we had claims against our customer of $68 million that were not included in our revenue estimates because they do not meet the criteria for recognition. Additionally, we had accrued $17 million for liquidated damages that we are contractually obligated to pay as a result of delays in the expected completion of the project. In addition, in the quarter ended December 31, 2012, we recognized $63 million in revenue upon revision of project estimates on our projects in Mexico. These amounts were determined to be realizable in the fourth quarter of 2012.

NOTE 5 Accounts Receivable Factoring

Since 2010, we have engaged in a factoring program to sell accounts receivable in Mexico to third party financial institutions. In 2013, we sold $215 million under the program, received cash totaling $204 million and recognized a loss of $3 million on these sales. In 2012, we sold approximately $177 million under the program, received cash totaling $163 million and recognized a loss of $1 million on these sales. In 2011, we sold approximately $65 million under our factoring program, received cash totaling $64 million and recognized a loss of $1 million on these sales. In each year our factoring transactions qualified for sale accounting under the accounting standards and all related proceeds are included as operating cash flows in our Consolidated Statements of Cash Flows.

NOTE 6 Inventories, Net

Inventories, net of reserves, by category were as follows:

	December 31,	
(Dollars in millions)	**2013**	**2012**
Raw materials, components and supplies	$ 386	$ 461
Work in process	130	166
Finished goods	2,855	3,048
	$ 3,371	**$ 3,675**

Work in process and finished goods inventories include cost of materials, labor and manufacturing overhead. During 2013 we recognized charges for excess and obsolete inventory totaling $62 million. During 2012, we recognized a charge of $30 million to adjust the carrying value of our guar inventory, a component of certain drilling fluids, to the lower of cost or market. During 2012, we also recognized a charge for excess and obsolete inventory of $53 million. These costs are classified in the caption "Cost of Products" within our Consolidated Statements of Operations.

NOTE 7 Goodwill

We perform an impairment test for goodwill and indefinite-lived intangible assets annually as of October 1, or more frequently if indicators of potential impairment exist. Our goodwill impairment test involves a comparison of the fair value of each of our reporting units with its carrying amount. The fair value of our reporting units is determined using primarily an income approach. The income approach estimates fair value by discounting each reporting unit's estimated future cash flows using a weighted-average cost of capital that reflects current market conditions and considers the risk profile of each reporting unit. Our reporting units are components of our operating segments, certain of which are aggregated and include the United States, Canada, Latin America, Europe, Sub-Sahara Africa ("SSA"), Russia, Middle East/North Africa ("MENA") and Asia Pacific.

The fair values of all our reporting units were in excess of their carrying value as of our October 1, 2013 annual impairment test. The fair value of our Latin America reporting unit was closest to its carrying value and was 21% in excess of its carrying value at October 1, 2013. The goodwill balance at December 31, 2013 for Latin America was $345 million.

During the second quarter of 2012, we noted a sustained decline in the market price of our registered shares such that our market capitalization was lower than our total shareholders' equity for an extended period. Additionally, certain of our reporting units were not performing at the levels previously expected. In response, we considered the associated circumstances to assess whether an event or change had occurred that, more likely than not, reduced the fair value of any of our reporting units below their carrying amount. After considering the relevant circumstances, we concluded that the decline in our market capitalization was a potential indicator of impairment and we prepared the analysis necessary to identify potential impairment through the comparison of reporting unit fair values and carrying amounts. This "step one" analysis indicated that the goodwill attributed to our MENA and SSA reporting units was potentially impaired. Consequently, we performed the "step two" analysis of the goodwill impairment test, comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. The "step two" analysis indicated that the goodwill for both reporting units was fully impaired and we recognized an impairment loss of $589 million in the second quarter of 2012, of which $512 million was attributable to MENA and $77 million to SSA.

The changes in the carrying amount of goodwill by reportable segment for the two years ended December 31, 2013 and 2012 were as follows:

(Dollars in millions)	North America	MENA/Asia Pacific	Europe/SSA/ Russia	Latin America	Total
Balance at December 31, 2011	**$ 2,272**	**$ 743**	**$ 1,024**	**$ 384**	**$ 4,423**
Acquisitions	59	—	46	—	105
Disposals	(2)	(7)	(65)	—	(74)
Impairment loss	—	(512)	(77)	—	(589)
Purchase price and other adjustments	(18)	—	—	(24)	(42)
Foreign currency translation adjustments	25	2	27	(6)	48
Balance at December 31, 2012	**2,336**	**226**	**955**	**354**	**3,871**
Acquisitions	—	—	2	—	2
Disposals	(23)	(4)	(13)	(1)	(41)
Purchase price and other adjustments	1	—	(3)	2	—
Foreign currency translation adjustments	(71)	(13)	(29)	(10)	(123)
BALANCE AT DECEMBER 31, 2013	**$ 2,243**	**$ 209**	**$ 912**	**$ 345**	**$ 3,709**

NOTE 8 Other Intangible Assets

The components of intangible assets were as follows:

	December 31, 2013			December 31, 2012		
(Dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Acquired technology	$ 417	$ (238)	$ 179	$ 423	$ (207)	$ 216
Licenses	261	(161)	100	254	(139)	115
Patents	271	(129)	142	266	(113)	153
Customer relationships and contracts	329	(163)	166	353	(148)	205
Other	91	(52)	39	128	(51)	77
	$ 1,369	**$ (743)**	**$ 626**	**$ 1,424**	**$ (658)**	**$ 766**

We have trademarks that are considered to have indefinite lives as we have the ability and intent to renew them indefinitely. These trademarks had a carrying value of $12 million and $19 million at December 31, 2013 and 2012, and are included in the Other caption in the table above.

Additions to intangibles for the years ended December 31, 2013 and 2012 were as follows:

(Dollars in millions)	Year Ended December 31, 2013	2012
Acquired technology	$ 1	$ —
Licenses	3	13
Patents	5	34
Customer relationships and contracts	4	100
Other	2	30
TOTAL	**$ 15**	**$ 177**

Amortization expense was $120 million, $122 million and $102 million for the years ended December 31, 2013, 2012 and 2011, respectively. Future estimated amortization expense for the carrying amount of intangible assets as of December 31, 2013 is expected to be as follows (dollars in millions):

Period	**Amount**
2014	$ 116
2015	84
2016	69
2017	64
2018	59

NOTE 9 Equity Investments

Our equity investments in unconsolidated affiliates were as follows:

(Dollars in millions)	December 31, 2013	2012
Borets (formerly PBS)	$ —	$ 356
Proserv Group Inc.	168	170
Other equity investments	128	120
	$ 296	**$ 646**

During 2013, we sold our interest in Borets International Limited ("Borets") (see Note 2 - Business Combinations and Dispositions). At December 31, 2012, we owned 38.5% of Borets. At December 31, 2013 and 2012, we owned 27.2% and 25.7% of Proserv Group Inc., respectively. Equity in earnings of unconsolidated affiliates for the years ended December 31, 2013, 2012 and 2011 totaled $37 million, $51 million and $20 million, respectively.

In connection with our goodwill impairment test performed in 2012, we prepared an analysis to determine the fair value of our equity investments in less than majority owned entities. Upon completion of this valuation, we determined that the fair value attributable to certain equity investments was significantly below our carrying value for these investments. We assessed these declines in value as other than temporary and recognized an impairment loss of $204 million during the second quarter of 2012.

NOTE 10 Short-term Borrowings and Current Portion of Long-term Debt

(Dollars in millions)	December 31, 2013	2012
Commercial paper program	$ 292	$ 888
Revolving credit facility	772	—
364-day term loan facility	300	—
Other short-term bank loans	229	109
Total short-term borrowings	1,593	997
Current portion of long-term debt	73	588
Short-term borrowings and current portion of long-term debt	$ 1,666	$ 1,585
Weighted average interest rate on short-term borrowings outstanding at end of year	1.71%	1.54%

We maintain a $2.25 billion unsecured, revolving credit agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent, scheduled to mature July 13, 2016. The Credit Agreement can be used for a combination of borrowings, support for our $2.25 billion commercial paper program and issuances of letters of credit. At December 31, 2013, our borrowings under our revolving credit facility had a weighted average interest rate of 1.4%. This agreement requires that we maintain a debt-to-total capitalization ratio of less than 60%. We were in compliance with this covenant at December 31, 2013.

At December 31, 2013, our borrowings under our commercial paper program had a weighted average interest rate of 1.0%, and there were $42 million in outstanding letters of credit under the Credit Agreement.

On May 1, 2013, we entered into a $300 million, 364-day term loan facility with a syndicate of banks. The facility was fully drawn on May 1, 2013 and will mature on April 30, 2014. The terms and conditions of the facility are substantially similar to our $2.25 billion revolving credit agreement. At December 31, 2013, our borrowings under our 364-day term loan facility had a weighted average interest rate of 1.4%. The facility is used for general corporate purposes, including the repayment of other credit facility borrowings and the reduction of outstanding commercial paper.

We have short-term borrowings with various domestic and international institutions pursuant to uncommitted facilities. At December 31, 2013, we had $229 million in short-term borrowings under these arrangements with a weighted average interest rate of 4.1%. In addition, we had $541 million of letters of credit under various uncommitted facilities and $286 million of surety bonds, primarily performance bonds, issued by financial sureties against an indemnification from us at December 31, 2013.

The carrying value of our short-term borrowings approximates their fair value as of December 31, 2013. A majority of the Current Portion of Long-term Debt at December 31, 2013 is primarily related to payments on our capital leases.

NOTE 11 Long-term Debt

We have issued various senior notes, all of which rank equally with our existing and future senior unsecured indebtedness, have semi-annual interest payments and no sinking fund requirements. Our Long-term Debt consisted of the following:

	December 31,	
(Dollars in millions)	**2013**	**2012**
5.15% Senior Notes due 2013	$ —	$ 294
4.95% Senior Notes due 2013	—	250
5.50% Senior Notes due 2016	353	354
6.35% Senior Notes due 2017	610	613
6.00% Senior Notes due 2018	498	497
9.625% Senior Notes due 2019	1,021	1,025
5.125% Senior Notes due 2020	798	797
4.50% Senior Notes due 2022	747	747
6.50% Senior Notes due 2036	595	595
6.80% Senior Notes due 2037	298	298
7.00% Senior Notes due 2038	497	497
9.875% Senior Notes due 2039	247	247
6.75% Senior Notes due 2040	596	596
5.95% Senior Notes due 2042	545	545
4.82% secured borrowing	102	132
Capital and other lease obligations	153	118
Other	74	32
	7,134	7,637
Less amounts due in one year	73	588
Long-term debt	**$ 7,061**	**$ 7,049**

The following is a summary of scheduled Long-term Debt maturities by year (dollars in millions):

2014	$ 73
2015	66
2016	410
2017	673
2018	512
Thereafter	5,400
	$ 7,134

On April 4, 2012, we completed a $1.3 billion long-term debt offering comprised of $750 million of 4.5% senior notes due 2022 and $550 million of 5.95% senior notes due 2042. The net proceeds from this offering were used to repay short-term indebtedness under our commercial paper program and for general corporate purposes.

In August 2012, as a result of the delay in filing our second quarter report on Form 10-Q and potential delay in filing our third quarter report on Form 10-Q, we sought consents from the holders of our senior notes to extend the due date under the senior note indentures for providing our Form 10-Q filings and our 2012 Form 10-K filing to no later than March 31, 2013. We received sufficient consents to apply this extension to all series of our publicly traded senior notes. We offered a cash payment of $2.50 for each $1,000 in principal amount for those note holders who consented to the extension and we paid approximately $18 million to the holders of our senior notes in connection with this consent solicitation, which will be recognized as an increase in interest expense over the remaining terms of the senior notes. We also incurred and expensed in 2012 other costs, including fees and expenses, of $12 million in connection with our debt consent solicitation.

The weighted average effective interest rate on our Senior Notes during 2013 was 6.2%. The effective rate was determined after giving consideration to the effect of interest rate derivatives accounted for as hedges and the amortization of any premiums or discounts (See Note 13 – Derivative Instruments).

NOTE 12 Fair Value of Financial Instruments

Financial Instruments Measured and Recognized at Fair Value

We estimate fair value at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market for the asset or liability. Our valuation techniques require inputs that we categorize using a three level hierarchy, from highest to lowest level of observable inputs. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices or other market data for similar assets and liabilities in active markets, or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based upon our own judgment and assumptions used to measure assets and liabilities at fair value. Classification of a financial asset or liability within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement. Other than the contingent consideration discussed in Note 2 and our derivative instruments discussed in Note 13, we had no assets or liabilities measured and recognized at fair value on a recurring basis at December 31, 2013 and 2012.

Fair Value of Other Financial Instruments

Our other financial instruments include short-term borrowings and long-term debt. The carrying value of our commercial paper and other short-term borrowings approximates their fair value due to the short-term duration of the associated interest rate periods. These short-term borrowings are classified as Level 2 in the fair value hierarchy.

The fair value of our long-term debt fluctuates with changes in applicable interest rates. Fair value will exceed carrying value when the current market interest rate is lower than the interest rate at which the debt was originally issued. The fair value of our Long-term Debt is a measure of its current value under present market conditions and is established based on observable inputs in non-active markets. The fair value of our Long-term Debt is classified as Level 2 in the fair value hierarchy.

The fair value and carrying value of our senior notes were as follows:

	December 31,	
(Dollars in millions)	**2013**	**2012**
Fair value	$ 7,580	$ 8,368
Carrying value	6,805	7,355

NOTE 13 Derivative Instruments

We are exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk. We manage our debt portfolio to achieve an overall desired position of fixed and floating rates, and we may employ interest rate swaps as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. In light of events in the global credit markets and the potential impact of these events on the liquidity of the banking industry, we continue to monitor the creditworthiness of our counterparties, which are multinational commercial banks. The fair values of all our outstanding derivative instruments are determined using a model with Level 2 inputs including quoted market prices for contracts with similar terms and maturity dates.

Fair Value Hedges

We may use interest rate swaps to help mitigate exposures related to changes in the fair values of the associated debt. Amounts paid or received upon termination of interest rate swaps accounted for as fair value hedges represent the fair value of the agreements at the time of termination and are amortized as a reduction, in the case of gains, or as an increase, in the case of losses, of interest expense over the remaining term of the debt.

In July 2011, we entered into interest rate swap agreements to pay a variable interest rate and receive a fixed interest rate with an aggregate notional amount of $300 million. These swaps were designated as fair value hedges of our 6.35% Senior Notes. In June 2012, these swaps were terminated. As a result of these terminations, we received a cash settlement of $18 million. The gain associated with these interest rate swap terminations was deferred and is being amortized over the remaining term of our 6.35% senior notes as a reduction in interest expense.

As of December 31, 2013 and 2012, we had net unamortized gains of $42 million and $52 million, respectively, associated with interest rate swap terminations.

Cash Flow Hedges

In 2008, we entered into interest rate derivative instruments to hedge projected exposures to interest rates in anticipation of a debt offering. These hedges were terminated at the time of the issuance of the debt and the associated loss on these hedges is being amortized from Accumulated Other Comprehensive Income (Loss) into interest expense over the remaining term of the debt. As of December 31, 2013 and 2012, we had net unamortized losses of $11 million for both years associated with our cash flow hedge terminations.

Other Derivative Instruments

As of December 31, 2013 and 2012, we had foreign currency forward contracts with aggregate notional amounts of $635 million and $990 million, respectively. These contracts were entered into to hedge exposure to currency fluctuations in various foreign currencies. The total estimated fair value of these contracts and amounts receivable or owed associated with closed contracts at December 31, 2013 and 2012 resulted in a net liability of $1 million and $15 million, respectively. These derivative instruments were not designated as hedges, and the changes in fair value of the contracts are recorded each period in current earnings in the line captioned “Other, Net” on the accompanying Consolidated Statements of Operations.

We have cross-currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar. At December 31, 2013 and 2012, we had notional amounts outstanding of $168 million for each year. The total estimated fair value of these contracts at December 31, 2013 and 2012 resulted in a liability of $21 million and $34 million, respectively.

These derivative instruments were not designated as hedges, and the changes in fair value of the contracts are recorded in current earnings each period in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations.

The fair values of outstanding derivative instruments are summarized as follows:

(Dollars in millions)	December 31, 2013	December 31, 2012	Classifications
Derivative assets not designated as hedges:			
Foreign currency forward contracts	$ 5	$ 5	Other Current Assets
Derivative liabilities not designated as hedges:			
Foreign currency forward contracts	(6)	(20)	Other Current Liabilities
Cross-currency swap contracts	(21)	(34)	Other Liabilities

NOTE 14 Shareholders' Equity

Changes in our Issued and Treasury shares during the years ended December 31, 2013, 2012 and 2011 were as follows:

(Shares in millions)	Issued	Treasury
Balance at December 31, 2010	**758**	**(23)**
Shares issued for acquisitions	5	3
Equity awards granted, vested and exercised	—	4
Shares issued for warrants	2	—
Balance at December 31, 2011	**765**	**(16)**
Shares issued for acquisitions	—	3
Equity awards granted, vested and exercised	—	4
Shares issued for warrants	5	—
Shares issued for internal restructuring	70	(70)
Balance at December 31, 2012	**840**	**(79)**
Equity awards granted, vested and exercised	—	6
BALANCE AT DECEMBER 31, 2013	**840**	**(73)**

Effective May 23, 2012, we issued 70 million shares to one of our subsidiaries in an internal restructuring of certain of our assets.

Authorized Shares

At December 31, 2013, we were authorized to issue 840 million registered shares and conditionally authorized to issue 372 million registered shares.

Warrants

At December 31, 2010, warrants were outstanding to purchase up to 12.9 million of our shares at a price of $15.00 per share. On March 4, 2011, 4.3 million of these warrants were exercised through net share settlement resulting in the issuance of 1.7 million shares. At December 31, 2011, 8.6 million of these warrants were outstanding and exercisable until February 28, 2012. On February 28, 2012, 4.3 million of these warrants were exercised through physical delivery of shares in exchange for $65 million and the remaining 4.3 million of these warrants were exercised through net share settlement resulting in the issuance of 494 thousand shares.

The following table presents the changes in our accumulated other comprehensive income by component for the year ended December 31, 2013:

(Dollars in millions)	Currency Translation Adjustment	Defined Benefit Pension	Deferred Loss on Derivatives	Total
Balance at January 1, 2013	$ 213	$ (40)	$ (10)	$ 163
Other comprehensive loss before reclassifications	(316)	—	—	(316)
Reclassifications	(37)	2	1	(34)
Net activity	(353)	2	1	(350)
BALANCE AT DECEMBER 31, 2013	**$ (140)**	**$ (38)**	**$ (9)**	**$ (187)**

The 2013 reclassification from the currency translation adjustment component of other comprehensive income includes $30 million from the sale of our industrial screen business. This amount was recognized in the gain on sale of business line in our Consolidated Statement of Operations for the year ended December 31, 2013.

NOTE 15 Share-Based Compensation

Incentive Plans

Our incentive plans permit the grant of options, stock appreciation rights, RSA's, restricted share units ("RSU"), performance share awards, performance unit awards, other share-based awards and cash-based awards to any employee, non-employee directors and other individual service providers or any affiliate.

The provisions of each award vary based on the type of award granted and are determined by the Compensation Committee of our Board of Directors. Those awards, such as stock options that are based on a specific contractual term, will be granted with a term not to exceed 10 years. Upon grant of an RSA, the recipient has the rights of a shareholder, including but not limited to the right to vote such shares and the right to receive any dividends paid on such shares. Recipients of RSU awards do not have the rights of a shareholder until such date as the shares are issued or transferred to the recipient. As of December 31, 2013, approximately 16.7 million shares were available for grant under our incentive plans.

Share-Based Compensation Expense

We recognized the following employee share-based compensation expense during each of the years ended December 31, 2013, 2012 and 2011:

	Year Ended December 31,		
(Dollars in millions)	2013	2012	2011
Share-based compensation	$ 66	$ 76	$ 87
Related tax benefit	11	27	30

Options

Stock options were granted with an exercise price equal to or greater than the fair market value of our shares as of the date of grant. We used the Black-Scholes option pricing model to determine the fair value of stock options awarded. The estimated fair value of our stock options was expensed over their vesting period, which was generally one to four years. There were no stock options granted during 2013, 2012 or 2011. The intrinsic value of stock options exercised during 2013, 2012 and 2011 was $12 million, $4 million and $10 million, respectively. All options were fully vested as of December 31, 2012.

A summary of option activity for the year ended December 31, 2013, is presented below:

	Options *(In thousands)*	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value *(In thousands)*
Outstanding at December 31, 2012	10,403	$ 9.21	2.54 years	$ 31,717
Granted	—	—		
Exercised	(2,447)	8.89		
Forfeited	—	—		
OUTSTANDING AND VESTED AT DECEMBER 31, 2013	**7,956**	**$ 9.31**	**2.01 YEARS**	**$ 54,775**

Restricted Share Awards and Restricted Share Units

RSAs and RSUs vest based on continued employment, generally over a two to five-year period. The fair value of RSAs and RSUs is determined based on the closing price of our shares on the date of grant. The total fair value, less assumed forfeitures, is expensed over the vesting period. The weighted-average grant date fair value of RSAs and RSUs granted during the years ended December 31, 2013, 2012 and 2011 was $13.49, $13.30 and $22.41, respectively. The total fair value of RSAs and RSUs vested during the years ended December 31, 2013, 2012 and 2011 was $61 million, $78 million and $86 million, respectively. As of December 31, 2013, there was $67 million of unrecognized compensation expense related to unvested RSAs and RSUs, which is expected to be recognized over a weighted average period of two years. A summary of RSA and RSU activity for the year ended December 31, 2013 is presented below:

	RSA *(In thousands)*	Weighted Average Grant Date Fair Value	RSU *(In thousands)*	Weighted Average Grant Date Fair Value
Non-Vested at December 31, 2012	2,402	$ 18.93	3,051	$ 18.63
Granted	2,397	14.04	2,305	12.93
Vested	(1,178)	21.44	(1,870)	19.20
Forfeited	(410)	15.40	(349)	17.23
NON-VESTED AT DECEMBER 31, 2013	**3,211**	**$ 14.80**	**3,137**	**$ 14.26**

Performance Units

The performance units we have issued typically vest at the end of a three-year period assuming continued employment and the Company's achievement of certain market-based performance goals. Performance units expire unvested when market conditions are not met. The grant date fair value of the performance units we have granted was determined through use of the Monte Carlo simulation method. The assumptions used in the Monte Carlo simulation during the year ended December 31, 2013, included a risk-free rate of 0.4%, volatility of 42.1% and a zero dividend yield. The weighted-average grant date fair value of the performance units we granted during the years ended December 31, 2013, 2012 and 2011 was $10.81, $21.32 and $29.64, respectively. The total fair value of performance units vested during the years ended December 31, 2013 and 2012 was $8 million and $1 million, respectively. For the year ended December 31, 2013, the 1.3 million shares of stock issued for the performance units were related to the departure of certain former executive officers. No performance units vested in 2011 as that was the first year we granted performance units. As of December 31, 2013, there was $12 million of unrecognized compensation expense related to performance units, which is expected to be recognized over a weighted average period of one year.

A summary of performance unit activity for the years ended December 31, 2013 is presented below:

	Performance Units *(In thousands)*	Weighted Average Grant Date Fair Value
Non-vested at December 31, 2012	1,402	$ 23.14
Granted	1,905	10.81
Vested	(700)	12.04
Forfeited	(696)	20.03
NON-VESTED AT DECEMBER 31, 2013	**1,911**	**$ 16.05**

NOTE 16 Retirement and Employee Benefit Plans

We have defined contribution plans covering certain employees. Contribution expenses related to these plans totaled $73 million, $62 million and $50 million in 2013, 2012 and 2011, respectively.

We have defined benefit pension and other post-retirement benefit plans covering certain U.S. and international employees. Plan benefits are generally based on factors such as age, compensation levels and years of service. Net periodic benefit cost related to these plans totaled $20 million, $16 million and $14 million in 2013, 2012 and 2011, respectively. The projected benefit obligations on a consolidated basis were $297 million and $275 million as of December 31, 2013 and 2012, respectively. The fair values of plan assets on a consolidated basis (determined primarily using Level 2 inputs) were $151 million and $130 million as of December 31, 2013 and 2012, respectively. The net underfunded obligation was substantially all recorded within Other Noncurrent Liabilities at each balance sheet date. Additionally, consolidated amounts in accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit cost were $52 million and $55 million as of December 31, 2013 and 2012, respectively.

The weighted average assumption rates used for benefit obligations were as follows:

	Year Ended December 31,	
	2013	**2012**
Discount rate:		
United States plans	1.00% – 4.75%	1.00% – 4.00%
International plans	3.50% – 7.00%	1.36% – 7.00%
Rate of compensation increase:		
United States plans	–	–
International plans	3.00% – 4.50%	2.00% – 4.10%

During 2013 and 2012, we contributed $12 million and $11 million, respectively, to our defined benefit pension and other post-retirement benefit plans. In 2014, we expect to contribute approximately $12 million to those plans.

NOTE 17 Income Taxes

We are exempt from Swiss cantonal and communal tax on income derived outside Switzerland, and we are also granted participation relief from Swiss federal tax for qualifying dividend income and capital gains related to the sale of qualifying investments in subsidiaries. We expect that the participation relief will result in a full exemption of participation income from Swiss federal income tax.

We provide for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes. The relationship between our pre-tax income or loss and our income tax provision or benefit varies from period to period as a result of various factors which include changes in total pre-tax income or loss, the jurisdictions in which our income is earned, the tax laws in those jurisdictions and in our operating structure.

Our income tax benefit (provision) from continuing operations consisted of the following:

	Year Ended December 31,		
(Dollars stated in millions)	**2013**	**2012**	**2011**
Total current provision	$ (177)	$ (475)	$ (421)
Total deferred benefit (provision)	33	13	(121)
	$ (144)	**$ (462)**	**$ (542)**

The difference between the income tax provision at the Swiss federal income tax rate and the income tax provision attributable to Income Before Income Taxes for each of the three years ended December 31, 2013, 2012 and 2011 is analyzed below:

(Dollars stated in millions)	Year Ended December 31, 2013	2012	2011
Swiss federal income tax rate at 7.83%	$ 13	$ 23	$ (59)
Tax on earnings subject to rates different than the Swiss federal income tax rate	89	(341)	(377)
Change in valuation allowance	(264)	(108)	(29)
Change in uncertain tax positions	18	(36)	(77)
	$ (144)	**$ (462)**	**$ (542)**

In 2013, our income before tax includes a $153 million charge for the settlement of the United Nations oil-for-food program governing sales of goods into Iraq and Foreign Corrupt Practices Act ("FCPA") matters, a $299 million loss on certain legacy projects, $98 million of bad debt expense, which includes a receivable impairment charge in Venezuela, and a $100 million loss due to the devaluation of the Venezuelan bolivar, all with no or little tax benefit. Our 2013 tax provision includes certain discrete tax benefits primarily due to tax planning activities, decreases in reserves for uncertain tax positions due to statute of limitation expiration and audit closures and the enactment of the American Taxpayer Relief Act, which decreased our effective tax rate for the period.

In 2012, our results include a $589 million goodwill impairment charge, substantially all of which was non-deductible, a $204 million equity method impairment charge and a $100 million accrual for a loss contingency, both of which are fully non-deductible. In 2011, we recorded tax expense of $20 million related to the redemption of equity in one of our U.S. subsidiaries. These amounts are included in tax on earnings subject to rates different than the Swiss federal income tax rate.

Deferred tax assets and liabilities are recognized for the estimated future tax effects of temporary differences between the tax basis of an asset or liability and its reported amount in the financial statements. The measurement of deferred tax assets and liabilities is based on enacted tax laws and rates currently in effect in each of the jurisdictions in which we have operations. Deferred tax assets and liabilities are classified as current or non-current according to the classification of the related asset or liability for financial reporting.

The components of the net deferred tax asset (liability) attributable to continuing operations were as follows:

(Dollars stated in millions)	December 31, 2013	2012
Net operating losses carryforwards	$ 647	$ 396
Accrued liabilities and reserves	239	229
Tax credit carryforwards	115	117
Employee benefits	54	61
Inventory	58	61
Other	80	112
Valuation allowance	(571)	(317)
Total Deferred Tax Assets	622	659
Deferred tax liabilities:		
Property, plant and equipment	(478)	(501)
Intangible assets	(238)	(245)
Deferred Income	(6)	(27)
Other	(20)	(32)
Total deferred tax liabilities	(742)	(805)
Net Deferred Tax Assets (Liabilities)	**$ (120)**	**$ (146)**

The overall increase in the valuation allowance in both 2013 and 2012 is primarily attributable to the establishment of a valuation allowance against current year net operating losses ("NOLs") and tax credits in various jurisdictions. Our results in 2013 and 2012 include significant operating losses in Iraq upon which we recorded a valuation allowance of $134 million and $72 million, respectively.

Deferred income taxes generally have not been recognized on the cumulative undistributed earnings of our non-Swiss subsidiaries because they are considered to be indefinitely reinvested or they can be distributed on a tax free basis. Distribution of these earnings in the form of dividends or otherwise may result in a combination of income and withholding taxes payable in various countries. As of December 31, 2013, the cumulative undistributed earnings of our non-Swiss subsidiaries that are considered indefinitely reinvested and may be subject to tax if distributed amount to approximately $1.7 billion. Due to complexities in the tax laws and the manner of repatriation, it is not practicable to estimate the unrecognized amount of deferred income taxes and the related dividend withholding taxes associated with these undistributed earnings.

At December 31, 2013, we had approximately $2.7 billion of NOLs in various jurisdictions, $459 million of which were generated by certain U.S. subsidiaries. Loss carryforwards, if not utilized, will mostly expire for U.S. subsidiaries in 2031, 2032, and 2033 and at various dates from 2015 through 2033 for non-U.S. subsidiaries. At December 31, 2013, we had $115 million of tax credit carryovers, of which $97 million is for U.S. subsidiaries. The U.S. tax credits primarily consist of $25 million of research and development tax credit carryforwards which expire from 2018 through 2033, and $72 million of foreign tax credit carryforwards which expire from 2014 through 2021.

A tabular reconciliation of the total amounts of uncertain tax positions at the beginning and end of the period is as follows:

	Year Ended December 31,		
(Dollars stated in millions)	2013	2012	2011
Balance at beginning of year	$ 296	$ 292	$ 237
Additions as a result of tax positions taken during a prior period	64	8	7
Reductions as a result of tax positions taken during a prior period	(12)	(1)	(8)
Additions as a result of tax positions taken during the current period	31	29	65
Reductions relating to settlements with taxing authorities	(60)	(14)	(3)
Reductions as a result of a lapse of the applicable statute of limitations	(19)	(19)	(2)
Foreign exchange effects	(11)	1	(4)
BALANCE AT END OF YEAR	**$ 289**	**$ 296**	**$ 292**

Substantially all of the uncertain tax positions, if recognized in future periods, would impact our effective tax rate. To the extent penalties and interest would be assessed on any underpayment of income tax, such amounts have been accrued and classified as a component of income tax expense and other non-current liabilities in the financial statements in accordance with our accounting policy. We recorded a benefit of $21 million, and expenses of $21 million and $20 million of interest and penalties for the years ended December 31, 2013, 2012 and 2011, respectively. The amounts in the table above exclude accrued interest and penalties of $121 million, $142 million and $121 million at December 31, 2013, 2012 and 2011, respectively, which are included in other liabilities.

We are subject to income tax in many of the over 100 countries where we operate. As of December 31, 2013, the following table summarizes the tax years that remain subject to examination for the major jurisdictions in which we operate:

Canada	2009 - 2013
Mexico	2007 - 2013
Russia	2011 - 2013
Switzerland	2009 - 2013
United States	2007 - 2013
Venezuela	2008 - 2013

We anticipate a reduction in the balance of uncertain tax positions by up to $36 million in the next twelve months due to expiration of statutes of limitations, settlements and/or conclusions of tax examinations.

NOTE 18 Disputes, Litigation and Contingencies

U.S. Government and Internal Investigations

On January 17, 2014, the U.S. District Court for the Southern District of Texas approved the settlement agreements between us and certain of our subsidiaries and the DOJ. On November 26, 2013, we announced that we and our subsidiaries also entered into settlement agreements with the U.S. Departments of Treasury and Commerce and with the SEC, which the U.S. District Court for the Southern District of Texas entered on December 20, 2013. These agreements collectively resolved investigations of prior alleged violations by us and certain of our subsidiaries relating to certain trade sanctions laws, participation in the United Nations oil-for-food program governing sales of goods into Iraq, and non-compliance with the Foreign Corrupt Practices Act.

Approximately $66 million of the $253 million to be paid by us and our subsidiaries under the settlement agreements was paid in January 2014 and the remaining $187 million was paid pursuant to the terms of the settlement agreements in February of 2014. These agreements include a requirement to retain, for a period of at least 18 months, an independent monitor responsible to assess our compliance with the terms of the agreement so as to address and reduce the risk of recurrence of alleged misconduct, after which we would continue to evaluate our own compliance program and make periodic reports to the DOJ and SEC and maintain agreed compliance monitoring and reporting systems, all of which is costly to us. These agreements also require us to retain an independent third party to retroactively audit our compliance with U.S. export control laws during the years 2012, 2013 and 2014.

During the quarter ended June 30, 2012, the negotiations related to the trade sanctions matter progressed to a point where we recognized a liability for a loss contingency that we believed was probable and for which a reasonable estimate could be made. We estimated that the amount of this loss was $100 million and we recognized a loss contingency of this amount in the quarter ended June 30, 2012. During the quarter ended June 30, 2013, the negotiations related to the United Nations oil-for-food program governing sales of goods into Iraq and FCPA matters progressed to a point where we recognized a liability for a loss contingency that we believed was probable and for which a reasonable estimate could be made. We estimated the amount of this loss at $153 million and recognized a loss contingency equal to such amount in the quarter ended June 30, 2013.

The SEC and DOJ are also investigating the circumstances surrounding the material weakness in our internal controls over financial reporting for income taxes that was disclosed in a notification of late filing on Form 12b-25 filed on March 1, 2011 and in current reports on Form 8-K filed on February 21, 2012 and on July 24, 2012 and the subsequent restatements of our historical financial statements. We are cooperating fully with these investigations. We are unable to predict the outcome of these matters due to the inherent uncertainties presented by such investigations, and we are unable to predict potential outcomes or estimate the range of potential loss contingencies, if any. The government, generally, has a broad range of civil and criminal penalties available for these types of matters under applicable law and regulation, including injunctive relief, fines, penalties and modifications to business practices, some of which, if imposed on us, could be material to our business, financial condition or results of operations. In September 2013, we also received the final decision of the SIX Swiss Exchange Sanction Commission regarding its investigation for similar internal controls and restatement matters. The decision resulted in a fine of $270,000 plus costs. We do not plan to appeal this decision.

Shareholder Litigation

In 2010, three shareholder derivative actions were filed, purportedly on behalf of the Company, asserting breach of duty and other claims against certain current and former officers and directors of the Company related to the United Nations oil-for-food program governing sales of goods into Iraq, FCPA and trade sanctions related to the U.S. government investigations disclosed above and in our SEC filings since 2007. Those shareholder derivative cases are pending in the Harris County, Texas, civil court and are captioned *Neff v. Brady*, *et al.*, No. 201040764, *Hess v. Duroc-Danner*, *et al.*, No. 201040765, and *Rosner v. Brady*, et al., No. 201047343.

In March 2011, a shareholder derivative action, *Iron Workers Mid-South Pension Fund v. Duroc-Danner, et al.,* No. 201119822, was filed in Harris County, Texas, civil court purportedly on behalf of the Company against certain current and former officers and directors, alleging breaches of duty related to the material weakness and restatement announcements. In February 2012, a second shareholder derivative action, *Wandel v. Duroc-Danner*, *et al.*, No. 1:12-cv-01305-LAK (SDNY), was filed in federal court in the Southern District of New York. In March 2012, a purported securities class action captioned *Freedman v. Weatherford International Ltd.*, *et al.*, No. 1:12-cv-02121-LAK (SDNY) was filed in the Southern District of New York against us and certain current and former officers. That case alleges violation of the federal securities laws related to the restatement of our historical financial statements announced on February 21, 2012, and later added claims related to the announcement of a subsequent restatement on July 24, 2012.

We cannot predict the outcome of these cases including the amount of any possible loss. If one or more negative outcomes were to occur relative to these cases, the aggregate impact to our financial condition could be material.

In March 2011, a purported shareholder class action captioned *Dobina v. Weatherford International Ltd., et al.,* No. 1:11-cv-01646-LAK (SDNY), was filed in the U.S. District Court for the Southern District of New York, following our announcement on March 1, 2011 of a material weakness in our internal controls over financial reporting for income taxes, and restatement of our historical financial statements (the "2011 Class Action"). The associated lawsuit alleged violation of the federal securities laws by us and certain current and former officers. During the three months ended December 31, 2013, we entered into negotiations to settle the 2011 Class Action. As a result of these negotiations, settlement became probable and a settlement agreement was signed on January 29, 2014. The settlement agreement requires payments totaling approximately $53 million, which we expect to be entirely recoverable from insurance. The settlement arrangement must be submitted to the court for final approval. See "Notes to Consolidated Financial Statements – Note 21– Subsequent Events" for additional information regarding the settlement of the "Shareholder Litigation" matters.

Other Disputes

A former Senior Vice President and General Counsel (the "Executive") left the Company in June 2009. The Executive had employment agreements with us that terminated upon his departure. There is currently a dispute between the Executive and us as to the amount of compensation we are obligated to pay under these employment agreements based on the Executive's separation. This dispute has not resulted in a lawsuit being filed. Since 2009, it has been our belief that an unfavorable outcome regarding this dispute is not probable and, as such, we had not accrued for the Executive's claimed severance and other benefits. However, in the three months ended December 31, 2013 we concluded that we would attempt to negotiate a settlement. As a result, we believe that settlement has become probable and we have accrued our estimate of the probable loss.

Additionally, we are aware of various disputes and potential claims and are a party in various litigation involving claims against us, some of which are covered by insurance. For claims, disputes and pending litigation in which we believe a negative outcome is probable and a loss can be reasonably estimated, we have recorded a liability for the expected loss. These liabilities are immaterial to our financial condition and results of operations. In addition we have certain claims, disputes and pending litigation regarding which we do not believe a negative outcome is probable or for which we can only estimate a range of liability. It is possible, however, an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases, that would result in liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material. If one or more negative outcomes were to occur relative to these matters, the aggregate impact to our financial condition could be material.

NOTE 19 Commitments

We are committed under various operating lease agreements primarily related to office space and equipment. Generally, these leases include renewal provisions and rental payments, which may be adjusted for taxes, insurance and maintenance related to the property. Future minimum rental commitments under noncancellable operating leases are as follows (dollars in millions):

2014	$	277
2015		239
2016		185
2017		137
2018		109
Thereafter		270
	$	**1,217**

Total rent expense incurred under operating leases was approximately $581 million, $458 million and $328 million for the years ended December 31, 2013, 2012 and 2011, respectively. The future rental commitment table above does not include leases that are short-term in nature or can be cancelled with notice of less than three months.

NOTE 20 Segment Information

Reporting Segments

Our operational performance is reviewed and managed on a geographic basis. We report the following regions, which are our operating segments, as separate, distinct reporting segments: North America; MENA/Asia Pacific; Europe/SSA/Russia; and Latin America. Financial information by segment is summarized below. Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

	Year Ended December 31, 2013				
(Dollars in millions)	Net Operating Revenues	Income from Operations[(a)]	Depreciation And Amortization	Capital Expenditures	Assets at December 31, 2013
North America	$ 6,390	$ 820	$ 424	$ 434	$ 7,720
MENA/Asia Pacific	3,344	(96)	396	526	5,328
Europe/SSA/Russia	2,693	288	286	305	4,346
Latin America[(b)]	2,836	306	276	247	4,247
	15,263	1,318	1,382	1,512	21,641
Corporate and Research and Development	—	(466)	20	63	336
U.S. Government Investigation Loss	—	(153)	—	—	—
Other Items[(c)]	—	(176)	—	—	—
TOTAL	**$ 15,263**	**$ 523**	**$ 1,402**	**$ 1,575**	**$ 21,977**

	Year Ended December 31, 2012				
(Dollars in millions)	Net Operating Revenues	Income from Operations[(d)]	Depreciation And Amortization	Capital Expenditures	Assets at December 31, 2012
North America	$ 6,824	$ 1,078	$ 412	$ 744	$ 8,223
MENA/Asia Pacific	2,795	34	352	657	5,108
Europe/SSA/Russia	2,519	315	255	341	4,418
Latin America	3,077	395	238	384	4,348
	15,215	1,822	1,257	2,126	22,097
Corporate and Research and Development	—	(453)	25	51	698
Goodwill and Equity Investment Impairment	—	(793)	—	—	—
U.S. Government Investigation Loss	—	(100)	—	—	—
Other Items[(e)]	—	(178)	—	—	—
TOTAL	**$ 15,215**	**$ 298**	**$ 1,282**	**$ 2,177**	**$ 22,795**

	Year Ended December 31, 2011				
(Dollars in millions)	Net Operating Revenues	Income from Operations	Depreciation And Amortization	Capital Expenditures	Assets at December 31, 2011
North America	$ 6,023	$ 1,259	$ 357	$ 416	$ 7,672
MENA/Asia Pacific[(f)]	2,441	25	328	504	5,264
Europe/SSA/Russia	2,298	287	233	226	3,963
Latin America	2,226	254	198	329	3,517
	12,988	1,825	1,116	1,475	20,416
Corporate and Research and Development	—	(422)	20	49	635
Other Items[(g)]	—	(96)	—	—	
TOTAL	**$ 12,988**	**$ 1,307**	**$ 1,136**	**$ 1,524**	**$ 21,051**

(a) For the year ended December 31, 2013, we recognized a charge for bad debt expense of $98 million attributable to our reporting segments as follows: $59 million in Latin America, $27 million in MENA/Asia Pacific, $10 million for Europe/SSA/Russia, and $2 million in North America. See footnote (b) below for additional details for the bad debt expense charge in Latin America of $59 million. During 2013, we recognized a charge for excess and obsolete inventory of $62 million attributable to each reporting segment as follows: $35 million in North America, $7 million in MENA/Asia Pacific, $13 million in Europe/SSA/Russia and $7 million in Latin America.

(b) On December 17, 2013, we accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold these bonds in a series of transactions recognizing a loss of $58 million.

(c) Other items for 2013 include $67 million of professional fees and expenses for U.S. government investigations and the remediation of our material weakness related to income taxes, $94 million of severance and $15 million of other items, which include gains totaling $24 million primarily related to the sale of our 38.5% equity interest in Borets as well as our industrial screen business.

(d) During 2012, we recognized a charge for excess and obsolete inventory of $53 million attributable to each reporting segment as follows: $21 million in North America, $16 million in MENA/Asia Pacific, $11 million in Europe/SSA/Russia and $5 million in Latin America. We also recognized a charge of $30 million to adjust the carrying value of our guar inventory, a component of certain drilling fluids, to the lower of cost or market, all of which was attributable to the North America reporting segment.

(e) Other Items for 2012 include income tax restatement and material weakness remediation expenses of $103 million, $13 million of costs incurred in connection with U.S. government investigations, $11 million of non-recurring fees and expenses associated with our 2012 debt consent solicitation and severance, exit and other charges of $79 million, offset by a $28 million gain related to the sale of our subsea controls business.

(f) In early 2011, our operations in Libya were disrupted by civil unrest. Due to the hostilities, we were unable to physically verify the existence or condition of the majority of our assets in country for most of 2011 and the information available to us about these assets evolved during the year. Additionally, due to international sanctions against all entities affiliated with the Libyan government, we were unable to pursue collections of accounts receivable from a significant portion of our Libyan customers. In the fourth quarter, hostilities subsided and limited company personnel were able to re-enter the country. Additionally, we were able to engage in discussions with our customers. Following an examination of our Libyan assets and evaluation of our accounts receivable from Libyan customers, we recognized an expense of $59 million primarily to establish a reserve for receivables, machinery and equipment and inventory in Libya.

(g) Other Items for 2011 includes income tax restatement and material weakness remediation expenses of $22 million, $10 million of costs incurred in connection with U.S. government investigations related to Foreign Corrupt Practices Act and United Nations oil-for-food program governing sales of goods into Iraq matters, $9 million associated with the termination of a corporate consulting contract, and severance, exit and other charges of $55 million.

Products and Services

We are a diversified international energy service and manufacturing company that provides a variety of services and equipment to the exploration, production and transmission sectors of the oil and natural gas industry. The composition of our consolidated revenues by product service line group is as follows:

	Year Ended December 31,		
	2013	2012	2011
Formation Evaluation and Well Construction	61%	56%	57%
Completion and Production	39	44	43
TOTAL	**100%**	**100%**	**100%**

Geographic Areas

Financial information by geographic area for each of the three years ended December 31, 2013, is summarized below. Revenues from customers and long-lived assets in Switzerland were insignificant in each of the years presented. Long-lived assets exclude goodwill and intangible assets as well as deferred tax assets of $33 million, $59 million and $145 million at December 31, 2013, 2012 and 2011, respectively.

	Revenues from Unaffiliated Customers			Long-lived Assets		
(Dollars in millions)	2013	2012	2011	2013	2012	2011
United States	$ 5,146	$ 5,465	$ 4,714	$ 2,272	$ 2,524	$ 2,353
Canada	1,243	1,359	1,309	438	471	435
Mexico	959	1,274	789	226	231	222
Other Countries	7,915	7,117	6,176	5,899	5,845	5,041
	$ 15,263	**$ 15,215**	**$ 12,988**	**$ 8,835**	**$ 9,071**	**$ 8,051**

NOTE 21 Subsequent Events

U.S. Government and Internal Investigations

On January 17, 2014, the U.S. District Court for the Southern District of Texas approved the settlement agreements between us and certain of our subsidiaries and the U.S. Department of Justice to resolve investigations of prior alleged violations by us and certain of our subsidiaries relating to certain trade sanctions laws, participation in the United Nations oil-for-food program governing sales of goods into Iraq, and non-compliance with the Foreign Corrupt Practices Act. In 2014 we paid approximately $253 million under the settlement agreements, of which $66 million was paid in January 2014 and the remaining $187 million was paid pursuant to the terms of the settlement agreements in January and February of 2014 by us and our subsidiaries.

Shareholder Litigation

On January 29, 2014, we, together with certain current and former officers, reached agreement to resolve the *Dobina* lawsuit discussed above. Pursuant to the settlement we will pay approximately $53 million, all of which is recoverable from insurance, in exchange for dismissal with prejudice of the litigation and the unconditional release of all claims, known or unknown, that settlement class members brought or could have brought against us and individual defendants related to the facts and allegations in the litigation.

NOTE 22 Consolidating Financial Statements

Weatherford Switzerland is the ultimate parent of the Weatherford group and guarantees the obligations of Weatherford International Ltd., a Bermuda exempted company ("Weatherford Bermuda"), and Weatherford International, LLC, a Delaware limited liability company ("Weatherford Delaware"), noted below.

The following obligations of Weatherford Delaware were guaranteed by Weatherford Bermuda at December 31, 2013, 2012 and 2011: (1) 6.35% senior notes and (2) 6.80% senior notes. In addition to these obligations, the 5.95% senior notes of Weatherford Delaware were guaranteed by Weatherford Bermuda at December 31, 2011.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at December 31, 2013, 2012 and 2011: (1) revolving credit facility, (2) 5.50% senior notes, (3) 6.50% senior notes, (4) 6.00% senior notes, (5) 7.00% senior notes, (6) 9.625% senior notes, (7) 9.875% senior notes, (8) 5.125% senior notes, (9) 6.75% senior notes, (10) 4.50% senior notes and (11) 5.95% senior notes. In addition to these obligations, the following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at December 31, 2012 and 2011: (1) the 4.95% senior notes and (2) 5.15% senior notes. In 2013, we entered into a 364-day term loan facility, which is an obligation of Weatherford Bermuda guaranteed by Weatherford Delaware.

As a result of these guarantee arrangements, we are required to present the following condensed consolidating financial information. The accompanying guarantor financial information is presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for our share in the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries relate primarily to the elimination of investments in subsidiaries and associated intercompany balances and transactions.

Condensed Consolidating Balance Sheet

December 31, 2013

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Current Assets						
Cash and Cash Equivalents	$ —	$ —	$ —	$ 435	$ —	$ 435
Other Current Assets	57	5	415	8,270	(408)	8,339
Total Current Assets	57	5	415	8,705	(408)	8,774
Equity Investments in Affiliates	8,663	11,742	8,065	6,466	(34,936)	—
Equity Held in Parent	—	—	10	27	(37)	—
Intercompany Receivables, Net	—	—	—	7,304	(7,304)	—
Other Assets	7	41	17	13,138	—	13,203
TOTAL ASSETS	**$ 8,727**	**$ 11,788**	**$ 8,507**	**$ 35,640**	**$ (42,685)**	**$ 21,977**
Current Liabilities						
Short-term Borrowings and Current Portion of Long-Term Debt	$ —	$ 1,445	$ 23	$ 198	$ —	$ 1,666
Accounts Payable and Other Current Liabilities	312	129	—	4,000	(408)	4,033
Total Current Liabilities	312	1,574	23	4,198	(408)	5,699
Long-term Debt	—	5,891	986	184	—	7,061
Intercompany Payables, Net	243	6,755	306	—	(7,304)	—
Other Long-term Liabilities	10	97	2	905	—	1,014
TOTAL LIABILITIES	**565**	**14,317**	**1,317**	**5,287**	**(7,712)**	**13,774**
Weatherford Shareholders' Equity	8,162	(2,529)	7,190	30,312	(34,973)	8,162
Noncontrolling Interests	—	—	—	41	—	41
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 8,727**	**$ 11,788**	**$ 8,507**	**$ 35,640**	**$ (42,685)**	**$ 21,977**

Condensed Consolidating Balance Sheet

December 31, 2012

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Current Assets						
Cash and Cash Equivalents	$ —	$ —	$ —	$ 300	$ —	$ 300
Other Current Assets	5	5	256	8,682	(219)	8,729
Total Current Assets	5	5	256	8,982	(219)	9,029
Equity Investments in Affiliates	9,184	14,790	7,675	8,458	(40,107)	—
Equity Held in Parent	—	—	10	172	(182)	—
Intercompany Receivables, Net	—	1,872	—	—	(1,872)	—
Other Assets	17	45	14	13,690	—	13,766
TOTAL ASSETS	**$ 9,206**	**$ 16,712**	**$ 7,955**	**$ 31,302**	**$ (42,380)**	**$ 22,795**
Current Liabilities						
Short-term Borrowings and Current Portion of Long-Term Debt	$ —	$ 1,439	$ 26	$ 120	$ —	$ 1,585
Accounts Payable and Other Current Liabilities	8	246	—	4,089	(218)	4,125
Total Current Liabilities	8	1,685	26	4,209	(218)	5,710
Long-term Debt	—	5,895	1,019	135	—	7,049
Intercompany Payables, Net	400	—	477	995	(1,872)	—
Other Long-term Liabilities	12	76	3	1,127	—	1,218
TOTAL LIABILITIES	**420**	**7,656**	**1,525**	**6,466**	**(2,090)**	**13,977**
Weatherford Shareholders' Equity	8,786	9,056	6,430	24,804	(40,290)	8,786
Noncontrolling Interests	—	—	—	32	—	32
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 9,206**	**$ 16,712**	**$ 7,955**	**$ 31,302**	**$ (42,380)**	**$ 22,795**

Condensed Consolidating Statement of Operations

Year Ended December 31, 2013

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 15,263	$ —	$ 15,263
Costs and Expenses	(50)	(139)	(3)	(14,548)	—	(14,740)
Operating Income (Loss)	**(50)**	**(139)**	**(3)**	**715**	**—**	**523**
Other Income (Expense):						
Interest Expense, Net	—	(430)	(61)	(25)	—	(516)
Intercompany Charges, Net	(53)	49	(337)	341	—	—
Equity in Subsidiary Income	(242)	30	461	—	(249)	—
Other, Net	—	(31)	(2)	(144)	—	(177)
Income (Loss) Before Income Taxes	**(345)**	**(521)**	**58**	**887**	**(249)**	**(170)**
(Provision) Benefit for Income Taxes	—	—	145	(289)	—	(144)
Net Income (Loss)	**(345)**	**(521)**	**203**	**598**	**(249)**	**(314)**
Noncontrolling Interests	—	—	—	(31)	—	(31)
Net Income (Loss) Attributable to Weatherford	**$ (345)**	**$ (521)**	**$ 203**	**$ 567**	**$ (249)**	**$ (345)**
Comprehensive Income (Loss) Attributable to Weatherford	**$ (695)**	**$ (788)**	**$ 39**	**$ 214**	**$ 535**	**$ (695)**

Condensed Consolidating Statement of Operations

Year Ended December 31, 2012

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 15,215	$ —	$ 15,215
Costs and Expenses	(59)	(114)	(5)	(14,739)	—	(14,917)
Operating Income (Loss)	**(59)**	**(114)**	**(5)**	**476**	**—**	**298**
Other Income (Expense):						
Interest Expense, Net	—	(401)	(69)	(16)	—	(486)
Intercompany Charges, Net	(28)	53	(233)	208	—	—
Equity in Subsidiary Income	(689)	(701)	(94)	—	1,484	—
Other, Net	(2)	(34)	—	(64)	—	(100)
Income (Loss) Before Income Taxes	**(778)**	**(1,197)**	**(401)**	**604**	**1,484**	**(288)**
(Provision) Benefit for Income Taxes	—	—	107	(569)	—	(462)
Net Income (Loss)	**(778)**	**(1,197)**	**(294)**	**35**	**1,484**	**(750)**
Noncontrolling Interests	—	—	—	(28)	—	(28)
Net Income (Loss) Attributable to Weatherford	**$ (778)**	**$ (1,197)**	**$ (294)**	**$ 7**	**$ 1,484**	**$ (778)**
Comprehensive Income (Loss) Attributable to Weatherford	**$ (695)**	**$ (1,197)**	**$ (294)**	**$ 90**	**$ 1,401**	**$ (695)**

Condensed Consolidating Statement of Operations

Year Ended December 31, 2011

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 12,988	$ —	$ 12,988
Costs and Expenses	(48)	(3)	(3)	(11,627)	—	(11,681)
Operating Income (Loss)	**(48)**	**(3)**	**(3)**	**1,361**	**—**	**1,307**
Other Income (Expense):						
Interest Expense, Net	—	(353)	(90)	(10)	—	(453)
Intercompany Charges, Net	(61)	16	(177)	222	—	—
Equity in Subsidiary Income	299	281	802	—	(1,382)	—
Other, Net	—	(33)	(1)	(73)	—	(107)
Income (Loss) Before Income Taxes	**190**	**(92)**	**531**	**1,500**	**(1,382)**	**747**
(Provision) Benefit for Income Taxes	(1)	—	65	(606)	—	(542)
Net Income (Loss)	**189**	**(92)**	**596**	**894**	**(1,382)**	**205**
Noncontrolling Interests	—	—	—	(16)	—	(16)
Net Income (Loss) Attributable to Weatherford	**$ 189**	**$ (92)**	**$ 596**	**$ 878**	**$ (1,382)**	**$ 189**
Comprehensive Income (Loss) Attributable to Weatherford	**$ 67**	**$ (92)**	**$ 596**	**$ 756**	**$ (1,260)**	**$ 67**

Condensed Consolidating Statement of Cash Flows

Year Ended December 31, 2013

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$ (345)	$ (521)	$ 203	$ 598	$ (249)	$ (314)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	53	(49)	337	(341)	—	—
Equity in (Earnings) Loss of Affiliates	242	(30)	(461)	—	249	—
Deferred Income Tax Provision (Benefit)	—	—	28	(61)	—	(33)
Other Adjustments	(48)	748	470	406	—	1,576
Net Cash Provided (Used) by Operating Activities	**(98)**	**148**	**577**	**602**	**—**	**1,229**
Cash Flows from Investing Activities:						
Capital Expenditures for Property, Plant and Equipment	—	—	—	(1,575)	—	(1,575)
Acquisitions of Businesses, Net of Cash Acquired	—	—	—	(8)	—	(8)
Acquisition of Intellectual Property	—	—	—	(9)	—	(9)
Purchase of Equity Investment in Unconsolidated Affiliates	—	—	—	—	—	—
Proceeds from Sale of Assets and Businesses, Net	—	—	—	488	—	488
Capital Contribution to Subsidiary	—	(1,181)	—	—	1,181	—
Net Cash Provided (Used) by Investing Activities	**—**	**(1,181)**	**—**	**(1,104)**	**1,181**	**(1,104)**
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	550	(4)	66	—	612
Borrowings (Repayments) Long-term Debt, Net	—	(544)	(30)	(26)	—	(600)
Borrowings (Repayments) Between Subsidiaries, Net	100	1,027	(565)	(562)	—	—
Proceeds from Capital Contributions	—	—	—	1,181	(1,181)	—
Other, Net	(2)	—	22	(26)	—	(6)
Net Cash Provided (Used) by Financing Activities	**98**	**1,033**	**(577)**	**633**	**(1,181)**	**6**
Effect of Exchange Rate Changes On Cash and Cash Equivalents	—	—	—	4	—	4
Net Increase in Cash and Cash Equivalents	—	—	—	135	—	135
Cash and Cash Equivalents at Beginning of Year	—	—	—	300	—	300
Cash and Cash Equivalents at End of Year	**$ —**	**$ —**	**$ —**	**$ 435**	**$ —**	**$ 435**

Condensed Consolidating Statement of Cash Flows

Year Ended December 31, 2012

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$ (778)	$ (1,197)	$ (294)	$ 35	$ 1,484	$ (750)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	28	(53)	233	(208)	—	—
Equity in (Earnings) Loss of Affiliates	689	701	94	—	(1,484)	—
Deferred Income Tax Provision (Benefit)	—	—	10	(23)	—	(13)
Other Adjustments	50	35	472	1,427	—	1,984
Net Cash Provided (Used) by Operating Activities	**(11)**	**(514)**	**515**	**1,231**	**—**	**1,221**
Cash Flows from Investing Activities:						
Capital Expenditures for Property, Plant and Equipment	—	—	—	(2,177)	—	(2,177)
Acquisitions of Businesses, Net of Cash Acquired	(30)	—	—	(135)	—	(165)
Acquisition of Intellectual Property	—	—	—	(17)	—	(17)
Purchase of Equity Investment in Unconsolidated Affiliates	—	—	—	(8)	—	(8)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	61	—	61
Capital Contribution to Subsidiary	(30)	(85)	(118)	118	115	—
Net Cash Provided (Used) by Investing Activities	**(60)**	**(85)**	**(118)**	**(2,158)**	**115**	**(2,306)**
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	(108)	—	95	—	(13)
Borrowings (Repayments) Long-term Debt, Net	—	1,295	(296)	4	—	1,003
Borrowings (Repayments) Between Subsidiaries, Net	71	(588)	(101)	618	—	—
Proceeds from Capital Contributions	—	—	—	115	(115)	—
Other, Net	—	—	—	22	—	22
Net Cash Provided (Used) by Financing Activities	**71**	**599**	**(397)**	**854**	**(115)**	**1,012**
Effect of Exchange Rate Changes On Cash and Cash Equivalents	—	—	—	2	—	2
Net Increase in Cash and Cash Equivalents	—	—	—	(71)	—	(71)
Cash and Cash Equivalents at Beginning of Year	—	—	—	371	—	371
Cash and Cash Equivalents at End of Year	**$ —**	**$ —**	**$ —**	**$ 300**	**$ —**	**$ 300**

Condensed Consolidating Statement of Cash Flows

Year Ended December 31, 2011

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$ 189	$ (92)	$ 596	$ 894	$ (1,382)	$ 205
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	61	(16)	177	(222)	—	—
Equity in (Earnings) Loss of Affiliates	(299)	(281)	(802)	—	1,382	—
Deferred Income Tax Benefit	—	—	(65)	186	—	121
Other Adjustments	3	(73)	(31)	627	—	526
Net Cash Provided (Used) by Operating Activities	**(46)**	**(462)**	**(125)**	**1,485**	**—**	**852**
Cash Flows from Investing Activities:						
Capital Expenditures for Property, Plant and Equipment	—	—	—	(1,524)	—	(1,524)
Acquisitions of Businesses, Net of Cash Acquired	(4)	—	—	(140)	—	(144)
Acquisition of Intellectual Property	—	—	—	(8)	—	(8)
Purchase of Equity Investment in Unconsolidated Affiliates	—	—	—	(14)	—	(14)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	31	—	31
Capital Contribution to Subsidiary	(4)	(25)	4	—	25	—
Other Investing Activities	—	—	—	(15)	—	(15)
Net Cash Provided (Used) by Investing Activities	**(8)**	**(25)**	**4**	**(1,670)**	**25**	**(1,674)**
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	996	—	(4)	—	992
Borrowings (Repayments) Long-term Debt, Net	—	—	(18)	(176)	—	(194)
Borrowings (Repayments) Between Subsidiaries, Net	54	(623)	127	442	—	—
Proceeds from Capital Contributions	—	—	—	25	(25)	—
Other, Net	—	—	—	(21)	—	(21)
Net Cash Provided (Used) by Financing Activities	**54**	**373**	**109**	**266**	**(25)**	**777**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	—	—	—	—
Net Increase in Cash and Cash Equivalents	—	(114)	(12)	81	—	(45)
Cash and Cash Equivalents at Beginning of Year	—	114	12	290	—	416
Cash and Cash Equivalents at End of Year	**$ —**	**$ —**	**$ —**	**$ 371**	**$ —**	**$ 371**

NOTE 23 Quarterly Financial Data (Unaudited)

	2013 Quarters				
(Dollars in millions, except per share amounts)	First	Second	Third	Fourth	Total
Revenues	$ 3,837	$ 3,868	$ 3,820	$ 3,738	$ 15,263
Gross Profit	831	742	784	604	2,961
Net Income (Loss) Attributable to Weatherford	22	(118)	22	(271)	(345)
Basic Earnings (Loss) Per Share[(a)]	0.03	(0.15)	0.03	(0.35)	(0.45)
Diluted Earnings (Loss) Per Share[(a)]	0.03	(0.15)	0.03	(0.35)	(0.45)

	2012 Quarters				
(Dollars in millions, except per share amounts)	First	Second	Third	Fourth	Total
Revenues	$ 3,591	$ 3,747	$ 3,819	$ 4,058	$ 15,215
Gross Profit	891	776	852	841	3,360
Net Income (Loss) Attributable to Weatherford	123	(849)	70	(122)	(778)
Basic Earnings (Loss) Per Share	0.16	(1.11)	0.09	(0.16)	(1.02)
Diluted Earnings (Loss) Per Share	0.16	(1.11)	0.09	(0.16)	(1.02)

(a) *Per share amounts may not sum across due to rounding.*

Effective February 13, 2013, the Venezuelan government devalued its currency and the official exchange rate moved from 4.30 per dollar to 6.30 per dollar for all goods and services. Included in the results for the quarter ended March 31, 2013, we recognized a charge of approximately $100 million for the remeasurement of our net monetary assets denominated in the Venezuelan bolivar at the date of the devaluation.

The results for the quarter ended June 30, 2013 include a $153 million accrual related to the U.S. government investigations.

The results for the quarter ended December 31, 2013 include our recognition of a $58 million loss upon settlement of $127 million in outstanding receivables due from PDVSA.

Included in the results for the quarters ended September 30, 2013 and December 31, 2013, were estimated project losses of $85 million and $148 million, respectively, related to our long-term early production facility construction contracts in Iraq accounted for under the percentage of completion method. Total estimated losses on these projects were $307 million at December 31, 2013. As of December 31, 2013, our percentage of completion project estimates include $36 million of claims revenue.

Included in the results for the quarter ended June 30, 2012, are goodwill and equity method impairment losses of $589 million and $204 million, respectively, a charge for excess and obsolete inventory of $64 million, and a $28 million gain on the sale of our subsea controls business.

The results for the quarter ended September 30, 2012 include a charge of $30 million to adjust the carrying value of our guar inventory, a component of certain drilling fluids, to the lower of cost or market.

Included in the results for the quarter ended December 31, 2012 is $63 million in revenue recognized upon the revision of project estimates on our projects in Mexico. Also included in the results for the quarter ended December 31, 2012 are adjustments to correct errors in years prior to 2012 that reduce gross profit by $27 million and increase “Net Loss Attributable to Weatherford” for the quarter by $31 million. The impact of these errors, the most significant of which related to the elimination of intercompany profit in inventory, is not material to any individual prior interim or annual period.

ITEM 9 Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

As disclosed in the Company’s current report on Form 8-K filed with the Securities and Exchange Commission on March 11, 2013, the Company changed its independent registered public accountants effective March 7, 2013.

ITEM 9A Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) (the "Exchange Act"), are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. This information is collected and communicated to management, including our Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosures. Our management, under the supervision of and with the participation of our CEO and CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures at December 31, 2013. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2013.

Remediation of Income Tax Material Weakness

During the year ended December 31, 2013 we completed our plan to remediate a material weakness in our internal controls over accounting for income taxes. As of December 31, 2013, management assessed and concluded that the internal controls over accounting for income taxes were effective. Therefore, the previously reported material weakness related to accounting for income taxes has been remediated as of December 31, 2013.

During 2013, we completed the following actions related to our remediation plan:

- Hired highly qualified tax professionals and reduced our reliance on consultants;
- Prepared tax basis balance sheets where we reconciled our deferred tax asset and liability accounts;
- Performed reconciliations of our taxes payable and receivable accounts;
- Analyzed and assessed the need for uncertain tax positions in all jurisdictions; and
- Conducted world-wide on-sight training that included a broad range of income tax accounting topics where both tax and accounting personnel attended.

We will continue to focus on maintaining the system of internal controls that was developed and implemented over the last three years and make enhancements when and where necessary. Additionally we will continue to train our tax and accounting professionals on our tax processes as required.

Management's Report on Internal Controls Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) of the Exchange Act. The Company's internal controls are designed to provide reasonable, but not absolute, assurance as to the reliability of its financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

Our management, including our CEO and CFO, does not expect that our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a system of internal control over financial reporting, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any control system is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2013 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - An Integrated Framework (September 1992). As a result of this assessment management concluded that as of December 31, 2013, our internal control over financial reporting was effective based on these criteria.

KPMG LLP has issued an attestation report dated February 25, 2014, on our internal control over financial reporting, which is contained in this Annual Report.

Evaluation of disclosure controls and procedures

At the end of the period covered by this Annual Report on Form 10-K, we carried out an evaluation, under the supervision of and with the participation of management, including the CEO and the CFO, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon that evaluation, our CEO and CFO have concluded our disclosure controls and procedures were effective, as of December 31, 2013, to provide reasonable assurance that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms.

Changes in internal controls

Our management, identified no change in our internal control over financial reporting that occurred during the fourth quarter ended December 31, 2013, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting other than the remediation of the material weakness in our internal controls over the accounting for income taxes.

ITEM 9B Other Information

None.

PART III

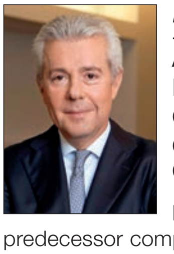
ITEM 10 Directors, Executive Officers and Corporate Governance

Board of Directors

The board of directors ("Board") of Weatherford International Ltd. (the "Company") currently consists of nine members, as set forth in the table below, each of whom was elected by our shareholders for a term of one year until the next annual shareholder meeting. Our Articles of Association do not limit the number of terms a member may be re-elected to the Board. All of our directors are independent under the rules of the New York Stock Exchange (the "NYSE"), other than Bernard J. Duroc-Danner, who is an employee.

Name	Age	Position
Bernard J. Duroc-Danner	60	Chairman of the Board, President and Chief Executive Officer
Robert A. Rayne	65	Independent Vice-Chairman of the Board and Presiding Director
David J. Butters	73	Independent Non-Employee Director
John D. Gass	62	Independent Non-Employee Director
Francis S. Kalman	66	Independent Non-Employee Director
William E. Macaulay	68	Independent Non-Employee Director
Robert K. Moses, Jr.	74	Independent Non-Employee Director
Guillermo Ortiz	65	Independent Non-Employee Director
Emyr Jones Parry	66	Independent Non-Employee Director

Director Biographies



Bernard J. Duroc-Danner

Age: 60
Director since: 1988
Committees: None
Other Public Company Boards: LMS Capital plc

Dr. Duroc-Danner joined EVI, Inc., Weatherford's predecessor company, at its inception in May 1987 and was directly responsible for the growth of EVI, Inc.'s oilfield service and equipment business. He has directed the growth of the Company since that time. He was elected EVI's President and Chief Executive Officer in 1990. Subsequent to the merger of EVI, Inc. with Weatherford Enterra, Inc. on May 27, 1998, Dr. Duroc-Danner was elected as our Chairman of the Board. Dr. Duroc-Danner's family has been in the oil business for two generations. He holds an M.B.A. and a Ph.D. in Economics from Wharton (University of Pennsylvania). Prior to the start-up of EVI, Dr. Duroc-Danner held positions at Arthur D. Little Inc. and Mobil Oil Inc. Dr. Duroc-Danner has been a director of LMS Capital plc, an investment company listed on the London Stock Exchange, since 2006. Dr. Duroc-Danner also serves on the National Petroleum Council and is a member of the Society of Petroleum Engineers. Dr. Duroc-Danner was the recipient of Ernst & Young's 2008 Entrepreneur of the Year in the Energy, Chemicals and Mining category.

During the past five years, Dr. Duroc-Danner also was a director of Helix Energy Solutions Group, Inc.

Specific qualifications and experience of particular relevance to our Company

Dr. Duroc-Danner is a valued member of the Board because of his educational background, depth of knowledge of the oilfield service industry, domestically and internationally, and his 27 years of experience in successfully leading and expanding the Company's business. As President and Chief Executive Officer, Dr. Duroc-Danner serves as an important link between senior management and the Board, and he brings to the Board an invaluable perspective in strategic planning for the future growth of the Company.

David J. Butters

Age: 73
Director since: 1984
Committees: Audit; Corporate Governance & Nominating (Chairman)
Other Public Company Boards: GulfMark Offshore, Inc. (Chairman)

Mr. Butters has been Chairman, President and Chief Executive Officer of Navigator Holdings, Ltd., an international shipping company the principal business of which is the transport of liquefied petroleum gas, since September 2008 and has been Chairman and President of Navigator Holdings since August 2006. From 1969 to September 2008, Mr. Butters was a Managing Director of Lehman Brothers Inc., an investment banking company. In addition to serving as Chairman of the Board of GulfMark Offshore, Inc., Mr. Butters is also Chairman of the Board of Directors of ACOL Tankers Ltd., a privately held oil tanker company. Mr. Butters holds a B.S. from Boston College and an M.B.A. from Columbia University Business School.

Specific qualifications and experience of particular relevance to our Company

Mr. Butters' extensive career experience in investment banking is an asset to the Audit Committee in carrying out its duties. In addition, his chief executive officer experience and his depth of knowledge of the Company's business as a result of his 29-year directorship on our Board provide us with a valuable perspective in making strategic decisions and planning for our future.

John D. Gass

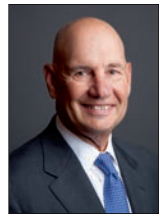
Age: 62
Director since: 2013
Committees: Compensation; Health, Safety and Environment
Other Public Company Boards: Southwestern Energy Company, Suncor Energy Inc.

Mr. Gass is a retired Vice President of Chevron Corporation and President of Chevron Gas and Midstream, a position he held from 2003 until his retirement in 2012. Mr. Gass joined Chevron in 1974 and over the next 38 years held positions of increasing responsibility both domestically and abroad, in engineering, operations and executive management.

Mr. Gass has been a director of Southwestern Energy Company since November 2012. He became a director of Suncor Energy Inc. in February 2014. Mr. Gass received a bachelor's degree in civil engineering from Vanderbilt University and a master's degree in civil engineering from Tulane University. He serves on the Board of Visitors for the Vanderbilt School of Engineering and is on the advisory board for the Vanderbilt Eye Institute. He is a member of the American Society of Civil Engineers and the Society of Petroleum Engineers.

Specific qualifications and experience of particular relevance to our Company

Mr. Gass has 38 years of experience in the international exploration and production industry, including executive leadership experience, which is a valuable asset to our Board in its strategic planning and decision-making processes.



Francis S. Kalman

Age: 66
Director since: 2013
Committees: Audit Committee (Vice Chairman)
Other Public Company Boards: Ensco plc, Kraton Performance Polymers, Inc., CHC Group Ltd.

Mr. Kalman serves as a senior advisor to a private investment subsidiary of Tudor, Pickering, Holt & Co., LLC that specializes in direct investments in upstream, midstream and oilfield service companies. Mr. Kalman served as Executive Vice President of McDermott International, Inc. from 2002 until his retirement in 2008 and as Chief Financial Officer from 2002 until 2007. From 2000 to 2002, he was Senior Vice President and Chief Financial Officer of Chemical Logistics Corporation, from 1999 to 2000, he was a principal of Pinnacle Equity Partners, LLC, from 1998 to 1999, he was Executive Vice President and Chief Financial Officer of Chemical Logistics Corporation and from 1996 to 1997, he was Senior Vice President and Chief Financial Officer of Keystone International, Inc. Mr. Kalman started his career as a Certified Public Accountant with PriceWaterhouse & Co. In addition to the above, he has served in various financial capacities with Atlantic Richfield Company (1975 to 1982), United Gas Pipeline (1982 to 1991) and American Ref-Fuel (1991 to 1996). Mr. Kalman has a B.S. in Accounting from Long Island University.

In addition to his directorships on the boards of Ensco plc, Kraton Performance Polymers, Inc. and CHC Group Ltd., during the past five years, Mr. Kalman also served on the board of Pride International, Inc., which merged into Ensco plc.

Specific qualifications and experience of particular relevance to our Company

Mr. Kalman has extensive experience in accounting and financial reporting, including chief financial officer experience and serving as chairman of the audit committee of a public company. In addition to financial expertise, he also has executive leadership and strategic planning experience in the international energy service industry that complements the mix of skills of our other members of the Board.

William E. Macaulay

Age: 68
Director since: 1998
Committees: Compensation (Chairman)
Other Public Company Boards: Dresser-Rand Group, Inc. (Chairman), CHC Group Ltd. (Chairman), Glencore Xstrata plc

Mr. Macaulay is the Chairman and Chief Executive Officer of First Reserve Corporation. He has been with First Reserve, a private equity investment firm focused on the energy industry, since 1983. Mr. Macaulay is responsible for supervision of all aspects of the firm's investment program and strategy, as well as overall management of the firm. Mr. Macaulay served as a director of Weatherford Enterra from October 1995 to May 1998. Mr. Macaulay also served as Director of Corporate Finance for Oppenheimer & Co., Inc., where he worked from 1972 to 1982. Mr. Macaulay holds a B.B.A. from City College of New York and an M.B.A. from the Wharton School of the University of Pennsylvania.

Currently, Mr. Macaulay serves as Chairman of Dresser-Rand Group, Inc., a supplier of compression and turbine equipment to the oil, gas, petrochemical and industrial process industries, and is a director of Glencore Xstrata plc, a multinational mining and commodities trading company headquartered in Baar, Switzerland. Mr. Macaulay also serves as Chairman of CHC Group Ltd., an international commercial operator of helicopters focusing on flight services to oil and gas companies and government search-and-rescue agencies, and helicopter maintenance, repair and overhaul services. Previously, Mr. Macaulay served as Chairman of the Board of Foundation Coal Holdings, Inc., a coal company, and as a director of Dresser, Inc., a provider of equipment and services in global energy infrastructures, National Oilwell Varco, Inc., an international provider of drilling systems and associated services to the oil and gas exploration and production industry, and Pride International, Inc., a contract drilling and related services company, which merged into Ensco plc.

Specific qualifications and experience of particular relevance to our Company

Mr. Macaulay's investment and financial expertise, chief executive officer experience and extensive knowledge of the oilfield service industry are important assets to the Board in its decision-making process and in strategic planning.

Robert K. Moses, Jr.

Age: 74
Director since: 1998
Committees: Audit; Compensation; Health, Safety and Environment
Other Public Company Boards: None

Mr. Moses has been a private investor, principally in the oil and gas exploration and oilfield services business in Houston, Texas, for more than the past five years. He served as Chairman of the Board of Directors of Weatherford Enterra from May 1989 to December 1992 and as a director of Weatherford Enterra from December 1992 to May 1998. Mr. Moses holds a B.A. in Economics from the University of Texas at Austin.

Specific qualifications and experience of particular relevance to our Company

Mr. Moses' investment experience, extensive knowledge of and experience in the oilfield service industry and institutional knowledge of one of Weatherford's most significant legacy companies provide a unique perspective that is an asset to the Board in its decision-making process.

Guillermo Ortiz

Age: 65
Director since: 2010
Committees: Audit; Compensation
Other Public Company Boards: Grupo Aeroportuario del Sureste S.A.B. de C.V., Grupo Comercial Chedraui S.A.B. de C.V., Mexichem S.A.B. de C.V., Vitro S.A.B. de C.V.

Dr. Ortiz is Chairman of Banorte, the third largest bank in Mexico and served as Governor of the Bank of Mexico from 1998 until 2009, and as Chairman of the Board of the Bank for International Settlements (BIS) in 2009. He previously served as Secretary of Finance and Public Credit in Mexico, from 1994 to 1998. Dr. Ortiz was also Executive Director at the International Monetary Fund and is a director of several international non-profit organizations. Dr. Ortiz holds a B.A. in Economics from the National Autonomous University of Mexico and both a M.Sc. and a Ph.D. in Economics from Stanford University.

Specific qualifications and experience of particular relevance to our Company

Dr. Ortiz is a valuable member of the Audit Committee because of his extensive finance and banking experience, particularly relating to global economic matters and multinational financing. In addition, he brings to the Board an important international perspective.

Emyr Jones Parry

Age: 66
Director since: 2010
Committees: Corporate Governance & Nominating; Health, Safety and Environment (Chairman)
Other Public Company Boards: None

Sir Emyr has been the President of the University of Aberystwyth, located in Wales, since 2008, Chairman of the All Wales Convention, a body established by the Welsh Assembly Government to review Wales's constitutional arrangements, since 2007, Chairman of Redress, a human rights organization, and Chairman of the Corporate and Social Responsibility External Advisory Group of First Group plc, a transport operator, since 2008. Sir Emyr previously held numerous diplomatic positions, including UK Permanent Representative to the UN from 2003 to 2007 and UK Ambassador to NATO from 2001 to 2003, after specializing in European Union affairs including energy policy. Sir Emyr received a B.S. in Theoretical Physics from the University of Cardiff and a Ph.D. in Polymer Physics from the University of Cambridge.

Specific qualifications and experience of particular relevance to our Company

Sir Emyr brings to the Board a wealth of government relations experience, a high level of public and social policy knowledge and an important international perspective that are valuable to the Board in making global business decisions.

Robert A. Rayne

Age: 65
Director since: 1987
Committees: Audit (Chairman); Corporate Governance & Nominating
Other Public Company Boards: ChyronHego Corporation, Derwent London plc (Non-Executive Chairman), LMS Capital plc

Mr. Rayne has been a non-executive director of LMS Capital plc, an investment company listed on the London Stock Exchange, since February 2010, and was the Chairman of LMS Capital from February 2010 to January 2012. Mr. Rayne was the Chief Executive Officer and a director of LMS Capital from June 2006, when the investment business of London Merchant Securities plc was demerged and LMS Capital was formed to hold this business, until February 2010. Mr. Rayne was employed by London Merchant Securities from 1968 to June 2006 and served as its Chief Executive Director from May 2001 to June 2006. Mr. Rayne attended Malvern College and received a diploma from the New York Institute of Finance in Accounting, Law, and Working in the Stock Exchange.

Mr. Rayne is Vice Chairman and Presiding Director of the Company's Board. As Presiding Director, Mr. Rayne leads the executive sessions of the non-management directors, which are held at least twice each year.

Specific qualifications and experience of particular relevance to our Company
Mr. Rayne has expertise in a wide range of sectors in addition to the oilfield service industry, including the real estate, media, consumer and technology industries. His 27-year tenure on our Board and his financial and investment expertise, chief executive office experience, international perspectives and diversity of expertise are beneficial to the Board in carrying out its duties.

Former Director

Mr. Nicholas F. Brady served as a director of the Company beginning in 2004. Mr. Brady resigned from the Board of Directors in February 2014 due to other personal commitments.

Meetings of the Board and Committees

Meetings in 2013

During 2013, the Board of Directors met five times, the Audit Committee met 11 times, the Compensation Committee met four times, the Corporate Governance and Nominating Committee met four times and the Health, Safety and Environment Committee met one time, for its inaugural meeting. All of the directors participated in at least 75% of all Board of Director and respective committee meetings.

Committees

The Board has created the following committees: Audit; Compensation; Corporate Governance and Nominating; and Health, Safety and Environment. All members of the Audit, Compensation, Corporate Governance and Nominating, and Health, Safety and Environment Committees are considered independent under the current rules of the NYSE and the SEC. The members of each committee are shown in the following table.

NAME	AUDIT	COMPENSATION	CORPORATE GOVERNANCE & NOMINATING	HEALTH, SAFETY & ENVIRONMENT
Bernard J. Duroc-Danner				
David J. Butters	✔		✔ (Chairman)	
John D. Gass		✔		✔
Francis S. Kalman	✔			
William E. Macaulay		✔ (Chairman)		
Robert K. Moses, Jr.	✔	✔		✔
Guillermo Ortiz	✔	✔		
Emyr Jones Parry			✔	✔ (Chairman)
Robert A. Rayne	✔ (Chairman)		✔	

Audit Committee

The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Board of Directors has adopted a written charter for the Audit Committee. The charter is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." The primary functions of the Audit Committee are:

- overseeing the integrity of our financial statements, financial reporting process and systems of internal accounting and financial controls;
- overseeing our compliance with legal and regulatory requirements;
- overseeing our independent auditor's qualifications and independence; and
- overseeing the performance of our internal audit function and independent auditor.

The Board of Directors has determined that Mr. Rayne is an "audit committee financial expert" as defined by applicable SEC rules because of his extensive financial experience. For more information regarding Mr. Rayne's experience, please see his biography on page 63 of this Form 10-K/A.

Mr. Kalman currently serves on the audit committees of four public companies, including the Company's Audit Committee. In connection with his commencement of service on the fourth audit committee, the Board of Directors of the Company determined that his service on these other audit committees would not impair his ability to effectively serve on the Company's Audit Committee.

Compensation Committee

The Board of Directors has adopted a written charter for the Compensation Committee. The charter is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." The primary functions of the Compensation Committee are:

- evaluating the performance and determining and approving the compensation of our executive officers;
- making decisions regarding executive compensation, incentive compensation plans and equity-based plans; and
- administering or having administered our incentive compensation plans and equity-based plans for executive officers and employees.

All members of the Compensation Committee satisfy the qualification standards of section 162(m) ("section 162(m)") of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and Section 16 of the Exchange Act.

Corporate Governance and Nominating Committee

The Board of Directors has adopted a written charter for the Corporate Governance and Nominating Committee. The charter is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." The primary functions of the Corporate Governance and Nominating Committee are:

- identifying individuals qualified to serve as Board members;
- recommending to the Board the director nominees for the next Annual General Meeting of Shareholders;
- reviewing and structuring our compensation policy regarding fees and equity compensation paid and granted to our directors;
- developing and recommending to the Board the Corporate Governance Guidelines for the Company;
- overseeing the Board in its annual review of the Board's and management's performance; and
- recommending to the Board director nominees for each committee.

Health, Safety and Environment Committee

The Board of Directors has adopted a written charter for the Health, Safety and Environment Committee. The charter is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." The primary functions of the Health, Safety and Environment Committee are:

- overseeing the Company's adherence to policies, practices and procedures that promote best practices relating to health, safety and environmental stewardship;
- encouraging the Company to promote safety awareness among all employees and monitor safety performance and safety inspections; and
- providing suggestions and recommendations to executive management of the Company for resolution of health, safety and environmental concerns of strategic significance.

Corporate Governance Matters

We are committed to adhering to sound principles of corporate governance. A copy of our Corporate Governance Principles is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies."

Director Nominations

In obtaining the names of possible nominees for directors, the Corporate Governance and Nominating Committee conducts its own inquiries and will consider suggestions from other directors, management, shareholders and other sources, and its process for evaluating nominees identified in unsolicited recommendations from shareholders is the same as its process for unsolicited recommendations from other sources. The Corporate Governance and Nominating Committee will consider nominees recommended by shareholders who submit their recommendations in writing to Chairman, Corporate Governance and Nominating Committee, care of the Corporate Secretary, Weatherford International Ltd., 4-6 Rue Jean-François Bartholoni, 1204 Geneva, Switzerland. Recommendations received before December 1st in any year will be considered for inclusion in the slate of director nominees to be presented at the Annual General Meeting in the following year. Unsolicited recommendations must contain the name, address and telephone number of the potential nominee, a statement regarding the potential nominee's background, experience, expertise and qualifications, a signed statement confirming his or her willingness and ability to serve as a director and abide by our corporate governance policies and his or her availability for a personal interview with the Corporate Governance and Nominating Committee, and evidence that the person making the recommendation is a shareholder of Weatherford.

The Corporate Governance and Nominating Committee believes that nominees should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of our shareholders. Directors should have a record of accomplishment in their chosen professional field and demonstrate sound business judgment. Directors must be willing and able to devote sufficient time to carrying out their duties and responsibilities effectively, including attendance at (in person) and participation in Board and Committee meetings, and should be committed to serve on the Board for an extended period of time. The Corporate Governance and Nominating Committee will consider whether and to what extent a nominee will bring diversity, whether in educational background, experience, expertise and/or regional knowledge, to the Board in determining whether a candidate will be an appropriate fit with, and an asset to, the Board of Directors.

Rule 14a-8 under the Exchange Act addresses when a shareholder may submit a proposal for inclusion of a nominee for director in our proxy materials. Shareholders who do not comply with Rule 14a-8 but who wish to have a nominee considered by our shareholders at the Annual General Meeting must comply with the deadlines and procedures set forth in our Articles.

Communication with Directors

Any shareholder or other interested party that desires to communicate with the Board of Directors or any of its specific members, including the Presiding Director or the non-management directors as a group, should send their communication to the Corporate Secretary, Weatherford International Ltd., 4-6 Rue Jean-François Bartholoni, 1204 Geneva, Switzerland. All such communications will be forwarded to the appropriate members of the Board.

Leadership Structure

Our Board Leadership

- Bernard J. Duroc-Danner is our Chairman and CEO.
- Robert A. Rayne is our Vice-Chairman and Presiding Director over executive sessions of non-management directors.
- Eight of our nine directors are independent.
- All of the members of the Audit, Compensation, Corporate Governance and Nominating, and Health, Safety and Environment Committees are independent.

The Board has determined that the most effective leadership structure for the Company is to combine the role of Chief Executive Officer and Chairman. The Board believes that by serving both as Chief Executive Officer and Chairman, Dr. Duroc-Danner brings multiple perspectives to the Board and also is best informed to lead the Board because of his role in the management of the Company's business and strategic direction.

The Board has appointed Mr. Rayne as Presiding Director to preside over executive sessions of non-management directors. The Board believes it is in the best interest of the Company's shareholders to have a Presiding Director who has the authority to call executive sessions as a counterbalance to the Company's combined roles of Chief Executive Officer and Chairman. The Board believes executive sessions provide the Board with the ability to independently evaluate management, openly discuss strategic and other business issues involving the Company and ensure that the Company is upholding high standards of corporate governance. For information on how to communicate with our Presiding Director and other non-management members of the Board of Directors, please see "Communication with Directors."

Executive Sessions

Executive sessions of non-management directors are held after each regularly scheduled Board meeting and at such additional times as may be needed. In 2013, the non-management directors held four executive sessions.

Director Attendance at Annual General Meeting

All directors are expected to attend our 2014 Annual General Meeting of Shareholders. All of our directors other than Mr. Brady attended our 2013 Annual General Meeting of Shareholders.

Code of Conduct

We have adopted a Code of Business Conduct that applies to our directors, officers and employees. We also have adopted a Supplemental Code of Business Conduct that applies to our President and Chief Executive Officer, our Chief Financial Officer and our Chief Accounting Officer. These documents are available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Code of Business Conduct" or "Supplemental Code of Conduct," as applicable. Any amendments to, or waivers of, our Code of Business Conduct (to the extent applicable to our President and Chief Executive Officer, our Chief Financial Officer or our Chief Accounting Officer) or to the Supplemental Code of Business Conduct will be posted at this location on our website.

Risk Management Oversight

The Audit Committee is responsible for the oversight of risk management for the Company. As part of their oversight function, the Audit Committee discusses and implements guidelines and policies concerning financial and compliance risk assessment and risk management, including the process by which major financial risk exposure is monitored and mitigated, and works with members of management to assess and monitor risks facing the Company's business and operations, as well as the effectiveness of the Company's guidelines and policies for managing and assessing financial and compliance risk. The Audit Committee meets and discusses, as appropriate, issues regarding the Company's risk management policies and procedures directly with those individuals responsible for day-to-day risk management in the Company's internal audit and compliance departments.

In addition, the Corporate Governance and Nominating Committee periodically provides oversight with respect to risks associated with our corporate governance policies and practices, including our Code of Business Conduct and Supplemental Code of Business Conduct. The Corporate Governance and Nominating Committee also oversees and reviews, on an annual basis, an evaluation of the Board, each of our Board committees and management.

The Compensation Committee reviews our compensation plans and practices to ensure that they do not encourage excessive risk taking and instead encourage behaviors that support sustainable value creation. See "Risk Analysis of our Compensation Programs" in the Compensation Discussion and Analysis section of this Form 10-K/A.

Our Health, Safety and Environment Committee oversees the Company's policies and practices to promote good stewardship, to encourage safety awareness, to monitor safety performance, and to provide suggestions to management for the resolution of health, safety and environmental concerns, all with a view towards reducing risks in those areas.

Executive Officers

The following persons are our executive officers and their ages as of April 16, 2014. (Dr. Duroc-Danner's biography is presented on page 60). None of the executive officers or directors have any familial relationships with each other.

Name	Age	Position
Bernard J. Duroc-Danner	60	Chairman of the Board, President and Chief Executive Officer
Krishna Shivram	51	Executive Vice President and Chief Financial Officer
Dharmesh Mehta	48	Executive Vice President and Chief Operating Officer
Douglas M. Mills	39	Vice President and Chief Accounting Officer
Alejandro Cestero	39	Vice President, Co-General Counsel and Corporate Secretary
William B. Jacobson	45	Senior Vice President, Co-General Counsel and Chief Compliance Officer

Krishna Shivram was appointed Executive Vice President and Chief Financial Officer in November 2013. Mr. Shivram has over 25 years of financial and operational management experience in the oilfield service industry and previously worked for Schlumberger Ltd. in a variety of roles across the globe. Immediately prior to joining Weatherford, Mr. Shivram had served as Vice President and Treasurer of Schlumberger Ltd. since January 2011. Prior to his serving as Vice President and Treasurer, Mr. Shivram held a number of senior management positions at Schlumberger, including Controller - Drilling Group from May 2010 to January 2011, Manager - Mergers and Acquisitions from May 2009 to April 2010 and Controller - Oilfield Services from August 2006 to April 2009. Mr. Shivram is a Chartered Accountant and has experience in financial accounting, income taxes and treasury operations, along with a strong background in corporate finance and mergers and acquisitions.

Dharmesh Mehta was appointed Executive Vice President in March 2013 and Chief Operating Officer in November 2013. Mr. Mehta joined the Company in 2001 and has served in various senior management capacities, including Senior Vice President - Completion and Production Systems and Chief Administrative Officer. Prior to joining the Company, Mr. Mehta had 10 years of experience in the software and oil and gas industries. Mr. Mehta holds a bachelor's degree from the University of Houston and a master's degree from the University of Wisconsin.

Douglas M. Mills was appointed Vice President and Chief Accounting Officer in June 2013 and serves as the Company's principal accounting officer. Mr. Mills joined Weatherford in 2003 and has served in various financial reporting capacities, including Vice President of Corporate Accounting since 2011, and has had other corporate and regional controller positions of increasing responsibility while at Weatherford. Mr. Mills has over five years of public accounting experience with the firms of Ernst & Young and Arthur Andersen. He is a certified public accountant and holds a MPA/BBA from the University of Texas.

Alejandro Cestero was appointed Vice President and Co-General Counsel in July 2013. Mr. Cestero previously served as Vice President, General Counsel, Secretary and Chief Compliance Officer of Lufkin Industries, Inc. from May 2011 to July 2013. Prior to joining Lufkin, Mr. Cestero was the Senior Vice President, General Counsel, Secretary and Chief Compliance Officer of Seahawk Drilling, Inc. from August 2009 until February 2011. In February 2011, having experienced a significant, prolonged reduction in its cash flow as a result of the deepwater offshore drilling moratorium declared in response to the Deepwater Horizon/BP oil spill in the Gulf of Mexico, Seahawk Drilling filed for reorganization under Chapter 11 of the United States Bankruptcy Code and its assets were simultaneously sold to Hercules Offshore, Inc. Prior to his work with Seahawk Drilling, Mr. Cestero was employed by Pride International, Inc. where he served in various positions within the General Counsel's office, including as Deputy General Counsel-Business Affairs and Assistant Secretary. Prior to joining Pride International, he was an attorney with the international law firms of Bracewell & Giuliani LLP and Vinson & Elkins LLP. Mr. Cestero holds a J.D. from Stanford University Law School and a B.A. and an M.B.A. from Rice University.

William B. Jacobson joined the Company in March 2009 and was appointed Vice President and Chief Compliance Officer in June 2009, Co-General Counsel in December 2009 and Senior Vice President in March 2012. During the past five years, Mr. Jacobson also served as a federal prosecutor for the Fraud Section of the U.S. Department of Justice's Criminal Division, where he held various positions, including Assistant Chief for FCPA Enforcement, and was in private practice. Mr. Jacobson holds a B.A. from Tufts University and a J.D. from Georgetown University Law Center.

Section 16(a) Beneficial Ownership Reporting Compliance

All of our executive officers and directors are required to file initial reports of share ownership and reports of changes in ownership with the SEC pursuant to Section 16(a) of the Exchange Act.

We have reviewed these reports, including any amendments, and written representations from the executive officers and directors of the Company.

Based on this review, we believe that, except as set forth below, all filing requirements were met for the executive officers subject to Section 16(a) and our directors during 2013. Due to an administrative error by Dr. Guillermo Ortiz, a Form 4 that was required to be filed in January of 2013 was not filed until April 11, 2013.

ITEM 11 Executive Compensation

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") is designed to provide shareholders with an understanding of our compensation philosophy, core principles, and decision making process. It explains the compensation-related actions taken with respect to our executive officers who are identified in the Summary Compensation Table (the "NEOs"). Details regarding the compensation we paid to the NEOs for 2013 are found in the tables and narrative which follows them.

Summary Discussion

Our compensation program is designed to reward our NEOs currently serving the Company ("current NEOs") for the achievement of strategic and operational goals and the achievement of increased shareholder value while at the same time avoiding the encouragement of unnecessary or excessive risk-taking.

2013 Highlights

In 2013 Weatherford achieved significant progress in key areas:

- We successfully remediated our material weakness in internal control over income tax accounting;
- We negotiated a settlement of our U.S. governmental investigations;
- We initiated a focus on cash and returns as a guiding principle and value system and substantially improved our working capital metrics;
- We commenced our divestiture of non-core assets; and
- We achieved significant improvement in our safety statistics over prior years.

We believe that these achievements position Weatherford on a path towards capital efficiency, operational excellence, and administrative quality.

Our Company's Future

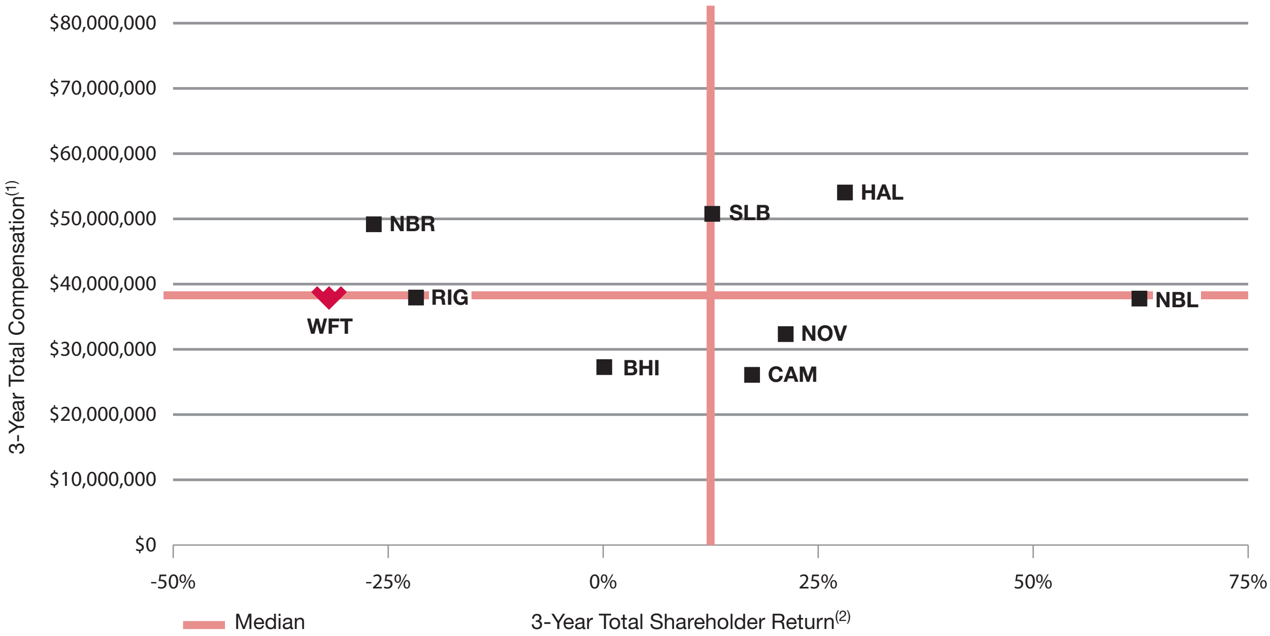
After a constructive year of problem-solving in 2013, as noted above, our financial and operational performance is now turning around. We have put legacy issues behind us, and we are now keenly focused on improving our performance and consequently generating value for our shareholders. We have identified three initiatives that will drive us in 2014 and beyond:

- *Core.* We will grow our core, with emphasis on four product lines: well construction, formation evaluation, completion, and artificial lift. We have begun an aggressive divestiture program to dispose of non-core assets and business lines: land drilling rigs, pipeline and specialty services, drilling fluids, testing and production services, and wellheads. In March 2014 we signed an agreement to sell our pipeline and specialty services business.
- *Cost.* We will emphasize efficiency and cost-saving. Running support functions and operations with a lower cost structure is now a key management metric for us. We have embarked on an aggressive cost-reduction program, including a lower support headcount and eliminating unprofitable operations.
- *Cash.* We plan to generate free cash flow, efficient working capital, and lower capital intensity compatible with growing our core. We will strive to reduce our net debt to total capitalization ratio from 52% to 25% over the next few years through a combination of higher free cash flow augmented by the proceeds of divestitures.

We believe these initiatives serve as key principles and elements of our compensation program.

Compensation Highlights

We structure our executive compensation program to align pay with performance. Our CEO's compensation for the years 2011-2013, relative to our peers, correlates strongly with our total shareholder return for the three year period ended December 31, 2013, relative to our peers.



(1) 3-Year Total Compensation is the sum of base salary, annual incentives, bonuses, long-term incentive awards and all other compensation paid (perquisites and change in pension included) for the years 2011-2013 for our chief executive officer and for the chief executive officer of each of our peers as reported in their respective publicly available proxy statements, other than Nabors Industries Ltd., whose information is for the years 2010-2012 due to the lack of publicly available information for 2013.

(2) 3-Year Total Shareholder Return is the percentage increase (or decrease) in stock price for the three years ended December 31, 2013, adjusted for cash dividends paid.

Source: Longnecker & Associates research.

Pro-Active Approach to Executive Compensation

Over the past two years, we have engaged with our investors to improve our executive compensation program based on their feedback.

- In 2012 and 2013, we engaged with shareholders in response to the negative say-on-pay vote of 2011, and addressed the primary concerns that led to the negative result. During 2013, the approval of our say-on-pay proposal for 2012 compensation was over 70%. To continue to further understand investor concerns, during 2013, we reached out proactively to our 50 largest shareholders, and had meaningful engagement, including telephonic and personal meetings, with 19 of our 20 largest investors regarding executive compensation. No major concerns regarding compensation were raised by these investors.

We have established and continue to maintain preferred pay practices in our executive compensation program.

- We pay annual bonuses to executives only on the achievement of pre-determined and measurable objectives that benefit our Company and shareholders.
- For 2013 those objectives focused on profitability, capital efficiency and safety.
- For 2014, we have established similar pre-determined and measurable objectives, including objectives focused on cost savings achieved and net debt reduction.
- The primary retirement benefit available to our CEO is denominated in shares such that the value of that benefit correlates directly with shareholder returns.
- We prohibit our executives, as well as directors, from engaging in hedging or derivative transactions involving our shares.
- We have an Executive Compensation Clawback Policy, a copy of which has been filed with the SEC.
- We maintain share ownership guidelines, requiring executive officers to hold equity equivalent in value to three times (or six times in the case of the CEO) their latest annual base salary.
- The severance benefits under our executive employment agreements are not augmented by a change of control and are "double-trigger" arrangements.

We avoid objectionable pay practices in our executive compensation program.

- We do not pay discretionary bonuses or multi-year guaranteed bonuses, except in the case of extraordinary achievement or sign-on bonuses.
- We do not provide Section 280G or Section 409A tax gross-ups.

We engage in best governance practices with respect to executive compensation.

- Our Compensation Committee comprises only independent directors.
- The Compensation Committee engaged a compensation consultant that is independent of management and the Company, and the Committee meets with the consultant in executive sessions separate from management.
- We provide detailed, forward-looking disclosure of our current year annual cash incentive metrics and long-term performance metrics. See "2014 Annual Incentive Goals" on page 74 and "-Grants in 2014" on page 77.
- We compare our executives' total compensation to a consistent peer group for market comparable data. We regularly evaluate that peer group to ensure it is appropriate to the Company, but we add or remove peers only when clearly warranted.
- We conduct an annual comprehensive risk analysis of our executive compensation program with our independent compensation consultants to ensure that our program does not encourage inappropriate risk-taking.
- We review annually a calculation of the shareholder value transfer and "burn rate" resulting from equity grants to ensure they are not excessive.

This CD&A Covers Our NEOs

This CD&A covers the compensation of all of our current NEOs, namely:

- Dr. Bernard J. Duroc-Danner, Chairman, President and Chief Executive Officer
- Mr. Krishna Shivram, Executive Vice President and Chief Financial Officer
- Mr. Dharmesh Mehta, Executive Vice President and Chief Operating Officer
- Mr. William B. Jacobson, Senior Vice President, Co-General Counsel and Chief Compliance Officer

We also address historical compensation with respect to Mr. Peter T. Fontana, who retired effective December 13, 2013, but was Executive Vice President and Chief Operating Officer until that date, Mr. John H. Briscoe, who left the Company effective September 11, 2013 but was Senior Vice President and Chief Financial Officer until that date, Mr. Nicholas W. Gee, who left the Company effective February 28, 2014, but was Executive Vice President, Strategy and Development and Chief Safety Officer until that date, and Mr. Joseph C. Henry, who left the Company effective June 30, 2013 but was Senior Vice President and Co-General Counsel until that date, as all four are considered NEOs for 2013 pursuant to applicable SEC rules.

Elements of Our Executive Compensation Package

Our compensation program is designed to reward our NEOs for the achievement of strategic and operational goals and the achievement of increased shareholder value, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. The following table summarizes the objective of each element of our NEOs' compensation package, the key features of those elements and the extent to which the element is performance-based. This table should be read in conjunction with our Summary Compensation Table on page 80 and the more detailed discussion under "Our Executive Compensation Program" beginning on page 73.

Compensation Element	Objective	Key Features	Performance/At-risk?
Base Salary	To provide a base level of income.	Reviewed annually and subject to upward adjustment based on market factors, experience, individual performance and leadership.	No.
Annual Cash Incentive	To motivate and reward executives' contributions to the achievement of predetermined financial and operational objectives.	Compensation Committee establishes performance measures that incentivize performance relevant to meeting financial, operational and safety goals that will ultimately drive shareholder value.	Yes, pays out only based on achievement of pre-set, measurable goals; may not pay out.
Performance Units (Long-Term Equity Awards)	To correlate realized pay with increases in shareholder value on absolute terms over a long-term period.	In periods of low shareholder return, executives realize little or no value. In periods of high shareholder return, executives may realize substantial value.	Yes, pays out only based on increased shareholder value; may not vest depending upon shareholder return.
Restricted Share Units (Long-Term Equity Awards)	To incentivize management to contribute to long-term increases in shareholder value. To retain executives in the hyper-competitive energy market.	Provides "skin in the game." A portion of NEOs' compensation is paid in equity, and value is realized based on future share price. Provides a straight-line, direct correlation of realized pay to increase in shareholder value.	Yes, value increases or decreases in correlation to share price.
Severance	To provide a measure of financial security in the event an executive's employment is terminated without cause. To attract and encourage retention and to ensure continued dedication by executive officers.	Severance benefits are provided pursuant to the executive officers' employment agreements. Change of control benefits are "double trigger" arrangement.	No, except does not apply in termination for cause or voluntary termination without good reason.
Broad-based Retirement Plans	To provide retirement savings in tax-efficient manner.	Executives participate in retirement plans such as 401(k) plans that are generally available to all employees, including matching contributions.	No.
CEO Retirement Plan	To further align our CEO's long term interests with shareholder value.	We previously maintained a Supplemental Executive Retirement Plan ("SERP"). The vested, fixed balance of the CEO's primary pension benefit is denominated in shares, such that the benefit value is linked directly to share value in a 1:1 correlation. The SERP was frozen in 2010, and no further contributions have been made to any employees. None of our NEOs, other than our CEO, participate in the SERP.	Yes, value is based on share price and increases or decreases in correlation to share price.
Perquisites	We provide limited perquisites to executives to assist executives in carrying out their duties and increasing productivity.	Perquisites provided to executives include club membership dues and an auto allowance. Perquisites are industry standard and included in many cases for non-executive employees.	No.
Expatriate Benefits	To assist in absorbing part of the additional burden of an overseas assignment.	As a multi-national industry, ex-pat benefits, including housing and schooling assistance and tax normalization, are industry standard. Tax benefits provided to executives are less than those provided to non-executive expatriates.	No.

Oversight of Our Executive Compensation Practices

Our executive compensation program is administered by the Compensation Committee of the Board of Directors. The Committee currently consists of four directors, Messrs. Gass, Macaulay (Chairman), Moses, and Dr. Ortiz. At all times in 2013, all of the persons serving on the Committee were independent, as defined by the standards of the NYSE, and satisfied the qualification standards of section 162(m) of the Code and Section 16 of the Exchange Act. The members of the Committee draw upon a combination of their respective business experience, other board service, advice from our independent compensation consultant, and director continuing education through third party service providers in order to keep themselves abreast of current trends and best practices in the area of executive compensation.

The Committee is responsible for, among other functions, reviewing and approving the total compensation for our NEOs consistent with the philosophy and objectives described below.

Compensation Philosophy and Objectives

The Committee follows a "pay for performance" philosophy in our executive compensation structure. The Committee's objective is to provide compensation to our executive officers at a level and in a manner that maximizes shareholder value.

The Committee believes that our executive compensation program should reward enhanced financial performance of the Company and maximize shareholder value by aligning the short-term and long-term interests of our executive officers with those of our shareholders. Our programs are intended to:

- Attract, retain and motivate individuals of outstanding ability in key executive positions;
- Drive and reward strong business performance to create superior value for our shareholders;
- Pay for performance;
- Ensure that performance-based compensation does not encourage excessive risk taking; and
- Encourage our executives to focus on both the short-term and long-term performance goals of the Company.

Our executive compensation also is intended to be market competitive. For 2013, the Committee approved base salary, annual performance compensation and long-term incentive compensation (together, the "total direct compensation") for each NEO that was intended to be competitive with our peer group. However, in setting the compensation of our NEOs, the Committee also takes into consideration historical and individual circumstances, including tenure and experience, individual performance, anticipated future contributions, retention factors, including apparent career alternatives for each individual, and the availability of comparable data for certain positions.

The Committee believes that a majority of executive compensation should be "at risk" – that is, the ultimate, realized value of the compensation is tied to the Company's financial and equity performance. During periods when our financial performance meets or exceeds established objectives, we believe that NEOs should be rewarded under our incentive compensation programs for their efforts in achieving our goals. Likewise, when our performance does not meet the established goals, incentive compensation may be reduced or eliminated.

Incentive compensation is designed to balance short-term annual results and long-term multi-year success of the Company. Short-term awards primarily are payable in cash, while long-term awards are equity-based awards.

To further illustrate our pay-for-performance, below is our CEO's total compensation for the last three years, as set forth in the Summary Compensation Table of this Form 10-K/A and our annual proxy statements, compared to the total amount of compensation realized by our CEO for each year. As performance thresholds were not met for certain performance units previously granted to our CEO, his 2013 realized compensation was significantly lower than his total compensation as described in the Summary Compensation Table.

Years	Total Compensation[a]	Total Realized Compensation[b]
2013	$ 13,157,887	$ 5,721,947
2012	$ 7,177,376	$ 7,898,312
2011	$ 17,317,221	$ 11,931,255

(a) *As set forth in the Summary Compensation Table, and includes salary, non-equity incentives, bonus, long term incentive awards (granted during the year and valued as of the grant date), change in actuarial value of pension benefit and all other compensation, as described therein.*

(b) *Includes all compensation set forth in the Summary Compensation Table and described in the preceding footnote with the following exceptions: (i) the actuarial value of pension benefit is excluded as it does not reflect actual compensation received, but rather reflects an increase in the year-over-year present value of the actuarial future benefit, and (ii) long term incentive awards (e.g. RSUs and PUs), are included only to the extent they were "realized", i.e. to the extent they vested (or restrictions lapsed) during the years set forth above.*

Clawback Policy

Our Weatherford International Executive Compensation Clawback Policy sets out the terms under which we may seek to recover incentive compensation from our officers under certain circumstances. The purpose of the policy is to enable the Committee to recoup performance-based compensation that is paid but is subsequently determined not to have been earned because financial results are restated, including if the Committee determines that an officer has engaged in fraud, willful misconduct or gross negligence that has caused or contributed to a restatement of our financial statements.

Mandatory Minimum Share Ownership Guidelines

The Committee believes that it is important to align the interests of management with the interests of our shareholders. In furtherance of this philosophy, the Company has adopted the following mandatory minimum share ownership guidelines. Share ownership includes shares owned directly as well as equity-based awards not yet fully vested, deferred compensation plans and retirements plans (including our 401(k) plan and suspended plans). The minimum guidelines are based on a multiple of the latest annual base salary or, in the case of directors, annual cash retainer. The guidelines are as follows:

Chief Executive Officer	6x
Other executives	3x
Directors	5x

A transition period of two years is allowed for new directors to achieve the ownership amount. Executive officers are required to achieve ownership amounts within three years of hire or appointment.

The Committee has reviewed the share ownership of our executive officers and directors and, subject to the transition periods described above, determined that they meet or exceed these share ownership guidelines.

Risk Analysis of our Compensation Programs

The Committee reviews our compensation plans and policies to ensure that they do not encourage unnecessary risk taking and instead encourage behaviors that support sustainable value creation. In 2013, the Committee, with the assistance of L&A, reviewed the Company's compensation policies and practices for executive officers, and believes that our compensation programs are not reasonably likely to have a material adverse effect on the Company. We believe the following factors reduce the likelihood of excessive risk-taking:

- The program design provides a balanced mix of cash and equity, annual and long-term incentives, fixed and variable pay, and performance metrics;
- Maximum payout levels for bonuses are capped;

- The Committee has downward discretion over incentive program payouts;
- Executive officers are subject to share ownership guidelines;
- Compliance and ethical behaviors are integral factors considered in all performance assessments; and
- The Company has a clawback policy.

Compensation Consultants and Independence

As set forth in its charter, which can be found on our website, the Committee has the authority to retain and terminate compensation consultants to provide advice to the Committee. The Committee retained Longnecker & Associates ("L&A") in 2013 to provide information, analyses and advice regarding executive compensation. The NYSE has adopted guidelines for Compensation Committees to consider when identifying Committee adviser independence. The Committee reviewed these guidelines and determined that L&A is an independent consultant, and L&A performs no services for the Company other than those related to executive and non-employee director compensation.

Our management communicates with L&A and provides data to L&A regarding our executive officers, but does not direct L&A's activities. L&A has not performed or provided compensation services in the past to our management.

Market Analysis and Peer Group

When considering our compensation practices and levels, the Committee reviews the compensation practices and levels of a peer group of publicly-traded energy service and exploration and production companies to determine market levels. There are a limited number of companies and potential peers for us to determine an appropriate peer group. The Committee periodically reviews the composition of our peer group to ensure that the companies in the group are relevant for comparative purposes and have executive positions with responsibilities similar to ours and that compete with us for executive talent. The Committee and L&A review data for potential peers relating to enterprise value, revenue and market capitalization. Based on these factors and directly comparable business lines, the Committee determined that the following companies would comprise our peer group for 2013. The Company's revenues were in the 50th percentile of this peer group. This is the same peer group we used in 2012, and we used the same peer group in early 2014 to establish executive compensation for 2014:

- Baker Hughes Incorporated
- Cameron International Corporation
- Halliburton Company
- Nabors Industries Ltd.
- National Oilwell Varco, Inc.
- Noble Energy Inc.
- Schlumberger Limited
- Transocean Ltd.

Section 162(m) of the Internal Revenue Code

The Committee considers the tax impact of our executive compensation programs. Section 162(m), as interpreted by U.S. Internal Revenue Service Notice 2007-49, imposes a $1 million limitation on the deductibility of certain compensation paid to certain officers. As a multi-national Swiss company, the significant majority of our executive compensation is not a U.S. tax expense, so section 162(m) is not a concern for the Company.

The Committee may take into account the potential application of section 162(m) on incentive compensation awards and other compensation decisions, and it may approve compensation that will not meet these requirements in order to ensure competitive levels of compensation for our executive officers.

Our Executive Compensation Program

Below is a detailed discussion and analysis of each component of our executive compensation as applied to each of our NEOs for 2013 and 2014.

Base Salary

Base salary provides a fixed level of compensation to the executive, representative of his skills, responsibilities and experience. Base salaries for our executive officers are reviewed annually. Proposed increases to base salaries are reviewed by the Committee following recommendations from Dr. Duroc-Danner (other than for his own base salary). The Committee does not rely on predetermined formulas or criteria when evaluating executive base salaries, but considers comparable market data provided by L&A. The Committee also considers individual contributions, retention and succession planning concerns in setting base salaries.

Dr. Duroc-Danner's salary has not been increased in over five years. His salary is higher than the average salary of CEOs of our peers. However, the Committee believes his salary is appropriate in light of his unique experience and in-depth understanding of our industry - having led the Company for 27 years - and considering alternative career opportunities that could be available to him. None of the CEOs of our peers has this level of experience or tenure.

Mr. Shivram joined the Company and became an NEO in 2013. His salary was determined based on market factors and value he was giving up at his previous employer when he was hired as Chief Financial Officer in November 2013. In light of his recent hire, he received no increase in base salary for 2014.

Mr. Mehta became an NEO in 2012. His salary was set based on market factors and the personal contribution he has made to the Company. For 2014, he received a 5% increase in base salary as a market adjustment, considering his promotion from Chief Administrative Officer to Chief Operating Officer and the significant contribution he made in 2013 in helping direct and coordinate internal organizational and systems improvements.

Mr. Jacobson did not receive a salary increase for 2013 or 2014.

The table below shows the annual base salaries of the NEOs currently serving the Company effective after adjustments for the applicable year. Where adjustments were made during the year, these annualized amounts may be higher than the actual amount paid for the entire year. See the Summary Compensation Table on page 80 for the actual amounts paid.

Executive		2012 Salary		2013 Salary		2014 Salary
Dr. Duroc-Danner	CHF	1,760,000	CHF	1,760,000	CHF	1,760,000
Mr. Shivram[(a)]		—	$	750,000	$	750,000
Mr. Mehta	$	620,000	$	715,000	$	750,000
Mr. Jacobson	$	1,000,000	$	1,000,000	$	1,000,000

(a) Information for 2012 is not presented for Mr. Shivram as he joined Weatherford in 2013.

Annual Incentive Compensation

Our annual incentive compensation is generally structured to deliver cash payouts in line with market multiples when performance targets are achieved or exceeded. The Committee annually establishes the terms of any awards under our Executive Non-Equity Incentive Compensation Plan (the "ICP"), including the financial metrics and goals for each award, during the first quarter.

For each award under the ICP, the Committee establishes goals at three levels: threshold, target and superior. Target represents a strong but achievable level of performance that will increase shareholder value. Superior represents an extraordinary level of performance that will substantially increase shareholder value. Threshold is the entry-level of performance under the ICP, established so that smaller awards will be earned for satisfactory performance short of target.

The Committee establishes potential award payments as a percentage of the executive's annual base salary in effect at the end of the plan year, with a percentage determined for achievement of threshold, target or superior level. If results fall between the threshold and target goal levels or between the target and superior goal levels, the award payment will be determined by linear interpolation to derive the percentage of salary.

2013 Annual Incentive Results

For 2013, the Committee adopted multiple metrics to determine the short-term incentive payouts that include goals based on profitability, capital efficiency and safety as set forth in the following table, which also shows the actual results of these metrics.

($ in millions)

Objective		Profitability	Capital Efficiency	Safety	
Performance Metric		Operating Income[(a)]	Reduction in Days Working Capital[(b)]	Lost-Time Incident Rate	Preventable Vehicle Incident Rate
Metric Weight		45%	45%	5%	5%
2013 Superior	$	2,757	12 days	0.14	0.69
2013 Target	$	2,282	10 days	0.15	0.73
2013 Threshold	$	2,007	8 days	0.17	0.81
2013 Actual	$	1,715	14 days	0.15	0.62

(a) Operating Income is regional operating income before corporate, R&D and items.

*(b) Days Working Capital is calculated as [(Receivables + Inventory - Payables)/Annual Revenue] * 365 and the reduction is based on the change from December 31, 2012 to December 31, 2013.*

The Company did not achieve the threshold level for profitability in 2013. However, the Company achieved substantial improvements in its capital efficiency and met or surpassed targets in its safety metrics, which resulted in the non-equity incentive payments reflected in our Summary Compensation Table on page 80. These payouts are calculated based on the program as described above and do not include any discretionary additional payouts. Our CEO's target annual incentive potential for 2013 was CHF 2,112,000. His maximum potential was CHF 4,224,000, but his achieved and paid incentive was CHF 2,217,600.

2014 Annual Incentive Goals

For 2014, the Committee's approach has evolved slightly. The Committee adopted a plan to ensure that all of the Company's key focus areas are covered by its officer group. The goal for 2014 is to incentivize the officers to transform the Company, with these key strategies:

- focus on and grow the core of the Company's business;
- reduce costs;
- divest non-core businesses;
- reduce net debt; and
- continue to improve our safety record.

The objectives for Dr. Duroc-Danner and Messrs. Shivram and Mehta, i.e. the current NEOs who received objectives and who are collectively referred to as the "Executive Management," are 25% related to profitability (defined by non-GAAP earnings per share instead of operating income), 25% related to cost reduction (defined by annualized cost savings), 20% related to free cash flow generation, 20% related to net debt reduction, and 10% for achievement of safety objectives. "Earnings per share" ("EPS") means earnings per share from continuing operations before charges and credits and includes both core and non-core businesses and will be adjusted as and when non-core businesses are divested. "Annualized cost savings" means reductions in costs during the year, including but not limited to headcount reduction, closure of uneconomic or marginal locations, savings in foreign-exchange and hedging costs, and savings from manufacturing consolidations and variances; however annualized savings do not include any reductions in our cost base as a result of divesting any businesses from our previously announced divestiture program. "Free cash flow" ("FCF") means net income from continuing operations before charges and credits and including both core and non-core businesses, plus depreciation and amortization, plus or minus movement in working capital accounts (accounts receivable, inventories and accounts payable), minus capital expenditures. The safety objective includes lost-time injury rate ("LTIR") and preventable vehicle injury rate ("PVIR") and the safety incentive is split equally between these two measures.

The Committee determined that, given these executives' senior roles at the Company, and the fundamental importance of these objectives in creating value for our shareholders, all of our Executive Management, and most of our other officers, should have these common objectives. In lieu of these objectives, certain non-Executive Management officers were given other goals with particular focus on their business or corporate responsibilities.

The table below shows the threshold, target and superior objectives for our Executive Management for 2014:

($ in millions, except per share amounts)

Objective	Profitability	Cost Reduction	Free Cash Flow	Net Debt Reduction	Safety
Performance Metric	**Earnings per Share**	**Annualized Cost Savings**	**FCF**	**Amount of Reduction**	**LTIR/PVIR**
Metric Weight	25%	25%	20%	20%	10%
2014 Superior	$ 1.30	$ 600	$ 700	$ 1,200	0.13/0.60
2014 Target	$ 1.10	$ 500	$ 500	$ 800	0.14/0.61
2014 Threshold	$ 0.90	$ 400	$ 300	$ 600	0.15/0.62
2013 Actual	$ 0.60	n/a	$ (346)	$ 42	0.15/0.62

The Committee believes that these metrics are appropriate representations of and incentives towards the relevant objectives of profitability, cost reduction, free cash flow generation, net debt reduction and safety, and that the weighting assigned to each element is appropriate. The targets are also tied to internal budgets and expectations and require significant improvement over the performance in 2013. The Committee believes these targets are rigorous and are at or above market expectations.

The potential payouts under the 2014 annual bonus structure for our Executive Management, expressed as a percentage of salary based on achievement of various levels, as shown in the table below, are percentages we determined to be within market ranges based on market data from the Company's peer group and industry. These are the same percentages that were set for 2013 for individuals with similar titles. For each metric, the percentage of salary determined by performance will be multiplied by the weighting percentage for the metric shown above to determine the payout on that metric.

	Threshold	Target	Superior
Dr. Duroc-Danner	60%	120%	240%
Mr. Shivram	50%	100%	200%
Mr. Mehta	50%	100%	200%

Award payments under the ICP are made after the public release of our year-end financial results for the applicable year and after determination of the award payments by the Committee. No award payment is made until the calculation of the payment award is approved by the Committee. Plan awards earned for a year generally are paid in February or March of the following year. Awards are paid in cash in the currency in which the recipient is ordinarily paid.

The Committee may determine that modifying the ICP, the goals or the potential award payments would provide more appropriate incentives for executives in the event of unforeseen developments. The Committee does not intend to exercise this discretion except in very unusual circumstances. The Committee reserves the right in its sole discretion to adjust the financial metrics under the ICP to reflect (1) the impact of material acquisitions or dispositions, (2) changes in our industry, (3) changes in macro-economic factors or conditions impacting the Company, (4) changes in market compensation practices and other circumstances, (5) changes in applicable laws, regulations or accounting practices, or (6) other matters that were not anticipated when the financial goals for the plan year were determined. The Committee also retains the discretion to make alternative bonus calculations or to make retention awards or other awards based on alternative or non-financial performance criteria if unexpected circumstances make such changes appropriate. The Committee does not intend to increase the potential payment amounts even if an adjustment to the metrics is warranted.

Long-Term Equity Incentive Compensation

Long-term equity incentives are designed to motivate management to enable the Company to achieve long-term performance improvements and serve to link a significant portion of compensation to shareholder returns. In March 2010, the Committee approved the 2010 Omnibus Incentive Plan (which was approved by our shareholders at our Annual General Meeting on June 23, 2010), under which the Company may issue awards of long-term equity compensation from time to time consistent with the objectives and philosophy of our compensation programs. We generally grant long-term equity awards annually in February or March to incentivize future performance.

Determination of Aggregate Value of Awards

In determining the total value of long-term incentive awards to be granted to each NEO, the Committee determines the award value as a nominal dollar amount in accordance with market data and considers, without giving particular weight to any specific factor, the position of the officer (both in terms of function and responsibilities), tenure, anticipated future contributions and the long-term incentive compensation of similarly situated executives in our peer group. In determining the number of restricted share or performance units to award, the Committee looks to the closing share price as of the date of grant.

Forms of Long-term Incentives

Long-term incentive awards provide our NEOs with a benefit that increases only when the value of our shares increases, which aligns their interests with increasing shareholder value. Long-term incentives are equity-based and include restricted share units ("RSUs") and performance units ("PUs"). In determining the form or forms of award grants, the Committee considers, among other factors, the seniority of the officer and the ability of the officer to impact our success, as well as the appropriateness of a particular security to the individual executive.

RSUs motivate our NEOs to strive for share price appreciation, as they are granted at the closing price on the date of grant, and the executive realizes value only when the units vest and the underlying shares are delivered. Except as provided below, RSUs generally vest in three equal annual installments over a period of three years. Upon vesting, the holder of RSUs receives one registered share for each unit that vested. Holders of RSUs do not have voting rights or dividend participation rights until the underlying shares are delivered to them.

PUs have the higher possible returns and also higher risk of the various forms of awards available to the Committee to grant. PUs also provide an even stronger correlation to shareholder value, as they vest, if at all, into a number of shares depending on achievement of specified performance targets. Except as provided below, PUs vest over a specified period of time, as determined for each award. PUs awarded in 2013 have a single three-year performance period (2013-2015), while the PUs awarded in

2014 vest in three equal installments over a three-year period. The new 2014 vesting schedule was adopted to alleviate drastic movements, or volatility, in stock price affecting abnormal payouts (high or low) based on a single, three-year stock performance measure. The Committee believes this will smooth out the stock price performance metric and any payouts that may occur through the vesting period of the PUs. The new 2014 vesting schedule has a more direct correlation between one, two and three year stock price increases and executive compensation, which provides greater alignment with the long-term incentive plans.

With regard to vesting of RSUs and PUs, if the holder's employment with the Company terminates prior to the last (or sole) vesting date, in the case of RSUs, for any reason other than the holder's death or "disability," or in the case of both types of awards, is terminated by the holder for any reason other than "good reason" or by the Company for "cause," then any restrictions that have not previously lapsed pursuant to the aforesaid provisions will not lapse, and any units with respect to which the restrictions have not lapsed will be forfeited to the Company. See additional descriptions and definitions in "Executive Employment Agreements" on page 78.

Grants in 2013

In March 2013, the Committee awarded long-term equity incentives of the following values to our NEOs:

Executive		2013 Award
Dr. Duroc-Danner	$	8,000,000
Mr. Shivram[(a)]	$	—
Mr. Mehta	$	2,900,000
Mr. Jacobson	$	2,000,000
Mr. Fontana[(b)]	$	5,000,000
Mr. Briscoe[(c)]	$	2,750,000
Mr. Gee[(d)]	$	2,850,000
Mr. Henry[(e)]	$	2,000,000

(a) *Mr. Shivram did not join the Company until November 2013. At that time he was granted restricted share awards with a value of $3.9 million, based on the closing stock price on the date of grant.*

(b) *Mr. Fontana left the Company effective December 13, 2013.*

(c) *Mr. Briscoe left the Company effective September 11, 2013.*

(d) *Mr. Gee left the Company effective February 28, 2014.*

(e) *Mr. Henry left the Company effective June 30, 2013.*

These values were used to calculate a number of units awarded based on the closing share price on the date of grant and may not correlate to the value presented in our Summary Compensation Table on page 80. The values of PUs reflected in that table are based on a statistical option-value pricing model known as "Monte Carlo Valuation," which is used for accounting purposes. We encourage you to review the Summary Compensation Table on page 80 and the subsequent tables.

Of the above awards, the Committee granted 100% of the award to Dr. Duroc-Danner and Mr. Fontana in the form of PUs. The Committee granted the other NEOs 50% of their awards in PUs and 50% in RSUs. In determining to grant other NEOs a different equity mix, the Committee noted that the Company was alone among its peers in providing all long-term compensation solely in PUs for the CEO. Further, the Committee considered that a grant of entirely PUs may not be the most effective incentive for all NEOs, depending on such factors as the executive's career tenure, level of responsibility within the Company, job function, and retention concerns.

The 2013 PUs have a single three-year performance period (2013-2015 combined). The PUs will be settled in registered shares issued under our 2010 Omnibus Incentive Plan, with the actual number of shares to be issued based on a multiple of each executive's targeted number of PUs. The performance multiplier is based on the Company's absolute increase in share price, measured as compound annual growth rate ("CAGR"). The following table shows the number of shares each unit will vest into based on our three-year CAGR:

CAGR	Performance Multiplier
20%+	2.0x
15%	1.0x
10%	0.5x
<10%	0.0x

CAGR between 10% and 15% or between 15% and 20% would be interpolated (i.e., CAGR of 18% would yield a multiplier of 1.6x).

Rationale for Certain Grants

As mentioned above, in November 2013 the Company granted Mr. Shivram restricted shares valued at $3.9 million in connection with his joining the Company as its new Executive Vice President and Chief Financial Officer. In doing this, the Committee took into account Mr. Shivram's career of over 25 years in financial and operational management in the oilfield service industry, including his tenure at a major competitor and member of our peer group, as well as his experience in financial accounting, income taxes, corporate finance, and mergers and acquisitions. The Company determined that Mr. Shivram was ideally suited to address the Company's challenges, including overcoming its past material weaknesses in income tax accounting, and position the Company for long-term improvement and growth of shareholder value, in terms of higher earnings, cost reduction, capital efficiency, net debt reduction, and acquisition and divestiture activity. The Company acknowledged the considerable value that Mr. Shivram would lose by leaving his former employer, and decided that it was in the Company's best interest to award Mr. Shivram a "make-whole" award that would replace 100% of the value he was forfeiting by leaving his prior employer, as well as be competitive in the marketplace for talented financial professionals and tie Mr. Shivram's compensation further to the Company's financial results and align his position with the Company's shareholders.

While the shares awarded to Mr. Shivram vested immediately on the effective date of grant (November 6, 2013), they are subject to a three-year lock-up period during which, except as provided in the following sentences, they cannot be sold or otherwise disposed of. The transfer restriction lapses in three equal installments on November 6, 2014, 2015, and 2016, so that on each such date, one-third of the total number of shares becomes free of the restriction. If Mr. Shivram's employment with the Company terminates prior to November 6, 2016 (i) due to death or "disability," (ii) by Mr. Shivram for "good reason", or (iii) by the Company for any reason other than "cause," then, in any such event, the transfer restriction lapses as to all the shares. If Mr. Shivram's employment with the Company terminates prior to November 6, 2016 for any reason other than his death or "disability," or is terminated by him for any reason other than "good reason" (regardless if the Company disputes the basis of such termination), or by the Company for "cause," then any transfer restriction that has not previously lapsed will not lapse, and any shares with respect to which the transfer restriction has not lapsed will be forfeited and returned to the Company. (For the meanings of the words in quotation marks, see "Executive Employment Agreements on page 78.") The Committee believes that these arrangements are suitable for an award of this type, and also serve as a retention mechanism, and concluded that all aspects of the award were reasonable and competitive.

Grants in 2014

In February 2014, the Committee awarded long-term equity incentives of the following values to our NEOs, based on market comparisons:

Executive	2014 Award
Dr. Duroc-Danner	$ 8,000,000
Mr. Shivram	$ 3,000,000
Mr. Mehta	$ 3,000,000
Mr. Jacobson	$ —

For each of the officers who received awards, the Committee determined to grant 50% of awards in PUs and 50% in RSUs. This differs from the previous year, when the Committee granted 100% of our CEO's and COO's award to each of them in PUs and, for the other executives, 50% in the form of PUs and 50% in RSUs. The Committee made this change in order to align the CEO's and COO's mix of long-term incentives with that of the remaining executive team and to more closely reflect the mix of stock awards to our peer group.

The RSUs vest over three years, with 1/3 of the awarded RSUs vesting each year.

The PUs vest over three years, with 1/3 of the awarded number of units vesting (or if the baseline performance goal is not met, being forfeited) each year. Each year's vesting of PUs is calculated independently so that under-performance in any one year is not offset by over-performance in any other year. The PUs will be settled in registered shares issued under our 2010 Omnibus Incentive Plan, with the actual number of shares to be issued based on a multiple of each executive's targeted number of PUs. At each vesting point, the number of shares to be issued will be based on the Company's stock price at the end of the vesting period, i.e., the stock price as of the last trading day of each calendar year 2014, 2015 and 2016. The following table shows how the level of vesting will be calculated:

		Company Stock Price ($ per share) on the last trading day of the calendar year ending[c]:		
Performance Goal[a]	Conversion Percentage[b]	December 31, 2014	December 31, 2015	December 31, 2016
Less than BSP	0%	<BSP	<BSP	<BSP
10% increase in Stock Price	0% to 50%	≥BSP and <1.10 * BSP	≥BSP and <1.21 * BSP	≥BSP and <1.33 * BSP
15% increase in Stock Price	50% to 100%	≥1.10 * BSP and <1.15 * BSP	≥1.21 * BSP and <1.32 * BSP	≥1.33 * BSP and <1.52 * BSP
20% increase in Stock Price	100% to 200%	≥1.15 * BSP and <1.20 * BSP	≥1.32 * BSP and <1.44 * BSP	≥1.52 * BSP and <1.73 * BSP

(a) Based on closing, or baseline share price ("BSP"), as of December 31, 2013 of $15.49

(b) Will be interpolated for intermediate results within the stock price range shown, up to a maximum of 200%.

(c) Multiplier shown to the nearest hundredth, actual Company stock price set forth in the award agreements will govern.

The Committee believes that linking the results of these long-term incentive awards to the Company's stock price is appropriate as this approach, to the extent of the awards, aligns the financial interests of the NEOs with those of the Company's shareholders. The Committee further believes that the stock price is a useful target, since it should reflect in one readily determinable number several of the Company stated objectives, including cost reduction, capital efficiency, net debt reduction, and the disposition of non-core business lines. The Committee believes that the three-year vesting schedule of the RSUs and PUs would require the NEOs to focus on short-term results as well as the Company's achievements over a longer term. In fact, if the Company's stock price does not rise and remain above $15.49, the closing price on December 31, 2013, then the PUs provide no value to the NEOs. When setting the applicable stock prices used in the performance goals set forth above, the Committee considered the Company's one year price targets (as published by various third-party analysts), the cyclical nature of the oil and gas industry, the volatility of the Company's stock price, and the expected timeline for turnaround of the Company's financial and operational performance.

Other Share Grants

Due to our suspension of the Executive Deferred Compensation Stock Ownership Plan ("EDC") in 2008 (see "Retirement Plans-Suspended Deferred Compensation Plan" below), and in order to continue to encourage equity ownership as well as to compensate participants for the loss of this benefit, we grant participants in this plan and certain other executives, including our current NEOs (other than Mr. Shivram as this benefit ceased prior to his employment) and approximately 20 other non-executive senior management and key employees, quarterly grants of shares in an amount to approximate the benefits participants would have received had we not suspended the plan. The table entitled "Grants of Plan-Based Awards in 2013" on page 82 reflects these grants to our current NEOs (other than Mr. Shivram), and these grants are included in the Summary Compensation Table on page 80.

Perquisites

We provide our NEOs with perquisites and other personal benefits that we believe are reasonable and consistent with the practices of our peer group. Perquisites made available to our NEOs include an annual car allowance or the use of a company car and payment of club dues. The amounts of these perquisites are shown in the Summary Compensation Table on page 80 and the related footnotes.

Expatriate Benefits

For our NEOs who are assigned to an international location outside their home country, we also provide reasonable and customary expatriate benefits, including relocation expenses, housing allowance and educational expenses for dependent children. The types and values of perquisites for each NEO are shown in the Summary Compensation Table and notes to that table on page 80.

Dr. Duroc-Danner has declined to accept a housing allowance or educational expenses in connection with his assignment to Switzerland.

We also provide officers who are on international assignment a benefit designed to absorb part of the additional tax burden resulting from their assignment. We believe these benefits are standard in our industry and generally apply to non-management expatriate employees as well. We believe the level of tax benefit provided is reasonable and not excessive. Further, we believe the cost to the Company of providing this benefit is reasonable in light of the benefits we receive in having our officers assigned outside of their home country.

The level of tax benefit we provide to officers assigned to our Swiss headquarters is significantly less than the benefit we provide to non-executive employees on international assignment in other jurisdictions. We use a "hypothetical tax" model in which we deduct a fixed amount from the executive's cash and equity income and then pay taxes on behalf of the executive in his home country and country of assignment. Many companies use a "tax equalization" method, in which the expatriates' taxes are calculated based on what they would be in his or her home country if he or she were not on an international assignment, and the company reimburses the expatriate for all taxes above that amount.

For our officers assigned to Switzerland, we generally deduct a 35% hypothetical tax. The effective result is that these officers pay a 35% flat tax on every dollar of income with no deductions and no exemptions. This often results in a higher tax payment by the executive than they would pay in their home country absent the international assignment, so the tax benefit we provide is less than the full tax equalization method employed by many companies in our industry.

Other than Dr. Duroc-Danner, none of our current NEOs receive any expatriate benefits.

Retirement Plans

Discontinued Executive Retirement Plan

Historically, we maintained supplemental executive retirement plans. No new participants have been admitted to the plans since 2006. The original plan was frozen in 2008, and the successor plan was frozen in 2010, following which no additional benefits have accrued to the participants, other than de minimis interest accruals on cash balances.

The only remaining participant in the plan is Dr. Duroc-Danner. In 2010, Dr. Duroc-Danner elected to convert his fully vested cash balance in the plan into approximately 4.4 million notional share units. He will receive these units upon leaving the Company or no later than January 1, 2017 and the value of these units will increase or decrease in direct correlation to the change in our share price. This provides a strong linkage to our share price performance.

Suspended Deferred Compensation Plan

We historically maintained the EDC for our executive officers and certain senior managers and key employees. We suspended the EDC in 2008 such that no new participants may join the plan, participants may not make compensation deferrals to the plan, and we do not make credits under the plan of behalf of participants.

All participants in the plan are fully vested in their plan balances. Shares sufficient to cover all participant accounts are maintained in a trust, and the Company does not expect to incur any further liability on distribution of participant accounts. All amounts under the EDC will be distributed upon the respective participants' leaving the Company or no later than January 1, 2017. Generally, distributions will be made in registered shares, however, if our previously announced redomestication from Switzerland to Ireland is approved by shareholders, the Company will make distributions in cash pursuant to an amendment to the EDC made in order to comply with Irish law. The redomestication will not, however, affect the timing or amount of distributions.

During 2012, the Committee elected to terminate this plan and make a partial distribution pursuant to it, resulting in the taxable distribution to participants of fully vested balances as of December 31, 2004. The Committee took this action to minimize the ongoing administrative burden of this suspended plan and in anticipation of higher 2013 personal income tax rates for most participants.

The values of the benefits in the EDC and the change in the value of those benefits is set forth under the heading "Nonqualified Deferred Compensation" on page 88.

Other Generally Available Benefits and Other Compensation

Our NEOs are eligible for additional Company-wide benefits on the same basis as other full-time employees. These include a 401(k) plan or other pension plan depending on their jurisdiction, as well as health, medical and welfare programs. We also pay life insurance premiums on their behalf.

Executive Employment Agreements

All of our current NEOs have entered into the same form of employment agreement (the "Executive Employment Agreement"), except that Mr. Shivram's agreement does not contain a "good reason" termination event for relocation and certain provisions were added to address potential changes in applicable law. Under the terms of the Executive Employment Agreement, if the Company terminates an executive's employment for any reason other than cause, if the executive terminates his employment for good reason or if the employment is terminated as a result of the executive's death or disability, the executive will be entitled to receive (i) an amount equal to three (one in the case of death, disability or due to the Company's non-renewal of the agreement) multiplied by the sum of the annual base salary received by the executive as of the date of termination plus the target level annual bonus that would be payable in the current fiscal year, and (ii) any accrued salary or bonus (pro-rated to the date of termination). In addition, under these circumstances, all dental and health benefits and all other welfare benefits will be maintained for one to three years after termination provided the executive makes his required contribution. We are required to pay legal fees and expenses incurred by the executive in any disputes regarding the Executive Employment Agreement, so long as the executive undertakes to reimburse the Company for such amounts paid if the executive is determined to have acted in bad faith in connection with the dispute.

Benefits potentially payable to our current NEOs under the Executive Employment Agreement are described in greater detail under "Potential Payments upon Termination or Change of Control" beginning on page 83.

Severance Benefits

The severance benefits under the Executive Employment Agreement are not augmented by a change of control and are "double-trigger" arrangements.

The Committee has determined that offering severance benefits (which may be payable in the event of a qualifying termination of employment prior to or following a change of control) is beneficial in recruiting and retaining executives and also encourages the retention of our officers during the pendency of a potential change of control transaction or other organizational changes within the Company. Our severance benefits and protections are intended to provide for the payment of severance benefits to the executive officers in the event their employment with the Company is involuntarily terminated without cause (including in case of death or disability) or they resign for good reason and to encourage the executive officers to continue employment in the event of a potential "change of control." The Committee believes that these benefits serve to enhance shareholder value and align our officers' interests with those of our shareholders. While the Executive Employment Agreement provides for severance benefits, the benefits provided by these agreements are generally more limited compared to prior agreements.

The potential payments that each of our current NEOs would have received if a termination of employment had occurred on December 31, 2013 are set forth under the section entitled "Potential Payments Upon Termination or Change of Control" beginning on page 83.

Termination of Employment

The following paragraphs summarize separation compensation paid to former NEOs of the Company.

Peter T. Fontana, formerly the Executive Vice President and Chief Operating Officer of the Company, ceased to be an employee on December 13, 2013. In connection with rights under his Executive Employment Agreement, the

Company paid Mr. Fontana accrued vacation of £213,869, a pro-rated 2013 bonus calculated at a target level of £609,381, and an additional amount of £1,281,984 (representing one times the sum of base salary plus annual bonus calculated at a target level), plus a lump sum of £356,804. Further, in settlement of long-term equity-based incentive awards, Mr. Fontana received a gross distribution of 1,031,148 shares of the Company's stock with respect to RSUs and PUs.

John H. Briscoe, formerly the Senior Vice President and Chief Financial Officer of the Company, ceased to be an employee on September 11, 2013. In connection with rights under his Executive Employment Agreement, the Company paid Mr. Briscoe accrued vacation of $104,996, a pro-rated 2013 bonus calculated at a target level of $455,947, and an additional amount of $4,149,600 (representing three times the sum of base salary plus annual bonus calculated at a target level), plus interest on certain deferred portions estimated at $74,840. Further, in settlement of long-term equity-based incentive awards, Mr. Briscoe received a gross distribution of 203,811 shares of the Company's stock with respect to RSUs and an additional 288,992 shares with respect to PUs. At the election of Mr. Briscoe, shares were withheld to satisfy the minimum tax withholding requirements. The Company agreed to provide Mr. Briscoe with outplacement services, at a cost of up to $35,000. Mr. Briscoe agreed to provide consulting services to the Company for a period of up to six months after his separation, for which the Company agreed to pay him $11,526 per month.

Nicholas W. Gee, formerly the Executive Vice President - Strategy and Development and Chief Safety Officer of the Company, ceased to be an employee on February 28, 2014. In connection with rights under his Executive Employment Agreement, the Company paid Mr. Gee accrued vacation of CHF51,408, CHF21,134 in lieu of certain insurance benefits, a pro-rated 2014 bonus calculated at a target level of CHF95,881 and an additional amount of CHF3,645,336 (representing three times the sum of base salary plus annual bonus calculated at a target level). Further, in settlement of long-term equity-based incentive awards, Mr. Gee received a gross distribution of 440,084 shares of the Company's stock with respect to RSUs and PUs. At the election of Mr. Gee, shares were withheld to satisfy his hypothetical tax obligation. In accordance with the Company's tax procedure for international assignees, the Company will be responsible for Mr. Gee's tax liability beyond the hypothetical taxes deducted from his cash and equity compensation and will incur the costs related to the preparation of his tax returns. In addition, the Company agreed to provide Mr. Gee with outplacement services, at a cost of up to $35,000 and Mr. Gee agreed to provide consulting services to the Company after his separation for a transitional period that is currently being negotiated.

Joseph C. Henry, formerly the Senior Vice President and Co-General Counsel of the Company, ceased to be an employee on June 30, 2013. In connection with his separation, the Company paid Mr. Henry accrued vacation of $62,554, a pro-rated 2013 bonus calculated at a target level of $243,360, and an additional amount of $3,082,560 (representing three times the sum of base salary plus annual bonus calculated at a target level), plus interest on certain deferred portions estimated at $108,092. Further, in settlement of long-term equity-based incentive awards, Mr. Henry received a gross distribution of 313,959 shares of the Company's stock with respect to RSUs and PUs. At the election of Mr. Henry, shares were withheld to satisfy the minimum tax withholding requirements. The Company agreed to provide Mr. Henry with outplacement services, at a cost of up to $35,000. Mr. Henry agreed to provide consulting services to the Company after his separation for a period of up to six months at $19,874 a month; these services were terminated by the Company on October 11, 2013.

Compensation Committee Report

We have reviewed and discussed with management the Compensation Discussion and Analysis contained in this Form 10-K/A. Based on such review and discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Form 10-K/A.

- Mr. John D. Gass
- Mr. William E. Macaulay *(Chairman)*
- Mr. Robert K. Moses, Jr.
- Dr. Guillermo Ortiz

Compensation Committee Interlocks and Insider Participation

The Compensation Committee's current members are Dr. Ortiz and Messrs. Gass, Macaulay (Chairman) and Moses, all of whom are independent, non-employee directors. None of the current Compensation Committee members has served as an officer or employee of the Company.

Summary Compensation Table

This table shows the total compensation paid for the years ended December 31, 2013, 2012 and 2011 to our NEOs. Information is not provided for 2011 for Messrs. Mehta and Briscoe and for 2011 and 2012 for Messrs. Shivram and Henry because they were not NEOs in those years.

Name and Principal Position	Year	Salary ($)	Non Equity Incentive ($)[(g)]	Bonus ($)	Stock Awards ($)[(h)]	Change in Actuarial Value of Pension Benefit and Nonqualified Deferred Compensation Earnings ($)[(i)]	All Other Compensation ($)[(j)]	Total ($)
Bernard J. Duroc-Danner Chairman of the Board, President and Chief Executive Officer[(a)]	2013	1,901,171	2,506,046	—	7,742,425	—	1,008,245	13,157,887
	2012	1,879,974	447,552	—	235,727	1,557,892	3,056,231	7,177,376
	2011	1,992,275	—	1,535,818	9,890,504	2,205,191	1,693,433	17,317,221
Krishna Shivram Executive Vice President and Chief Financial Officer[(b)]	2013	116,477	120,822	300,000	3,936,649	—	4,327	4,478,275
Dharmesh Mehta Executive Vice President and Chief Operating Officer	2013	699,167	750,750	250,000	2,919,787	—	23,840	4,643,544
	2012	620,000	111,600	—	3,614,101	—	23,160	4,368,861
William B. Jacobson Senior Vice President, Co-General Counsel and Chief Compliance Officer	2013	1,000,000	525,000	—	2,099,232	—	25,169	3,649,401
	2012	1,000,000	93,600	—	2,786,086	—	18,306	3,897,992
	2011	1,000,000	—	—	1,783,222	—	13,606	2,796,828
Nicholas W. Gee Former Executive Vice President-Strategy and Development and Chief Safety Officer[(c)]	2013	646,352	649,812	—	2,863,476	—	1,149,854	5,309,494
	2012	594,778	106,440	—	3,619,045	—	876,689	5,196,952
	2011	548,093	—	402,339	2,110,149	—	197,367	3,257,948
John H. Briscoe Former Senior Vice President and Chief Financial Officer[(d)]	2013	504,933	—	—	2,653,058	—	4,846,217	8,004,208
	2012	659,091	126,000	—	2,523,801	—	25,579	3,334,471
Peter T. Fontana Former Executive Vice President and Chief Operating Officer[(e)]	2013	945,991	—	—	4,828,588	—	4,637,959	10,412,538
	2012	976,586	187,550	—	7,785,879	—	600,954	9,550,969
	2011	895,135	—	824,940	6,496,518	—	583,882	8,800,475
Joseph C. Henry Former Senior Vice President and Co-General Counsel[(f)]	2013	266,933	—	—	2,004,295	—	3,585,287	5,856,515

(a) *Dr. Duroc-Danner's salary for 2011, 2012 and 2013 was CHF 1,760,000. The change in value reflected above relates to changes in the USD-CHF exchange rate. Amounts shown in table represent the CHF salary translated to USD at the rate on the respective dates of payment.*

(b) *Mr. Shivram joined the Company in November 2013.*

(c) *Mr. Gee's 2012 and 2013 salary was denominated and paid in CHF. Amounts shown in table represent the monthly CHF salary translated to USD at the average exchange rate for each applicable month of the year. Mr. Gee left the Company effective February 28, 2014.*

(d) *Mr. Briscoe left the Company effective September 11, 2013.*

(e) *Mr. Fontana's 2012 and 2013 salary was denominated and paid in British Pounds (GBP). Amounts shown in the table represent the monthly GBP salary translated to USD at the average exchange rate for each applicable month of the year. Mr. Fontana retired from the Company effective December 13, 2013.*

(f) *Mr. Henry left the Company effective June 30, 2013.*

(g) *Values for 2012 relate to the Company's safety performance exceeding the Superior target as prescribed in the 2012 ICP. Values for 2013 relate to the Company's capital efficiency exceeding the Superior target and its safety performance meeting or surpassing the Target level as prescribed in the 2013 ICP. Amounts showing in this column for 2013 and 2012 were paid in 2014 and 2013, respectively, but relate to the 2013 and 2012 fiscal years, respectively. For amounts paid in a currency other than USD, the payment was converted to USD, for purposes of this disclosure, using the appropriate foreign exchange rate as of the applicable payment dates.*

(h) *Assumptions used in the calculation of these amounts are included in footnote 15 to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013. For the PUs granted during 2013, the value of the award at the grant date, assuming that the highest level of performance conditions will be achieved, are as follows:*

Executive	Maximum Payout ($)
Bernard J. Duroc-Danner	$ 16,000,000
Dharmesh Mehta	$ 2,900,000
William B. Jacobson	$ 2,000,000

(i) *This increase in actuarial value does not reflect additional compensation paid, but rather reflects an increase in the year-over-year present value of the actuarial benefit. This increase in actuarial value is presented as required by SEC regulations. No additional benefits accrued under the executive retirement plans for Dr. Duroc-Danner in 2011, 2012 or 2013. For information on the retirement plans and the freezing of these plans, see "Retirement Plans-Discontinued Executive Retirement Plan" in the Compensation Discussion and Analysis section of this Form 10-K/A. For more information on the present value of the pension benefit, see "Pension Benefits" below.*

(j) *All Other Compensation for 2013 consists of the following:*

	Car/Car Allowance ($)	Club Membership Dues ($)	Consulting Fees	Matching Contributions under 401(k) and Other Contribution Plans ($)(1)	Life Insurance Premiums ($)	Expatriate Relocation Pay and Geographic Differential ($)	Expatriate Housing, Schooling and Other ($)	Net Taxes Paid ($)(2)	Termination Pay ($)(3)
Duroc-Danner	4,838	5,659	—	42,641	3,371	665,410	8,154	278,172	—
Shivram	1,677	—	—	—	2,650	—	—	—	—
Mehta	10,800	—	—	10,200	2,840	—	—	—	—
Jacobson	10,800	—	—	10,200	4,169	—	—	—	—
Gee	19,418	—	—	32,429	2,119	290,858	214,815	590,215	—
Briscoe	7,560	4,923	34,578	10,200	3,573	—	—	—	4,785,383
Fontana	—	—	—	49,800	2,255	283,797	241,104	—	4,061,003
Henry	5,400	5,630	66,674	10,041	976	—	—	—	3,496,566

(1) Dr. Duroc-Danner is, and Mr. Gee was, a participant in the Weatherford International Ltd. Swiss Pension Plan. Mr. Fontana was a participant in the Global Retirement Savings Plan. Messrs. Shivram, Mehta and Jacobson are, and Messrs. Briscoe and Henry were, participants in the U.S. 401(k) plan. Amounts shown represent Company contributions to those plans.

(2) Net Taxes Paid represents the difference between cash taxes paid on behalf of the executive during the year and amounts withheld from the executive's compensation for taxes during the year. Taxes paid by the Company to a taxing authority in 2013 with respect to taxes on income earned in previous years are shown in 2013.

(3) For details of termination pay, see "Termination of Employment" in this Form 10-K/A.

Grants of Plan-Based Awards in 2013

The following table provides information regarding plan-based awards granted in 2013 to the NEOs.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($)	Target ($)	Superior ($)	Estimated Future Payouts Under Equity Incentive Plan Awards Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Restricted Shares/Units (#)	Grant Date Fair Value of Share Awards ($)[2]
Bernard J. Duroc-Danner	Jan 2							5,450	61,476
	Mar 7	1,115,822	2,231,645	4,463,290					
	Mar 7[3]				343,938	687,876	1,375,752		7,435,940
	Apr 1							9,632	117,029
	July 1							4,525	62,581
	Oct 1							4,090	65,399
Krishna Shivram	Nov 6	57,534	115,068	230,137					
	Nov 6							231,024	3,936,649
Dharmesh Mehta	Jan 2							2,112	23,823
	Mar 7	357,500	715,000	1,430,000					
	Mar 7[3]				62,339	124,678	249,356		1,347,769
	Mar 7							124,678	1,450,005
	Apr 1							3,373	40,982
	Jul 1							2,023	27,978
	Oct 1							1,828	29,230
William B. Jacobson	Jan 2							3,406	38,420
	Mar 7	250,000	500,000	1,000,000					
	Mar 7[3]				42,993	85,985	171,970		929,498
	Mar 7							85,985	1,000,006
	Apr 1							4,222	51,297
	Jul 1							2,829	39,125
	Oct 1							2,557	40,886
Nicholas W. Gee	Jan 2							2,057	23,203
	Mar 7	288,888	577,777	1,155,553					
	Mar 7[3]				61,264	122,528	245,056		1,324,528
	Mar 7							122,528	1,425,001
	Apr 1							3,175	38,576
	Jul 1							1,832	25,337
	Oct 1							1,678	26,831
John H. Briscoe	Mar 7	327,600	655,200	1,310,400					
	Mar 7[3]				59,115	118,229	236,458		1,278,055
	Mar 7							118,229	1,375,003
Peter T. Fontana	Jan 2							3,384	38,172
	Mar 7	481,116	962,232	1,924,464					
	Mar 7[3]				214,962	429,923	859,846		4,647,468
	Apr 1							5,175	62,876
	Jul 1							2,801	38,738
	Oct 1							2,585	41,334
Joseph C. Henry	Jan 2							1,772	19,988
	Mar 7	243,360	486,720	973,440					
	Mar 7[3]				42,993	85,985	171,970		929,498
	Mar 7							85,985	1,000,006
	Apr 1							2,769	33,643
	Jul 1							1,530	21,160

(1) Represents potential payments for the year ended December 31, 2013 under the terms of the Weatherford International Ltd. Non-Equity Incentive Compensation Plan. See "Our Executive Compensation Program-Annual Incentive Compensation" in the Compensation Discussion and Analysis section of this Form 10-K/A for more information. Mr. Shivram is prorated based on the date that he joined the company on November 6, 2013.

(2) The grant date fair value of each of the awards was based on the Company's closing share price on the date of the grant for restricted share unit awards and, for performance unit awards, a calculated fair value derived using a Monte Carlo valuation model.

(3) The amounts shown represent the aggregate threshold, target and maximum payment levels with respect to the grant of PUs tied to total shareholder return over the performance period. The number of shares shown in the "Threshold" column reflects the lowest possible payout (other than zero), representing 50% of the number of performance units granted. If performance is below the threshold, no shares are paid. The number of shares shown in the "Target" column reflects a payout of 100% of the number of performance units granted. The number of shares shown in the "Maximum" column reflects the highest possible payout of 200% of the number of PUs granted.

Potential Payments Upon Termination or Change of Control

The following summarizes the potential payments upon termination or change of control to our NEOs as of December 31, 2013. The potential payments described in this section assume the triggering event occurred on December 31, 2013. No information is provided in this section with regard to potential payments to certain persons listed as NEOs in this Form 10-K/A if such NEOs received payments pursuant to their Employment Agreements and such actual amounts are described in this Form 10-K/A separately under "Compensation Discussion and Analysis-Termination of Employment."

Executive Employment Agreements

Under the terms of our Executive Employment Agreements with Dr. Duroc-Danner and Messrs. Shivram, Mehta, and Jacobson, if their employment is terminated, whether as a result of death, "disability," "good reason," "cause" or otherwise (each term as defined in the Executive Employment Agreements), the NEO (or his estate) will generally be entitled to receive the following compensation:

- any unpaid salary and accrued vacation earned through the date of termination of employment (the "Earned Unpaid Salary");
- all benefits to which the executive is entitled or vested (or becomes entitled or vested as a result of termination) under the terms of all employee benefit and compensation plans, agreements, arrangements, programs, policies, practices, contracts or agreements in which the executive was a participant at the time of termination (the "Benefits Payment");
- an amount equal to the annual bonus amount that would be payable in the year of termination (pro-rated to the date of termination) based on actual performance for the fiscal year;
- an amount equal to the sum of the base salary at the time of termination added to the target bonus amount (that would be payable in the year of termination), multiplied by three in the event of a termination by us other than for cause or by the executive for good reason (other than non-renewal, as defined below) and multiplied by one in the case of a termination due to death, disability or for a termination for good reason due to the Company's non-renewal of the agreement (the "Salary and Bonus Payment");
- any benefits payable under our retirement plans as of the date of termination (the "Retirement Plan Payment"). (For more information regarding our retirement plans, see the "Pension Benefits" section in this Form 10-K/A and "Retirement Plans" in the Compensation Discussion and Analysis section in this Form 10-K/A);
- all dental and health benefits under any plans that are provided to the NEO and his or her family prior to termination would be maintained after termination for a period of one to three years or such longer period as the plans may require, provided the NEO makes his required contribution and that such benefits are secondary to any benefits offered by another employer (the "Healthcare Benefit"); and
- up to a maximum of $35,000 for outplacement services for the NEO, the provider of which would be selected and paid directly by us (the "Outplacement Benefit") for a period not extending beyond the last day of the second taxable year following the taxable year in which the NEO's termination occurs.

Under the Executive Employment Agreements, we will make required payments (other than the pro-rata bonus payment for the year of termination, which will be paid at the time bonus payments for that year would normally be paid) within 30 days after the date of the participant's section 409A separation from service with the Company. However, if the participant is a section 409A specified employee, these payments will be made on the date that is six months following date of such separation from service with such payments (along with the Retirement Plan Payment) bearing interest at the prime rate per annum as of the date of termination.

The Executive Employment Agreements provide that if the employee is a participant in our now frozen retirement plan (which only applies to Dr. Duroc-Danner), he will be entitled to a "gross up payment" that is limited solely to the payments of penalties, excise or other taxes incurred by him pursuant to Section 457A of the Code with respect to accrued benefits under our retirement plans. The Company does not believe that Section 457A would impose any such penalties, excise or other taxes. The Executive Employment Agreements expressly exclude gross-ups previously provided under those retirement plans. The Executive Employment Agreements do not provide for any other type of "gross up payments."

Under the Executive Employment Agreements:

(i) "cause" is defined as the willful and continued failure to substantially perform the executive's duties with the Company (other than failure resulting from incapacity due to mental or physical illness or anticipated failure after the executive has provided a notice to termination for good reason) after written demand is made by the Board of Directors, or the willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

(ii) "disability" is defined as the absence of the executive from his duties on a substantial basis for 120 calendar days as a result of incapacity due to mental or physical illness. If we determine that the executive is disabled, the NEO has 30 days from the date of our notice to the executive of intent to terminate employment by reason of disability to return to full-time performance of his duties. The executive may terminate his employment for disability if a physician selected by the executive determines that a disability has occurred.

(iii) "good reason" generally means the occurrence of any of the following:

- the assignment to the executive of any position, authorities, duties or responsibilities that are materially inconsistent with the executive's position, authorities, duties or responsibilities as provided in the Executive Employment Agreement or any other action that results in a material diminution of the executive's position, authorities, duties or responsibilities;
- a relocation of the executive (a provision not included in Mr. Shivram's agreement);
- a material breach by the Company of the Executive Employment Agreement;
- the Company's giving of notice that the Executive Employment Agreement term will not be extended ("non-renewal"); or
- the failure by the Company to require any successor to perform the Executive Employment Agreement between the executive and the Company.
- After a change of control or other transaction in which our registered shares cease to be publicly traded, "good reason" also will be deemed to exist if the executive is assigned to any position, authority, duties or responsibilities that are not at the ultimate parent company of the surviving entity.

(iv) "change of control" is generally deemed to occur if:

- any person acquires 20% or more of our registered shares;
- at least two-thirds of the members of the current Board of Directors cease to be directors other than in specified circumstances;
- upon the consummation of a merger or similar transaction other than (1) a transaction in which the shareholders beneficially owning the registered shares outstanding immediately prior to the transaction represent at least two-thirds of the voting power immediately after the transaction, (2) a transaction in which no person owns 20% or more of the outstanding registered shares or voting power of the surviving entity, and (3) a transaction in which at least two-thirds of the members of the surviving entity are current members of the Board of Directors at the time the transaction was approved; or
- approval or adoption by the Board of Directors or our shareholders of a plan or proposal which could result directly or indirectly in the liquidation, transfer, sale or other disposal of all or substantially all of the Company's assets or a dissolution of the Company.

The Executive Employment Agreements contain a confidentiality provision. In no event, however, will an asserted violation of the confidentiality provision constitute a basis for deferring or withholding any amounts otherwise payable to the NEO under the Executive Employment Agreement.

Similarly, the Executive Employment Agreements contain non-competition and non-solicitation provisions which are generally applicable for one year from when the NEO ceases to be employed. The non-competition restrictions do not apply if the NEO terminates employment for any reason within one year following a change of control. Additionally, if the NEO voluntarily terminates employment other than for good reason, the non-competition restrictions shall apply only if (i) the Company notifies the NEO of its intent to enforce the non-competition provisions within 15 days following the NEO's separation from service and (ii) the Company pays the NEO a lump sum amount equal to the sum of the annual base salary received by the NEO as of the date of termination and the NEO's target annual bonus for the fiscal year during which the termination occurs.

We are required to pay legal fees and expenses incurred by the executive in any disputes regarding his employment agreement, so long as the executive undertakes to reimburse the Company for such amounts paid if the executive is determined to have acted in bad faith in connection with the dispute.

Previously Earned and Fully Vested Deferred Compensation

On termination of an NEO for any reason, the NEO would be entitled to a distribution of previously earned and fully vested deferred compensation, which is distributable in Company shares, cash or other investments pursuant to the applicable plan.

Accordingly, previously earned and fully vested deferred compensation would become distributable under our EDC and SERP, which is distributable in Company shares. The following table sets forth the dollar value as of December 31, 2013 of such previously earned and fully vested deferred compensation for our current NEOs.

Name	$ Value of Shares to be Distributed
Bernard J. Duroc-Danner	70,456,079
Krishna Shivram	—
Dharmesh Mehta	52,201
William B. Jacobson	—

Termination for Good Reason, by Us After a Change of Control or by Us Other Than for Cause

The following table describes cash payments that would have been payable under the Executive Employment Agreements with respect to our current NEOs if an NEO's employment had been terminated by the NEO for good reason (other than as a result of non-renewal of the employment agreement), by the Company after a change of control (a "double-trigger") or by the Company other than for cause, in each case assuming the termination had occurred on December 31, 2013. Amounts payable as a result of termination upon death, disability or termination by the executive for good reason as a result of non-renewal are set forth in additional detail below under "Termination Upon Death, Disability or For Good Reason as a Result of Non-Renewal."

Name	Termination Obligations ($)(1)	Other Payment ($)(2)	Total ($)
Bernard J. Duroc-Danner	15,746,463	252,788	15,999,251
Krishna Shivram	4,678,515	75,088	4,753,603
Dharmesh Mehta	5,109,500	81,912	5,191,412
William B. Jacobson	5,101,923	81,656	5,183,579

(1) Represents accrued vacation, prorated bonus and Salary and Bonus Payment.

(2) Represents contractual interest on payments deferred for six months in accordance with Section 409A.

In addition to the cash payments described above, the current NEOs would have been entitled to receive certain non-cash compensation. The value of that non-cash compensation is set forth in the table below (referred to in this Form 10-K/A as the "Non-Cash Compensation Table").

Name	$ Value of Equity Awards	$ Value of Healthcare Benefit
Bernard J. Duroc-Danner	21,310,398	476,439
Krishna Shivram	—	34,560
Dharmesh Mehta	6,946,289	12,384
William B. Jacobson	5,270,488	39,600

There are no additional rights granted to executives under the Executive Employment Agreements as a result of a change of control, other than providing that an executive can terminate his Executive Employment Agreement in connection with a change of control for a material diminution of the executive's position, authority, duties or responsibilities (which will constitute good reason). Further, the Executive Employment Agreements provide that the Company will require any successor to all or substantially all of the Company's business and/or Company's assets to expressly assume and agree to perform the Executive Employment Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement at or prior to the effectiveness of any such succession will entitle the NEO to compensation from the Company in the same amount and on the same terms as the executive would be entitled if the executive were to terminate employment for good reason after a change of control, except that, (i) for purposes of implementing the foregoing, the date on which any such succession becomes effective will be deemed the date of termination and (ii) the Company will be given the opportunity to cure the foregoing.

The equity plans and related grant and award agreements in which our NEOs participate generally provide for the vesting of relevant grants and awards and acceleration of certain benefits upon a change of control. For certain outstanding option awards, our Board has the discretion upon a change of control whether to accelerate the vesting of the outstanding award, or require the award to be substituted or otherwise adjusted.

Termination Upon Death, Disability or For Good Reason as a Result of Non-Renewal

In the event of a current NEO's death, disability or termination by the executive for good reason as a result of non-renewal, he (or his estate) would be entitled to receive the compensation described above in "Termination for Good Reason, by Us After a Change of Control or by Us Other than for Cause," except that:

- the Salary and Bonus Payment would be reduced to a multiple of one times the officer's salary and target bonus;
- the NEO's estate would receive life insurance proceeds in the amount of up to one times (two times in the case of Dr. Duroc-Danner) his salary or salary bracket, up to a maximum of $2,000,000;
- if applicable, the NEO's estate would receive accidental death and dismemberment proceeds in the amount of two times his salary, up to a maximum of $2,000,000; and
- if applicable, the NEO's estate would receive business travel accident proceeds in the amount of four times his salary, up to a maximum of $1,000,000.

The following table describes cash payments that would be required to be made under the Executive Employment Agreements with respect to our current NEOs and under our retirement plans in the event of an NEO's death, disability or termination by the executive for good reason as a result of non-renewal. The amounts shown for such person in the table include amounts earned through such time and are estimates of the amount that would be paid out to the NEO upon termination. The actual amounts to be paid out can only be determined at the time of, and depend upon the circumstances surrounding, termination.

Name	Termination Obligations ($)(1)	Other Payment ($)(2)	Total ($)
Bernard J. Duroc-Danner	7,038,181	111,278	7,149,459
Krishna Shivram	1,678,515	26,338	1,704,853
Dharmesh Mehta	2,249,500	35,437	2,284,937
William B. Jacobson	2,101,923	32,906	2,134,829

(1) *Represents accrued vacation, prorated bonus and Salary and Bonus Payment.*

(2) *Represents contractual interest on payments deferred for six months in accordance with Section 409A.*

In addition to the payments set forth above, the NEO would also receive:

- any unpaid salary through the date of termination;
- all compensation set forth in the Non-Cash Compensation Table (Healthcare Benefit reduced to one year);
- in the event of an NEO's death, his estate would be entitled to the following life insurance proceeds: Dr. Duroc-Danner $2,000,000, Mr. Shivram $750,000, Mr. Mehta $750,000 and Mr. Jacobson $1,000,000;
- in the event of an NEO's accidental death or dismemberment due to employment, the NEO or his estate would be entitled to the following proceeds: Dr. Duroc-Danner $2,000,000, Mr. Shivram $1,500,000, Mr. Mehta $1,500,000 and Mr. Jacobson $2,000,000; and
- in the event of an NEO's death due to an accident while traveling on company business, his estate would be entitled to $1,000,000.

Termination for Cause or Voluntary Termination

No other special or additional payments are payable to any of the NEOs under the Executive Employment Agreements in the event of a termination for "cause" or voluntary termination of employment by the NEO for other than "good reason."

Outstanding Equity Awards at December 31, 2013

The following table provides information about the number of outstanding equity awards held by our NEOs at December 31, 2013.

	Option Awards			Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable[(1)]	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Shares That Have Not Vested (#)	Market Value of Shares or Units of Shares That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have not Vested (#)[(2)]	Equity Incentive Plan Awards: Market or Payment Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[(2)]
Bernard J. Duroc-Danner	785,352[(3)]	5.94	09/25/2015	—	—	—	—
	370,000	8.79	12/17/2016	—	—	—	—
	336,650	20.05	02/28/2016	—	—	—	—
	—	—	—	—	—	155,214[(4)]	2,404,265
	—	—	—	—	—	343,938[(5)]	5,327,600
Krishna Shivram[(6)]	—	—	—	—	—	—	—
Dharmesh Mehta	—	—	—	6,000[(7)]	92,940	—	—
	—	—	—	6,667[(8)]	103,272	—	—
	—	—	—	61,736[(9)]	956,291	—	—
	—	—	—	124,678[(10)]	1,931,262	—	—
	—	—	—	—	—	23,151[(11)]	358,609
	—	—	—	—	—	23,151[(11)]	358,609
	—	—	—	—	—	62,339[(5)]	965,631
William B. Jacobson	—	—	—	258[(12)]	3,996	—	—
	—	—	—	419[(13)]	6,490	—	—
	—	—	—	834[(14)]	12,919	—	—
	—	—	—	443[(15)]	6,862	—	—
	—	—	—	484[(12)]	7,497	—	—
	—	—	—	478[(13)]	7,404	—	—
	—	—	—	766[(16)]	11,865	—	—
	—	—	—	9,427[(17)]	146,024	—	—
	—	—	—	990[(15)]	15,335	—	—
	—	—	—	514[(18)]	7,962	—	—
	—	—	—	61,936[(9)]	959,389	—	—
	—	—	—	454[(19)]	7,032	—	—
	—	—	—	570[(20)]	8,829	—	—
	—	—	—	597[(13)]	9,248	—	—
	—	—	—	1,362[(21)]	21,097	—	—
	—	—	—	85,985[(22)]	1,331,908	—	—
	—	—	—	1,688[(23)]	26,147	—	—
	—	—	—	565[(12)]	8,752	—	—
	—	—	—	511[(13)]	7,915	—	—
	—	—	—	—	—	14,141[(4)]	219,044
	—	—	—	—	—	12,703[(11)]	196,769
	—	—	—	—	—	12,703[(11)]	196,769
	—	—	—	—	—	42,993[(5)]	665,962
Nicholas W. Gee	—	—	—	207,210[(24)]	3,209,683	—	—
	—	—	—	—	—	125,501[(25)]	1,944,010
John H. Briscoe[(26)]	—	—	—	—	—	—	—
Peter T. Fontana[(27)]	—	—	—	—	—	—	—
Joseph C. Henry[(28)]	38,000	10.79	06/15/16	—	—	—	—

(1) As the Company no longer grants options and due to the passage of time, all outstanding options are exercisable and none are subject to further vesting requirements.
(2) The number of performance units reported and the payout value reported are based on achieving the threshold performance level.
(3) Option has been transferred to a family limited partnership for estate planning purposes.
(4) Performance units vested on January 1, 2014.
(5) Performance units vest on January 1, 2016.
(6) Mr. Shivram joined the Company in November 2013 and did not have any unvested shares or performance units as of December 31, 2013.
(7) Half of these restricted shares vested on February 2, 2014, and half will vest on February 2, 2015.
(8) Restricted share units vested on April 12, 2014.
(9) Half of these restricted share units vested on March 23, 2014, and half will vest on March 23, 2015.
(10) One-third of the restricted share units vested on March 7, 2014 and one-third will vest on each of March 7, 2015 and 2016.
(11) Performance units vest on January 1, 2015.
(12) Restricted share units vest on July 1, 2014.
(13) Restricted share units vest on October 1, 2014.
(14) Half of the restricted share units vested on January 4, 2014, and half will vest on January 4, 2015.
(15) The restricted share units vested on April 1, 2014.
(16) Half of the restricted share units vested on January 3, 2014, and half will vest on January 3, 2015.
(17) The restricted share units vested on February 15, 2014.
(18) The restricted share units vested on January 3, 2014.
(19) The restricted share units vested on April 2, 2014.
(20) The restricted share units vest on July 2, 2014.
(21) Half of the restricted share units vested on January 2, 2014, and half will vest on January 2, 2015.
(22) One third of the restricted share units vested on March 7, 2014, and one third will vest on each of March 7, 2015 and 2016.
(23) Half of the restricted share units vested on April 1, 2014, and half will vest on April 1, 2015.
(24) The restricted share units were scheduled to vest during the period January 2, 2014, through April 1, 2016, however all unvested units vested on February 28, 2014, in connection with Mr. Gee's separation from the Company.
(25) The performance units were scheduled to vest during the period January 1, 2014, through January 1, 2016, however all eligible units vested on February 28, 2014, in connection with Mr. Gee's separation from the Company.
(26) Mr. Briscoe left the Company on September 11, 2013. All of his share and unit awards vested in connection with his separation.
(27) Mr. Fontana left the Company on December 13, 2013. All of his share and unit awards vested in connection with his separation.
(28) Mr. Henry left the Company on June 30, 2013. All of his share and unit awards vested in connection with his separation.

Option Exercises And Restricted Shares/Units Vested in 2013

The following table provides information about restricted shares or RSUs that vested, and the value realized on exercise and vesting by our NEOs during 2013. No options were exercised by our NEOs in 2013.

	Restricted Share and Restricted Share Unit Awards	
Name	**Number of Shares/Units Acquired on Vesting (#)**	**Value Realized On Vesting ($)[a]**
Bernard J. Duroc-Danner	23,697	306,485
Krishna Shivram	231,024	3,936,649
Dharmesh Mehta	49,870	601,494
William B. Jacobson	81,107	989,372
Nicholas W. Gee	60,625	749,759
John H. Briscoe	514,852	8,010,723
Peter T. Fontana	1,149,588	16,604,722
Joseph C. Henry	349,835	4,732,540

(a) Calculated using the closing price on date of vesting.

Pension Benefits

The following table and the information below it contain information regarding the SERP at December 31, 2013. Of our NEOs, only Dr. Duroc-Danner participates in the SERP. As described in the Compensation Discussion and Analysis section in this Form 10-K/A, the SERP has been suspended, and further benefit accruals under the SERP were frozen effective March 31, 2010. In May 2010, Dr. Duroc-Danner elected to convert his accrued pension benefit into approximately 4.4 million notional share units. Therefore, the actual benefit payable to Dr. Duroc-Danner on departure is that number of shares, not the amount reflected below. The actuarial value of the retirement benefit as of December 31, 2013 (using the same assumptions used for financial reporting purposes, with the exception of retirement age) is as follows:

Name	Actuarial Present Value of Accumulated Benefit ($)(1)	Payments During Last Fiscal Year ($)
Bernard J. Duroc-Danner	**70,970,599**	**–**

(1) *Value was determined using the projected unit credit actuarial cost method. The present value number, however, does not reflect the actual value of the eventual payment of these benefits as the payment will be in shares. As Dr. Duroc-Danner has reached retirement age according to plan calculations, there is no further discount to be applied. As a result, the amount above reflects the full benefit value in accordance with pension accounting.*

For more information on our retirement plans, see “Retirement Plans” on page 78 of this Form 10-K/A.

Nonqualified Deferred Compensation

We terminated the EDC in May 2012. As a result of the termination of the EDC, participants who had accrued benefits under the EDC prior to December 31, 2004, including Dr. Duroc-Danner, received a partial distribution of shares in May 2012 in respect of their accrued benefits. All remaining amounts in the EDC will be payable to participants upon the occurrence of triggering events under the plan and, in any event, no later than January 1, 2017.

We suspended the EDC in 2008 because of uncertainties concerning the application of Code Section 457A, and no further benefits have accrued to participants since that time. All participants in the EDC are fully vested in their plan balances. Shares sufficient to cover all participant accounts are maintained in a trust, and the Company does not expect to incur any further liability on distribution of participant accounts.

The following table and the information below it contain information regarding the NEOs who were participants under our deferred compensation plans in 2013.

Name	Executive Contributions in 2013 ($)(1)	Registrant Contributions in 2013 ($)(1)	Aggregate Earnings in 2013 ($)(2)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at 12/31/13 ($)(3)
Bernard J. Duroc-Danner	—	—	650,500	—	2,343,312
Dharmesh Mehta	—	—	14,491	—	52,201
Peter T. Fontana(4)	—	—	19,287	(80,586)	—
Joseph C. Henry(5)	—	—	65,762	(236,104)	—

(1) *As the EDC has been suspended since 2008, there were no executive or company contributions made during 2013, and, as a result, no corresponding amounts reported in the 2013 Summary Compensation Table.*

(2) *Amounts represent stock price appreciation based on normal share price fluctuation as experienced by all company shareholders.*

(3) *The total current value at December 31, 2013 of the deferred salary of $2,343,312 for Dr. Duroc-Danner was comprised of executive contributions of $781,099 and Company contributions of $1,562,213 that were included as compensation in the Summary Compensation Table in previous years (before 2009). The total current value at December 31, 2013 of the deferred salary of $52,201 for Mr. Mehta was comprised of executive and Company contributions made prior to Mr. Mehta becoming an NEO and are therefore not disclosed herein.*

(4) *Mr. Fontana received a gross distribution of 5,478 shares in 2013 in conjunction with his departure from the Company.*

(5) *Mr. Henry received a gross distribution of 15,222 shares in 2013 in conjunction with his departure from the Company.*

Board Compensation

We use a combination of cash and share-based incentive compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, we consider the significant amount of time that directors expend in fulfilling their duties to the Company, as well as the level of knowledge and experience that we require of members of our Board. Our Corporate Governance and Nominating Committee is responsible for reviewing and structuring our compensation policy regarding fees and compensation paid and granted to our directors.

L&A has been retained by the Corporate Governance and Nominating Committee as an independent compensation consultant to advise the Committee on the appropriate compensation for the Board. L&A annually assists the Corporate Governance and Nominating Committee by providing comparative market data on board compensation practices and programs based on an analysis of publicly available information on our peer group (see “Peer Group” in the Compensation Discussion and Analysis section in this Form 10-K/A) and U.S. industry practices.

Directors’ Fees

Non-employee Directors are paid the following fees:

- $5,000 for each Board meeting attended;
- $2,000 for each committee meeting attended;
- $60,000 as an annual retainer;
- $20,000 as an additional annual retainer for the Audit Committee chairman;
- $10,000 as an additional annual retainer for each Audit Committee member;
- $15,000 as an additional annual retainer for the Compensation Committee chairman;
- $10,000 as an additional annual retainer for the Corporate Governance and Nominating Committee chairman;
- $15,000 as an additional annual retainer for the Health, Safety and Environment Committee chairman; and
- $20,000 as an additional annual retainer for the Presiding Director.

Annual retainers are paid quarterly. We do not compensate Dr. Duroc-Danner for his service on the Board.

Restricted Share Unit Awards

On September 27, 2013, we granted each of our non-employee directors 12,000 restricted share units pursuant to our 2010 Omnibus Incentive Plan. The awards vest in three equal annual installments, beginning on September 27, 2014, subject to earlier vesting in the event of the death or disability of the director or a change of control of the Company. In addition, on June 20, 2013, we granted to each of Messrs. Gass and Kalman 7,174 restricted share units, in connection with their joining our Board, which vest in two equal installments on June 20, 2015 and 2017, also subject to earlier vesting in the aforesaid circumstances. The Corporate Governance and Nominating Committee believes that providing a majority of the overall Board compensation in the form of our registered shares aligns the interests of our directors with those of our shareholders.

Non-Employee Director Deferred Compensation Plan (Suspended)

The Weatherford International Ltd. Non-Employee Director Deferred Compensation Plan was suspended effective December 31, 2008 because of changes in tax laws. While the plan is suspended, amounts are still payable to participants on the occurrence of triggering events under the plan.

Prior to the suspension of this plan, each of our non-employee directors (other than Messrs. Gass and Kalman and Dr. Ortiz and Sir Emyr, who are not participants in the plan) elected to defer 7.5% of the fees paid by us and to have his distribution paid on the first day of the calendar quarter coincident with or next following the date of his cessation of service with the Board. In any event, all benefits under the plan will be distributed no later than January 1, 2017. The amount of the distribution will be a number of registered shares equal to the number of units in the director’s account at the time of the distribution.

Non-Employee Director Retirement Plan (Discontinued)

After the merger of EVI, Inc. and Weatherford Enterra in June 1998, we discontinued this plan. Mr. Moses is the only current director who was fully vested and eligible to participate in this plan at the time of the plan’s discontinuance. Mr. Moses had over 10 years of credited service on the Board of Weatherford Enterra at the time the plan was discontinued, and his annual benefit amount upon his retirement will be $20,000 payable for 10 years, provided that in any event, benefits under this plan will be completely distributed no later than January 1, 2017.

Summary of Board Compensation for 2013

The following table sets forth the compensation paid to each of our non-employee directors for the year ended December 31, 2013. Dr. Duroc-Danner was an executive officer and director in 2013, and information about his compensation is listed in the Summary Compensation Table in this Form 10-K/A. Samuel W. Bodman, III did not stand for re-election and ceased being a director in June 2013. Nicholas F. Brady resigned from the Board of Directors in February 2014.

Director Compensation

Name	Fees Earned or Paid in Cash ($)	Share Awards ($)(1)(2)	Total ($)
Samuel W. Bodman, III	55,500	—	55,500
Nicholas F. Brady	96,000	183,120	279,120
David J. Butters	140,000	183,120	323,120
John D. Gass	68,000	279,969	347,969
Francis S. Kalman	77,500	279,969	357,469
William E. Macaulay	118,750	183,120	301,870
Robert K. Moses, Jr.	136,000	183,120	319,120
Guillermo Ortiz	189,906	183,120	373,026
Emyr Jones Parry	105,750	183,120	288,870
Robert A. Rayne	164,000	183,120	347,120

(1) Each non-employee director was awarded 12,000 restricted share units on September 27, 2013 at a grant date fair value of $183,120 with the exception of Samuel W. Bodman, III who retired in June 2013. Additionally, Mr. Gass and Mr. Kalman were each awarded 7,174 restricted share units on June 20, 2013 at a grant date fair value of $96,849, in connection with their joining our Board.

(2) As of December 31, 2013, aggregate outstanding restricted share unit and option awards for each non-employee director were as follows:

Name	Aggregate Number of Restricted Shares/ Restricted Share Units	Aggregate Number of Shares Underlying Options
Samuel W. Bodman, III	—	—
Nicholas F. Brady	24,000	—
David J. Butters	24,000	240,000
John D. Gass	19,174	—
Francis S. Kalman	19,174	—
William E. Macaulay	24,000	240,000
Robert K. Moses, Jr.	24,000	—
Guillermo Ortiz	27,383	—
Emyr Jones Parry	27,383	—
Robert A. Rayne	24,000	240,000

ITEM 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Shares Owned by Directors and Executive Officers

This table shows the number and percentage of registered shares beneficially owned by each of our directors, each of our NEOs and all of our directors and current executive officers as a group. Share ownership information of our directors and current executive officers is as of April 4, 2014. Each person has sole voting and investment power for the shares shown below, unless otherwise noted.

Name	Amount and Nature of Shares Beneficially Owned			
	Number of Shares Owned	Right to Acquire[(1)]	Total Shares Beneficially Owned	Percent of Outstanding Shares
Bernard J. Duroc-Danner	1,168,328	6,040,490	7,208,818	*
David J. Butters[(2)]	273,842	302,831	576,673	*
John D. Gass	—	—	—	*
Francis S. Kalman	—	—	—	*
William E. Macaulay[(3)]	1,273,290	10,710	1,284,000	*
Robert K. Moses, Jr.	599,822	11,441	611,263	*
Guillermo Ortiz	44,556	—	44,556	*
Emyr Jones Parry	33,906	—	33,906	*
Robert A. Rayne[(4)]	274,445	261,767	536,212	*
Krishna Shivram	142,413	—	142,413	*
Dharmesh Mehta	325,145	10,037	335,182	*
William B. Jacobson	166,828	—	166,828	*
All directors and current executive officers, including NEOs, as a group (14 persons)	4,389,741	6,644,821	11,034,562	1.4%
Nicholas W. Gee[(5)] (former executive officer)	355,218	—	355,218	*
John H. Briscoe[(6)] (former executive officer)	318,343	—	318,343	*
Peter T. Fontana[(7)] (former executive officer)	1,465,291	—	1,465,291	*
Joseph C. Henry[(8)] (former executive officer)	331,766	38,000	369,766	*

* *Less than 1%.*

(1) *Includes registered shares that can be acquired through options exercisable through, and restricted share units that vest on or before, June 3, 2014. Also includes registered shares that can be acquired as a result of distributions pursuant to our Non-Employee Director Deferred Compensation Plan, our Executive Deferred Compensation Stock Ownership Plan or our Foreign Executive Deferred Compensation Stock Plan, as applicable, based on the number of units allocated to each participant's account as of April 4, 2014. In the case of Dr. Duroc-Danner, also includes notional share units representing the right to receive registered shares under our discontinued SERP. See "Retirement Plans - Discontinued Executive Retirement Plan" in the Compensation Discussion and Analysis section in this Form 10-K/A.*

(2) *Includes 55,088 shares held by Mr. Butters' wife, over which he has no voting or dispositive power and as to which he disclaims beneficial ownership.*

(3) *Includes 26,472 shares held by Mr. Macaulay's wife and 15,504 shares held in the name of or in trust for Mr. Macaulay's adult daughters, over which he has no voting or dispositive power and as to all of which he disclaims beneficial ownership.*

(4) *Excludes 2,050,000 shares beneficially owned by LMS Capital, of which Mr. Rayne serves as a non-executive director, and affiliates of LMS Capital. Mr. Rayne disclaims beneficial ownership of all of the shares beneficially owned by LMS Capital.*

(5) *Share ownership information that is presented for Mr. Gee is based on his last-filed Statement of Changes in Beneficial Ownership on Form 4 dated February 15, 2014 and corporate records of shares distributed to him subsequent to his departure from the Company in February 2014.*

(6) *Share ownership information that is presented for Mr. Briscoe is based on his last-filed Statement of Changes in Beneficial Ownership on Form 4 dated March 23, 2013 and corporate records of shares distributed to him subsequent to his departure from the Company in September 2013.*

(7) *Share ownership information that is presented for Mr. Fontana is based on his last-filed Statement of Changes in Beneficial Ownership on Form 4 dated October 1, 2013 and corporate records of shares distributed to him subsequent to his departure from the Company in December 2013.*

(8) *Share ownership information that is presented for Mr. Henry is based on his last-filed Statement of Changes in Beneficial Ownership on Form 4 dated April 1, 2013 and corporate records of shares distributed to him subsequent to his departure from the Company in June 2013.*

ITEM 12(B) Shares Owned by Certain Beneficial Holders

This table shows information for each person who may be deemed to beneficially own 5% or more of our outstanding registered shares as of April 4, 2014, as contained in filings made by the shareholder with the SEC.

Name and Address of Beneficial Owner	Number of Shares	Percent of Outstanding Shares(1)
Dodge & Cox 555 California Street, 40th Floor San Francisco, California 94104	67,712,743(2)	8.8%
ClearBridge Investments, LLC 620 8th Avenue New York, New York 10018	61,913,655(3)	8.0%
Invesco Ltd. 1555 Peachtree Street NE Atlanta, Georgia 30309	54,071,450(4)	7.0%
Orbis Investment Management (U.S.), LLC ("OIMUS") 600 Montgomery Street, Suite 3800 San Francisco, California 94111 Orbis Investment Management Limited ("OIML") Orbis Asset Management Limited ("OAML") Orbis House, 25 Front Street Hamilton, Bermuda HM11	51,151,356(5)	6.6%

(1) The percentage indicated is based on 772,618,358 outstanding shares as of April 4, 2014.

(2) The number of shares is based on the Schedule 13G filed with the SEC on February 13, 2014. According to the filing, (i) the beneficial owner has sole voting power over 65,389,343 shares and sole dispositive power over all shares, and (ii) the beneficial owner does not have shared voting or dispositive power over any of the shares.

(3) The number of shares is based on the Schedule 13G/A filed with the SEC on February 14, 2014. According to the filing, (i) the beneficial owner reports sole voting power over 60,578,242 shares and sole dispositive power over all the shares, and (ii) the beneficial owner does not have shared voting or dispositive power over any of the shares.

(4) The number of shares is based on the Schedule 13G/A filed with the SEC on February 5, 2014. According to the filing, (i) subsidiaries of the beneficial owner have sole voting power over 53,634,844 shares and sole dispositive power over all shares , and (ii) subsidiaries of the beneficial owner does not have shared voting or dispositive power over any of the shares.

(5) The number of shares is based on the Schedule 13G/A filed with the SEC on February 14, 2014. According to the filing, OIML beneficially owns 50,803,581 shares, OIMUS beneficially owns 188,154 shares and OAML beneficially owns 159,621 shares. According to the filing, the beneficial owners have sole voting and dispositive power over all shares and do not have shared voting or dispositive power over any of the shares.

ITEM 12(C) Changes in Control

Not applicable.

ITEM 12(D) Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of December 31, 2013, about the number of shares to be issued upon vesting or exercise of equity awards as well as the number of shares remaining available for issuance under our equity compensation plans.

Plan Category *(Shares in thousands, except share prices)*	**Numbers of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted Average Exercise Price of Outstanding Options, Warrants and Rights**	**Number of Securities Available for Future Issuance Under Equity Compensation Plans[a]**
Equity compensation plans approved by shareholders[b]	7,404	$ 15.39	16,665
Equity compensation plans not approved by shareholders[c]	7,035	7.64	—
TOTAL	**14,439**	**$ 11.61**	**16,665**

(a) *Excluding shares reflected in the first column of this table.*

(b) *Includes our Omnibus Plan, which was approved by our shareholders in May 2006, and our 2010 Omnibus Plan, which was approved by our shareholders in June 2010.*

(c) *Includes the following compensation plans that were not approved by our shareholders: our 1998 Employee Stock Option Plan; our Non-Employee Director Deferred Compensation Plan; our Foreign Executive Deferred Compensation Stock Ownership Plan; and our 2003 Restricted Share Plan. No awards have been issued under these plans since May 2006 when our Omnibus Plan was approved. The unapproved plans and other individual compensation arrangements that were not approved by our shareholders are described below:*

Our 1998 Employee Stock Option Plan (“1998 Plan”) provides for the grant of nonqualified options to purchase our shares to employees or employees of our affiliates, as determined by the Compensation Committee of our Board of Directors. The price at which shares may be purchased is based on the market price of the shares and cannot be less than the aggregate par value of the shares on the date the option was granted. Unless otherwise provided in an option agreement, no option may be exercised after one day less than 10 years from the date of vesting. All options under this plan are vested. Subsequent to the shareholder approval of our Omnibus Plan in May 2006, awards are no longer granted under the 1998 Plan.

In 2003, our Board of Directors approved a restricted share plan that allows for the grant of our shares to our key employees and directors (“2003 Restricted Share Plan”). Restricted shares are subject to forfeiture restrictions that generally lapse after a specified period from the date of grant and are subject to earlier vesting in the event of death, retirement or a change in control. All shares under this plan are vested. Subsequent to the shareholder approval of our Omnibus Plan in May 2006, awards are no longer made under this plan.

ITEM 13 Certain Relationships and Related Transactions, and Director Independence

Corporate Governance Matters

We are committed to adhering to sound principles of corporate governance. A copy of our Corporate Governance Principles is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies."

Director Independence

The Board has affirmatively determined that each director is independent under the current rules of the NYSE and the SEC, other than Dr. Duroc-Danner, who is an employee. As contemplated by NYSE rules, the Board has adopted categorical standards to assist it in making independence determinations. These standards are available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies." A relationship falls within the categorical standards of independence if it:

- is a type of relationship addressed in Section 303A.02(b) of the NYSE Listed Company Manual, but under those rules does not preclude a determination of independence; or
- is in the ordinary course of business and does not exceed 2% of the consolidated gross revenues of the other person for the previous year.

The Board, however, considers and reviews all relationships with each director in making its independence determinations. None of the independent directors had relationships relevant to an independence determination that were outside the scope of the Board's categorical standards. The relationship discussed under "Related Person Transactions" in this Report did not exceed these categorical standards and was determined by the Board not to be material.

None of the independent directors had relationships relevant to an independence determination that were outside the scope of the Board's categorical standards. The relationship discussed under "Related Person Transaction" in this Form 10-K/A did not exceed these categorical standards and was determined by the Board not to be material.

Policies Regarding Related Person Transactions

Our policies regarding transactions between us or any of our affiliates and our directors, executive officers and other employees are set forth in writing in our Corporate Governance Principles and our Code of Business Conduct. These documents are available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies" or "Code of Business Conduct," as applicable. If an actual or potential conflict of interest arises for any director, the director is required to notify the Board and is not allowed to participate in any discussions or vote on any transaction in which the actual or potential conflict of interest may arise. The Board approves any transactions with our Chief Executive Officer, and our Chief Executive Officer approves any transactions with any other officer.

Related Person Transactions

We lease our London office space from Central London Commercial Estates Limited, which is affiliated with Derwent London, of which one of our directors, Mr. Robert A. Rayne, is the Non-executive Chairman. Mr. Rayne was not personally involved in the negotiation of the lease transaction and receives no personal benefit from this transaction. The lease transaction was reviewed by the Corporate Governance and Nominating Committee of our Board of Directors and approved by our Board of Directors, with Mr. Rayne abstaining from voting on the matter. In their review, our Corporate Governance and Nominating Committee considered among other factors a report from an independent real estate brokerage firm with expertise in the relevant market analyzing lease alternatives to conclude that the transactions were, taken as a whole, at least as fair to us as would have been obtained on an arms-length basis from a non-affiliated party. In 2013, we paid the lessor a total of approximately £253,000 ($422,000 based on exchange rates as of March 31, 2014).

ITEM 14 Principal Accountant Fees and Services

Fees Paid to KPMG and Ernst & Young

The following table presents fees for professional audit services rendered by KPMG and KPMG AG for the audit of the Company's annual consolidated financial statements and statutory financial statements for the year ended December 31, 2013 and for professional audit services rendered by Ernst & Young LLP and Ernst & Young Ltd., Zurich for the audit of the Company's annual consolidated financial statements and statutory financial statements for the year ended December 31, 2012, and fees billed for other services rendered by KPMG and KPMG AG and Ernst & Young LLP and other member firms of Ernst & Young Global Limited during those periods. All fees were approved by the Audit Committee pursuant to its pre-approval policy.

	2013 (KPMG)	2012 (EY)
Audit fees(1)	$ 16,789,000	$ 23,993,000
Audit-related fees(2)	90,000	135,000
Tax fees(3)	813,000	226,000
All other fees(4)	350,000	141,000
TOTAL	**$ 18,042,000**	**$ 24,495,000**

(1) *Audit fees consist of professional services rendered for the audit of the Company's annual financial statements, the audit of the effectiveness of the Company's internal controls over financial reporting and the reviews of the Company's quarterly financial statements. This category also includes fees for issuance of comfort letters, consents, assistance with and review of documents filed with the SEC, statutory audit fees, work performed by tax professionals in connection with the audit and quarterly reviews and accounting consultations and research work necessary to comply with the standards of the Public Company Accounting Oversight Board (United States). Fees are presented in the period to which they relate versus the period in which they were billed.*

(2) *Audit-related fees include consultations concerning financial accounting and reporting matters not required by statute or regulation.*

(3) *Tax fees consist of non-U.S. tax compliance, planning and U.S./non-U.S. tax-related consultation.*

(4) *Other services performed include certain other advisory services and do not include any fees for financial information systems design and implementation.*

Audit Committee Pre-approval Policy

The Audit Committee has established a pre-approval policy for all audit and non-audit services to be provided by the independent auditor. During 2013, no audit or non-audit services performed by the independent auditor were subject to waiver of the pre-approval policy.

There are two types of pre-approval. "General" pre-approval is based on pre-determined types of services. "Specific" pre-approval is required for certain types of services or if a service is expected to exceed budgeted amounts. "Specific" pre-approval must be obtained through direct communications with the Audit Committee or the Chairman of the Audit Committee, to whom the Audit Committee has delegated pre-approval authority. The Chairman must report any pre-approved decisions to the Audit Committee at its next scheduled meeting.

The Audit Committee has designated the Company's Vice President, Audit Services to monitor and report on the performance of all services provided by our independent auditor and to determine whether such services are in compliance with the pre-approval policy. The Vice President, Audit Services periodically reports to the Audit Committee regarding the results of his or her monitoring.

PART IV

ITEM 15 Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this report or incorporated by reference:

1. **The consolidated financial statements of the Company listed on page 26 of this report.**
2. **The financial statement schedule on page 101 of this report.**
3. **The exhibits of the Company listed below under Item 15(b); all exhibits are incorporated herein by reference to a prior filing as indicated, unless designated by a dagger (†) or double dagger (††).**

(b) Exhibits:

Exhibit Number	Description	Original Filed Exhibit	File Number
3.1	Organizational Regulations of Weatherford International Ltd. dated February 25, 2009	Exhibit 3.2 to the Company's Current Report on Form 8-K filed February 26, 2009	File No. 1-34258
3.2	Articles of Association of Weatherford International Ltd. dated June 30, 2013	Exhibit 3.1 to the Company's Current Report on Form 8-K filed June 20, 2013	File No. 1-34258
4.1	Indenture, dated October 1, 2003, among Weatherford Bermuda, Weatherford Delaware, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 2, 2003	File No. 1-31339
4.2	First Supplemental Indenture, dated March 25, 2008, among Weatherford Bermuda, Weatherford Delaware and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 25, 2008	File No. 1-31339
4.3	Second Supplemental Indenture, dated as of January 8, 2009, among Weatherford Bermuda Weatherford Delaware, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed January 8, 2009	File No. 1-31339
4.4	Third Supplemental Indenture, dated as of February 26, 2009, among Weatherford Bermuda, Weatherford Delaware, Weatherford Switzerland and Deutsche Bank Trust Company Americas	Exhibit 4.2 to the Company's Current Report on Form 8-K filed February 26, 2009	File No. 1-34258
4.5	Fourth Supplemental Indenture, dated as of September 23, 2010, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 filed November 2, 2010	File No. 1-34258
4.6	Fifth Supplemental Indenture, dated as of April 4, 2012, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 4, 2012	File No. 1-34258
4.7	Sixth Supplemental Indenture, dated as of August 14, 2012, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 14, 2012	File No. 1-34258
4.8	Seventh Supplemental Indenture, dated as of March 31, 2013, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed May 3, 2013	File No. 1-34258
4.9	Indenture, dated June 18, 2007, among Weatherford Delaware, Weatherford Bermuda and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 18, 2007	File No. 1-31339
4.10	First Supplemental Indenture, dated June 18, 2007, among Weatherford Delaware, Weatherford Bermuda, and Deutsche Bank Trust Company Americas (including forms of notes)	Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 18, 2007	File No. 1-31339
4.11	Second Supplemental Indenture, dated as of February 26, 2009, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.3 to the Company's Current Report on Form 8-K filed February 26, 2009	File No. 1-31339

Exhibit Number	Description	Original Filed Exhibit	File Number
4.12	Third Supplemental Indenture, dated as of August 14, 2012, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland and Deutsche Bank Trust Company Americas	Exhibit 4.2 to the Company's Current Report on Form 8-K filed August 14, 2012	File No. 1-34258
4.13	Fourth Supplemental Indenture, dated as of March 31, 2013, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas to the indenture dated as of June 18, 2007	Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed May 3, 2013	File No. 1-34258
4.14	Officers' Certificate, dated February 17, 2006, establishing the series of 5.50% Senior Notes due 2016	Exhibit 4.2 to the Company's Current Report on Form 8-K filed February 17, 2006	File No. 1-31339
4.15	Officer's Certificate, dated August 7, 2006, establishing the series of 6.50% Senior Notes due 2036	Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 7, 2006	File No. 1-31339
4.16	Form of $350,000,000 global note for 5.50% Senior Notes due 2016	Exhibit 4.1 to the Company's Current Report on Form 8-K filed February 17, 2006	File No. 1-31339
4.17	Form of $500,000,000 global note for 6.50% Senior Notes due 2036	Exhibit 4.2 to the Company's Current Report on Form 8-K filed August 7, 2006	File No. 1-31339
4.18	Form of $100,000,000 global note for 6.50% Senior Notes due 2036	Exhibit 4.3 to the Company's Current Report on Form 8-K filed August 7, 2006	File No. 1-31339
4.19	Form of Global Note for 6.35% Senior Notes due 2017	Exhibit 4.16 to the Company's Registration Statement on Form S-4 filed November 8, 2007	Reg. No. 333-146695
4.20	Form of global note for 6.80% Senior Notes due 2037	Exhibit 4.17 to the Company's Registration Statement on Form S-4 filed November 8, 2007	Reg. No. 333-146695
4.21	Form of global note for 6.00% Senior Notes due 2018	Exhibit 4.3 to the Company's Current Report on Form 8-K filed March 25, 2008	File No. 1-31339
4.22	Form of global note for 7.00% Senior Notes due 2038	Exhibit 4.4 to the Company's Current Report on Form 8-K filed March 25, 2008	File No. 1-31339
4.23	Form of global note for 9.625% Senior Notes due 2019	Exhibit 4.2 to the Company's Current Report on Form 8-K filed January 8, 2009	File No. 1-31339
4.24	Form of global note for 9.875% Senior Notes due 2039	Exhibit 4.1 to the Company's Current Report on Form 8-K filed January 8, 2009	File No. 1-31339
4.25	Form of global note for 5.125% Senior Notes due 2020	Exhibit 4.3 to the Company's Current Report on Form 8-K filed September 22, 2010	File No. 1-34258
4.26	Form of global note for 6.750% Senior Notes due 2040	Exhibit 4.4 to the Company's Current Report on Form 8-K filed September 22, 2010	File No. 1-34258
4.27	Form of global note for 4.50% Senior Notes due 2022	Exhibit 4.2 to the Company's Current Report on Form 8-K filed April 4, 2012	File No. 1-34258
4.28	Form of global note for 5.95% Senior Notes due 2042	Exhibit 4.3 to the Company's Current Report on Form 8-K filed April 4, 2012	File No. 1-34258
4.29	Form of guarantee notation	Exhibit 4.5 to the Company's Current Report on Form 8-K filed September 22, 2010	File No. 1-34258
4.30	Form of guarantee notation	Exhibit 4.4 to the Company's Current Report on Form 8-K filed April 4, 2012	File No. 1-34258
4.31	Registration Rights Agreement among Weatherford International Ltd. and certain shareholders dated May 17, 2012	Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 17, 2012	File No. 1-34258
*10.1	Weatherford International Ltd. Nonqualified Executive Retirement Plan, amended and restated effective December 31, 2008	Exhibit 10.8 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.2	Trust under Weatherford International Ltd. Nonqualified Executive Retirement Plan, dated March 23, 2004	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 filed May 6, 2004	File No. 1-31339
*10.3	Weatherford International Ltd. Non-Employee Director Retirement Plan, as amended and restated effective December 31, 2008	Exhibit 10.6 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.4	Weatherford International Ltd. Supplemental Executive Retirement Plan, effective January 1, 2010	Exhibit 10.2 to the Company's Current Report on Form 8-K filed December 31, 2009	File No. 1-34258
*10.5	First amendment to the Weatherford International Ltd. Supplemental Executive Retirement Plan, effective March 31, 2010	Exhibit 10.1 to the Company's Current report on Form 8-K filed March 23, 2010	File No. 1-34258
*10.6	Second amendment to the Weatherford International Ltd. Supplemental Executive Retirement Plan, effective April 8, 2010	Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 9, 2010	File No. 1-34258
*10.7	Weatherford International, Inc. 1998 Employee Stock Option Plan, as amended, including form of agreement for officers	Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 filed March 10, 2004	File No. 1-13086

Exhibit Number	Description	Original Filed Exhibit	File Number
*10.8	General Amendment of Employee Stock Option Programs of Weatherford International, Inc., dated May 9, 2003	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 filed August 14, 2003	File No. 1-31339
*10.9	Form of Stock Option Agreement for Non-employee Directors dated July 5, 2000	Exhibit 4.16 to the Registration Statement on Form S-8 filed October 20, 2000	Reg. No. 333-48322
*10.10	Form of Stock Option Agreement for Non-employee Directors dated September 26, 2001	Exhibit 4.19 to the Registration Statement on Form S-8 filed January 30, 2002	Reg. No. 333-81678
*10.11	General Amendment of Director's Stock Option Plans and Agreements dated May 9, 2003	Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 filed August 14, 2003	File No. 1-31339
*10.12	Assumption and General Amendment of Directors' Stock Option and Benefit Programs and General Amendment of Employee Stock Option and Benefit Programs of Weatherford International, Inc., dated June 26, 2002	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 filed August 14, 2002	File No. 1-31339
*10.13	Weatherford International Ltd. 2006 Omnibus Incentive Plan, as amended December 31, 2008	Exhibit 10.10 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.14	Form of Restricted Share Award Agreement for Officers pursuant to Weatherford International Ltd. 2006 Omnibus Incentive filed February 23, 2007	Exhibit 10.48 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006	File No. 1-31339
*10.15	Form of Restricted Share Unit Award Agreement for Officers pursuant to Weatherford International Ltd. 2006 Omnibus Incentive Plan	Exhibit 10.45 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 filed February 23, 2007	File No. 1-31339
*10.16	Form of Stock Option Agreement for Officers pursuant to Weatherford International Ltd. 2006 Omnibus Incentive Plan	Exhibit 10.46 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 filed February 23, 2007	File No. 1-31339
*10.17	Form of Restricted Share Award Agreement for Non-employee Directors pursuant to Weatherford International Ltd. 2006 Omnibus Incentive Plan.	Exhibit 10.47 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 filed February 23, 2007	File No. 1-31339
*10.18	Form of Stock Option Award Agreement for Non-Employee Directors pursuant to Weatherford International Ltd. 2006 Omnibus Plan	Exhibit 10.49 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 filed February 23, 2007	File No. 1-31339
*10.19	Amendment to Weatherford International Ltd. Stock Option Agreements for Non-Employee Directors	Exhibit 10.12 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.20	Form of Restricted Share Award Agreement for use under the Weatherford International Ltd. 2006 Omnibus Incentive Plan	Exhibit 10.4 to the Company's Current Report on Form 8-K filed February 22, 2011	File No. 1-34258
*10.21	Executive Deferred Compensation Stock Ownership Trust effective April 1, 2000	Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 filed May 15, 2000	File No. 1-13086
*10.22	Weatherford International, Inc. Executive Deferred Compensation Stock Ownership Plan, as amended and restated effective December 31, 2008	Exhibit 10.3 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.23	Weatherford International, Inc. Foreign Executive Deferred Compensation Stock Plan, as amended and restated effective December 31, 2008	Exhibit 10.4 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.24	Weatherford International Ltd. Deferred Compensation Plan for Non-Employee Directors, as amended and restated effective December 31, 2008	Exhibit 10.5 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.25	Weatherford International Ltd. 2010 Omnibus Incentive Plan.	Annex C of the Company's Definitive Proxy Statement filed May 13, 2010	File No. 1-34258
*10.26	Form of Restricted Share Unit Award Agreement pursuant to the Weatherford International Ltd. 2010 Omnibus Incentive Plan	Exhibit 10.2 to the Company's Current Report on Form 8-K filed February 22, 2011	File No. 1-34258
*10.27	Forms of Annex (Relative TSR and Absolute TSR) to Performance Unit Award Agreements for use under the Weatherford International Ltd. 2010 Omnibus Incentive Plan.	Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 22, 2012	File No. 1-34258
*10.28	Form of addendum for use with certain equity grants under the Weatherford International Ltd. 2010 Omnibus Incentive Plan.	Exhibit 10.3 to the Company's Current Report on Form 8-K filed February 22, 2012	File No. 1-34258
*10.29	Form of Restricted Share Unit Award Agreement - U.K. pursuant to the Weatherford International Ltd. 2010 Omnibus Incentive Plan	Exhibit 10.3 to the Company's Current Report on Form 8-K filed February 22, 2011	File No. 1-34258
*10.30	Form of Performance Unit Award Agreement pursuant to Weatherford International Ltd. 2010 Omnibus Incentive Plan	Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 22, 2011	File No. 1-34258
*10.31	Weatherford International Ltd. Executive Non-Equity Incentive Compensation Plan	Exhibit 10.5 to the Company's Current Report on Form 8-K filed February 22, 2011	File No. 1-34258

Exhibit Number	Description	Original Filed Exhibit	File Number
*10.32	Form of Indemnification Agreement of Weatherford International Ltd. for use with directors and executive officers	Exhibit 10.6 to the Company's Current Report on Form 8-K filed February 26, 2009	File No. 1-34258
*10.33	Form of Amended and Restated Employment Agreement for executive officers, entered into by the following persons: Bernard J. Duroc-Danner (April 10, 2010), Peter T. Fontana (April 19, 2010), William B. Jacobson (April 9, 2010), John H. Briscoe (March 23, 2011), Dharmesh Mehta (November 11, 2011), and Nicholas W. Gee (March 20, 2012)	Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 13, 2010	File No. 1-34258
*10.34	Employment Agreement, dated as of March 30, 2009, between Weatherford International Ltd. and William B. Jacobson	Exhibit 10.4 to the Company's Current Report on Form 8-K filed June 9, 2009	File No. 1-34258
*10.35	Employment Agreement, dated as of March 30, 2009, between Weatherford International, Inc. and William B. Jacobson	Exhibit 10.5 to the Company's Current Report on Form 8-K filed June 9, 2009	File No. 1-34258
*10.36	Indemnification Agreement, dated as of March 30, 2009, between Weatherford International Ltd. and William B. Jacobson	Exhibit 10.6 to the Company's Current Report on Form 8-K filed June 9, 2009	File No. 1-34258
*10.37	Executive Employment Agreement, dated June 20, 2013, between Weatherford International Ltd. and Douglas M. Mills	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed July 31, 2013	File No. 1-34258
*10.38	Executive Employment Agreement, dated November 4, 2013, between Weatherford International Ltd. and Krishna Shivram	Exhibit 10.1 to the Company's Current Report on Form 8-K filed November 4, 2013	File No. 1-34258
*10.39	Form of Restricted Share Award Agreement, dated November 6, 2013, between Weatherford International Ltd. and Krishna Shivram	Exhibit 10.3 to the Company's Current Report on Form 8-K filed November 4, 2013	File No. 1-34258
*†10.40	Separation Agreement between Weatherford International Ltd. and Peter Fontana dated November 4, 2013		
*†10.41	Separation Agreement between Weatherford International Ltd. and John Briscoe dated September 11, 2013		
*10.42	Executive Compensation Clawback Policy, dated February 15, 2012	Exhibit 10.2 to the Company's Current Report on Form 8-K filed February 22, 2012	File No. 1-34258
10.43	Credit Agreement, dated as of October 15, 2010, among Weatherford Bermuda, Weatherford Switzerland, other Borrowers party thereto, Wells Fargo Bank, National Association, as a swingline lender, JPMorgan Chase Bank, N.A., as administrative agent and a swingline lender and the other parties thereto	Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 19, 2010	File No. 1-34258
10.44	Guaranty Agreement, dated October 15, 2010, among Weatherford Switzerland, Weatherford Delaware and JP Morgan Chase Bank, N.A. as administrative agent	Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 filed November 2, 2010	File No. 1-34258
10.45	Amendment No. 1, dated July 13, 2011, to Credit Agreement with Weatherford Bermuda, Weatherford Switzerland, Weatherford Delaware, Weatherford Liquidity Management Hungary Limited Liability Company, Weatherford Capital Management Services Limited Liability Company, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent	Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 13, 2011	File No. 1-34258
10.46	Amendment No. 2 and Limited Waiver, dated August 6, 2012, to Credit Agreement with Weatherford Bermuda, Weatherford Switzerland, Weatherford Delaware, Weatherford Liquidity Management Hungary Limited Liability Company, Weatherford Capital Management Services Limited Liability Company, the lenders thereto and JPMorgan Chase Bank, N.A., as administrative agent.	Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 6, 2012	File No. 1-34258
10.47	364-Day Term Loan Agreement dated as of May 1, 2013 among Weatherford Bermuda, as borrower, Weatherford Switzerland, the lenders party thereto and JPMorgan Chase Bank, N. A. as administrative agent	Exhibit 10.1 of the Company's Current Report on Form 8-K filed May 2, 2013	File No. 1-34258
†12.1	Ratio of Earnings to Fixed Charges		
†21.1	Subsidiaries of Weatherford International Ltd.		
†23.1	Consent of KPMG LLP		
†23.2	Consent of Ernst & Young LLP		
†31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
†31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
††32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
††32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		

Exhibit Number	Description	Original Filed Exhibit	File Number
**101	The following materials from Weatherford International Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2013, formatted in XBRL (eXtensible Business Reporting Language): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Operations, (3) the Consolidated Statements of Comprehensive Income (Loss), (4) the Consolidated Statements of Shareholders' Equity, (5) the Consolidated Statements of Cash Flows, and (6) the related notes to the Consolidated Financial Statements.		

* *Management contract or compensatory plan or arrangement.*

** *Submitted pursuant to Rule 405 and 406T of Regulation S-T.*

† *Filed herewith.*

†† *Furnished herewith.*

As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, the Company has not filed with this Annual Report on Form 10-K certain instruments defining the rights of holders of long-term debt of the Company and its subsidiaries because the total amount of securities authorized under any of such instruments does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. We will furnish a copy of any of such instruments to the Securities and Exchange Commission upon request.

We will furnish to any requesting shareholder a copy of any of the above named exhibits upon the payment of our reasonable expenses of obtaining, duplicating and mailing the requested exhibits. All requests for copies of exhibits should be made in writing to our U.S. Investor Relations Department at 2000 St James Place, Houston, TX 77056.

Form 10-K/A Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. **No financial statements are filed with this report on Form 10-K/A.**
2. **No financial statement schedules are filed with this report on Form 10-K/A.**
3. **The exhibits of the Company listed below under Item 15(b).**

(b) Exhibits:

Number	Exhibit
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

(c) Financial Statement Schedules

1. **Valuation and qualifying accounts and allowances.**

Schedule II Weatherford International Ltd. and Subsidiaries – Valuation and Qualifying Accounts and Allowances For the Three Years Ended December 31, 2013

(Dollars in millions)	Balance at Beginning of Period	Expense	(Recovery) and Additions	Other Reductions	Balance at End of Period
Year Ended December 31, 2013:					
Allowance for uncollectible accounts receivable	$ 84	$ 102	$ (12)	$ (60)	$ 114
Valuation allowance on deferred tax assets	317	264	—	(10)	571
Year Ended December 31, 2012:					
Allowance for uncollectible accounts receivable	91	22	(8)	(21)	84
Valuation allowance on deferred tax assets	201	108	8	—	317
Year Ended December 31, 2011:					
Allowance for uncollectible accounts receivable	59	52	(1)	(19)	91
Valuation allowance on deferred tax assets	173	42	—	(14)	201

All other schedules are omitted because they are not required or because the information is included in the financial statements or the related notes.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 25, 2014.

WEATHERFORD INTERNATIONAL LTD.

/s/Bernard J Duroc-Danner

Bernard J. Duroc-Danner

President, Chief Executive Officer, Chairman of the Board and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/S/BERNARD J. DUROC-DANNER Bernard J. Duroc-Danner	*President, Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer)*	February 25, 2014
/S/KRISHNA SHIVRAM Krishna Shivram	*Executive Vice President and Chief Financial Officer (Principal Financial Officer)*	February 25, 2014
/S/DOUG M. MILLS Doug M. Mills	*Vice President and Chief Accounting Officer (Principal Accounting Officer)*	February 25, 2014
/S/DAVID J. BUTTERS David J. Butters	*Director*	February 25, 2014
/S/JOHN D. GASS John D. Gass	*Director*	February 25, 2014
/S/FRANCIS S. KALMAN Francis S. Kalman	*Director*	February 25, 2014
/S/WILLIAM E. MACAULAY William E. Macaulay	*Director*	February 25, 2014
/S/ROBERT K. MOSES, JR. Robert K. Moses, Jr.	*Director*	February 25, 2014
/S/GUILLERMO ORTIZ Guillermo Ortiz	*Director*	February 25, 2014
/S/EMYR JONES PARRY Emyr Jones Parry	*Director*	February 25, 2014
/S/ROBERT A. RAYNE Robert A. Rayne	*Director*	February 25, 2014

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, on April 16, 2014.

WEATHERFORD INTERNATIONAL LTD.

/s/Alejandro Cestero

Alejandro Cestero

Vice President, Co-General Counsel and Corporate Secretary

STATUTORY FINANCIALS

Report of the Statutory Auditor to the General Meeting of Shareholders of
Weatherford International Ltd., Zug

Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Weatherford International Ltd., which comprise the balance sheet, statement of income and notes (pages 105 to 115) for the year ended December 31, 2013.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2013 comply with Swiss law and the company's articles of incorporation.

Other Matter

The financial statements of Weatherford International Ltd. for the year ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on those statements on March 4, 2013.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

KPMG AG

/s/ Martin Rohrbach
Licensed Audit Expert
Auditor in Charge

/s/ Doug Mullins
Partner

Zurich, February 25, 2014

Weatherford International Ltd.

Balance Sheet

(In CHF thousands)	December 31, 2013	2012
ASSETS		
Cash and Cash Equivalents	252	318
Due From Affiliates	208,075	—
Other Current Assets	50,811	3,925
Total Current Assets	259,138	4,243
Leasehold Improvements and Other	167	7,815
Intangible Assets	1,789	2,278
Due From Affiliates	11,334	66,004
Investment in Affiliates	9,620,905	9,612,348
Other Long-Term Assets	4,311	5,854
Total Long-Term Assets	9,638,506	9,694,299
TOTAL ASSETS	**9,897,644**	**9,698,542**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts Payable	701	1,072
Due to Affiliates	211,550	39,590
Accrued Expenses	279,426	6,080
Total Current Liabilities	491,677	46,742
Due to Affiliates	207,031	332,027
Other Liabilities	9,049	—
Deferred Foreign Currency Gains	28,644	23,199
Total Long-Term Liabilities	244,724	355,226
Shareholders' Equity:		
Share Capital	973,941	973,941
Legal Reserves:		
General Legal Reserves from Capital Contribution	7,336,862	7,259,472
Reserve for Treasury Shares from Capital Contribution	—	76,894
Reserve for Treasury Shares	766,727	769,126
Free Reserves from Capital Contribution	475,000	475,000
Retained Earnings	(391,287)	(257,859)
Total Shareholders' Equity	9,161,243	9,296,574
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**9,897,644**	**9,698,542**

The accompanying notes are an integral part of these consolidated financial statements.

Weatherford International Ltd.

Statement of Income

(In CHF thousands)	Year Ended December 31, 2013	2012
Income	—	—
Cost and Expenses:		
General and Administrative Expenses	87,664	39,173
Management Fee	49,248	27,000
Foreign Exchange Gain	(3,971)	(3,531)
Total Cost and Expenses	132,941	62,642
Loss Before Income Taxes	**(132,941)**	**(62,642)**
Income Tax	487	1,773
Net Loss	**(133,428)**	**(64,415)**

Notes to Statutory Financial Statements

1. General

Weatherford International Ltd. ("Weatherford," the "Company," "we," "us," and "our") is the ultimate parent company of the Weatherford group of affiliates ("Weatherford Group"). The statutory financial statements of the Company have been prepared in accordance with the requirements of the Swiss law for companies, the Code of Obligations ("CO"). The Company has listed its equities on the SIX Swiss Exchange ("SIX"), the New York Stock Exchange ("NYSE") and on the NYSE Euronext Paris Exchange ("Euronext") and is registered with the commercial register in the canton of Zug, Switzerland.

2. Summary of Significant Accounting Policies

Exchange Rate Differences

The Company keeps its accounting records in U.S. Dollars (USD) and translates them into Swiss Francs (CHF) for statutory reporting purposes. Assets and liabilities denominated in foreign currencies are translated into CHF using the year-end rates of exchange, except investments in affiliates and the Company's equity, which (other than for current-year transactions) are translated at historical rates. Income statement transactions are translated into CHF at the average yearly rate. Exchange differences arising from business transactions are recorded in the income statement, except for net unrealized gains, which are deferred in accordance to Swiss law.

Financial Assets

Investments in affiliates are valued using a portfolio approach. Each investment is recognized at acquisition cost and adjustments for impairment are recorded at a portfolio level.

The accompanying notes are an integral part of these consolidated financial statements.

3. Investment in Affiliates

The Company's principal investments in affiliates include:

Name of Legal Entity	Purpose	Domicile	Equity Interest	Nominal Capital
Weatherford Drilling International Holdings (BVI) Ltd.	Holding	British Virgin Islands	100%	USD 5,360
Chernogornefteservice, LLC	Operating	Russia	100%	RUB 50,000
Nizhnevartovskburneft, CJSC	Operating	Russia	100%	RUB 5,151,997,177
NPRS-1, LLC	Operating	Russia	100%	RUB 10,000
Orenburgburneft, CJSC	Operating	Russia	100%	RUB 2,892,512,962
STU, LLC	Operating	Russia	100%	RUB 49,584,467
UKRS, LLC	Operating	Russia	100%	RUB 100,952,232
Weatherford Switzerland Trading and Development GmbH	Intellectual Property Management	Switzerland	100%	CHF 20,000
Weatherford Worldwide Holdings GmbH	Holding	Switzerland	100%	CHF 21,000
Petrowell Limited	Operating	U.K.	100%	GBP 145,718 USD 15,942,000

4. Intangible Assets

The Company entered into an agreement with a service provider during 2009 to provide certain administrative support. In connection with this agreement, the Company was granted a license to certain intellectual property of the service provider. The Company paid CHF 8 million to the service provider for this license. During the first quarter of 2011, a portion of this contract was terminated resulting in a CHF 3 million write-down of intangibles. The remaining prepaid license will continue to be amortized over the life of the contract, which is eight years. As of December 31, 2013 and 2012, the net book value of the intangibles recognized by the Company was CHF 1.8 million and CHF 2.3 million, respectively.

5. Shareholders' Equity

(In CHF thousands, except share data)	Shares	Share Amount	General Legal Reserves from Capital Contribution	Reserve for Treasury Shares from Capital Contribution(2)	Reserve for Treasury Shares(2)	Free Reserve from Capital Contribution	Retained Earnings	Total Shareholders' Equity
Balance at December 31, 2011	764,773,222	887,137	7,205,125	63,910	—	475,000	(193,444)	8,437,728
Net Loss	—	—	—	—	—	—	(64,415)	(64,415)
Treasury Shares(1)	70,028,143	81,233	—	—	769,126	—	—	850,359
Warrants exercised	4,803,164	5,571	67,331	—	—	—	—	72,902
Treasury Share Purchases	—	—	(12,984)	12,984	—	—	—	—
Balance at December 31, 2012	839,604,529	973,941	7,259,472	76,894	769,126	475,000	(257,859)	9,296,574
Net Loss	—	—	—	—	—	—	(133,428)	(133,428)
Treasury Share Purchases	—	—	(9,436)	9,436	—	—	—	—
Changes in Reserves	—	—	87,917	(86,330)	(1,587)	—	—	—
Other	—	—	(1,091)	—	(812)	—	—	(1,903)
BALANCE AT DECEMBER 31, 2013	**839,604,529**	**973,941**	**7,336,862**	**—**	**766,727**	**475,000**	**(391,287)**	**9,161,243**

(1) See Note 6 and Note 14 regarding issuance of treasury share and related party transactions.

(2) The reserve for treasury shares represents the cost of treasury shares held indirectly by Weatherford Bermuda Holdings Limited ("WBHL") on behalf of the company. During 2013, we purchased 805 thousand treasury shares in connection with share-based compensation valued at CHF 9 million. During 2012, we purchased 880 thousand treasury shares in connection with share-based compensation valued at CHF 13 million. See Note 6 -—Treasury Shares.

(3) Treasury share issuances in connection with share based compensation given to the Weatherford Group.

The accompanying notes are an integral part of these consolidated financial statements.

Authorized share capital

We acquire businesses we feel are important to our long-term growth strategy. These acquisitions are included on our balance sheet as Investment in Affiliates. With this purpose in mind, our shareholders approved authorized share capital in the amount of CHF 177 million at the annual general meeting on June 20, 2013, which authorized the issuance of a maximum of 153,000,000 fully paid-in shares with a par value of CHF 1.16 each, expiring on June 20, 2015.

Conditional share capital

At the annual general meeting on May 5, 2010, our shareholders approved conditional share capital in the amount of CHF 440 million, authorizing the issuance of a maximum of 379,223,318 fully paid-in shares with a par value of CHF 1.16 each.

At December 31, 2010, our wholly owned subsidiary Weatherford International Ltd, Bermuda had warrants outstanding granting rights to purchase up to 12.9 million of our shares. During March 2011, 4.3 million of these warrants were exercised through net share settlement resulting in the issuance of 1.7 million shares and a corresponding increase in share capital out of conditional share capital. On February 24, 2012, 4.3 million of these warrants were exercised through physical delivery and were issued out of conditional capital with a fair value of CHF 65 million. On February 28, 2012, the remaining 4.3 million of these warrants were exercised through net share settlement resulting in the issuance of 494 thousand shares out of conditional capital. The Company had 372,747,248 conditional shares outstanding at December 31, 2013 and 2012.

6. Treasury Shares

For the period from December 31, 2011 to December 31, 2013, the number of treasury shares held by our subsidiaries and their movements are as follows (in thousands):

BALANCE AS OF DECEMBER 31, 2011	**12,542**
New treasury shares issued	70,028
Shares issued for acquisitions	(3,084)
Equity awards granted, vested, and exercised	(3,356)
BALANCE AS OF DECEMBER 31, 2012	**76,130**
Equity awards granted, vested, and exercised	(6,389)
BALANCE AS OF DECEMBER 31, 2013	**69,741**

In May 2012, the Company issued 70 million shares out of authorized share capital, with a fair value of CHF 850 million. These shares are reported above as treasury shares issued. See Note 14 for additional details. The treasury shares issued for acquisitions during 2012 were valued on the acquisition dates at CHF 37 million. In addition, the proceeds of the treasury share transfers in connection with exercises of options amounted to CHF 20 million and CHF 4 million for the years ended December 31, 2013 and 2012, respectively. The transfer of treasury shares under our restricted share plans was at book value.

Included in the consolidated financial statements as of December 31, 2013 and 2012 are 3.2 million shares, and 2.4 million shares, respectively, for restricted share awards outstanding which have restrictions that have not lapsed. These restricted share awards are excluded from the table above, as they are considered issued shares in accordance with Swiss law.

The accompanying notes are an integral part of these consolidated financial statements.

7. Significant Shareholders

The tables below show information for each significant shareholder known by us whose participation exceeds 5% of the Company's shares as of December 31, 2013 and 2012, respectively.

FOR THE YEAR ENDED DECEMBER 31, 2013:

Name	Number of Shares	Percent of Shares[1]
ClearBridge Investments, LLC[2]	61,913,655	7.37%
Dodge & Cox[3]	67,712,743	8.06%
Invesco Ltd.[4]	54,071,450	6.44%
ORBIS[5]	51,151,356	6.09%
Weatherford Bermuda Holdings Limited[6]	69,741,149	8.31%

(1) The percentage indicated is based on the Company's 839,604,529 issued shares as of December 31, 2013.

(2) The beneficial owner has sole voting power over 60,578,242 shares and sole dispositive power over all shares.

(3) The beneficial owner has sole voting power over 65,389,343 shares and sole dispositive power over all shares.

(4) The beneficial owner has sole voting power over 53,634,844 shares and sole dispositive power over all shares.

(5) ORBIS includes Orbis Investment Management (U.S.), LLC, Orbis Investment Management Limited and Orbis Asset Management Limited. The beneficial owners have sole voting power and sole dispositive power over all shares.

(6) WBHL is wholly owned by the Company and therefore the Company is the beneficial owner of these shares and they are deemed treasury shares. These treasury shares do not hold any voting power.

FOR THE YEAR ENDED DECEMBER 31, 2012:

Name	Number of Shares	Percent of Shares[1]
ClearBridge Investments, LLC[2]	43,812,158	5.22%
Invesco Ltd.[3]	70,260,824	8.37%
ORBIS[4]	60,081,720	7.16%
Weatherford Bermuda Holdings Limited[5]	76,130,863	9.07%

(1) The percentage indicated is based on the Company's 839,604,529 issued shares as of December 31, 2012.

(2) The beneficial owner has sole voting power over 43,623,474 shares and sole dispositive power over all shares.

(3) The beneficial owner has sole voting power over 69,257,856 shares and sole dispositive power over all shares.

(4) ORBIS includes Orbis Investment Management (U.S.), LLC, Orbis Investment Management Limited and Orbis Asset Management Limited. The beneficial owners have sole voting power and sole dispositive power over all shares.

(5) WBHL is wholly owned by the Company and therefore the Company is the beneficial owner of these shares and they are deemed treasury shares. These treasury shares do not hold any voting power.

The accompanying notes are an integral part of these consolidated financial statements.

8. Board of Directors Compensation

The following tables set forth the compensation for each of our non-employee directors for the years ended December 31, 2013 and 2012, respectively. Mr. Duroc-Danner was an executive officer and director in 2013 and 2012, and his compensation is included in the Executive Management Compensation footnote. We do not compensate Mr. Duroc-Danner for his service on the Board.

FOR THE YEAR ENDED DECEMBER 31, 2013:

Name	Function	Fees Earned or Paid In Cash[(1)]	Share-based Compensation[(2)]	Total Compensation
			(In CHF thousands)	
Samuel W. Bodman III[(3)(4)(7)]		51	—	51
Nicholas F. Brady[(5)(8)]		89	166	255
David J. Butters[(3)(5)]	Chairman of the Corporate Governance and Nominating Committee	130	166	296
John D. Gass[(4)(6)]		63	256	319
Francis S. Kalman[(3)]		72	256	328
William E. Macaulay[(4)]	Chairman of the Compensation Committee	110	166	276
Robert K. Moses, Jr.[(3)(4)(6)]		126	166	292
Guillermo Ortiz[(3)(4)]		176	166	342
Emyr Jones Parry[(5)(6)]	Chairman of the Health, Safety and Environment Committee	98	166	264
Robert A. Rayne[(3)(5)]	Presiding Director and Chairman of the Audit Committee	152	166	318
TOTAL		**1,067**	**1,674**	**2,741**

FOR THE YEAR ENDED DECEMBER 31, 2012:

Name	Function	Fees Paid In Cash[(1)]	Share-based Compensation[(2)]	Total Compensation
			(In CHF thousands)	
Samuel W. Bodman III[(3)(4)]		113	145	258
Nicholas F. Brady[(5)]		81	145	226
David J. Butters[(3)(5)]	Chairman of the Corporate Governance and Nominating Committee	122	145	267
William E. Macaulay[(4)]	Chairman of the Compensation Committee	86	145	231
Robert B. Millard[(9)]		—	—	—
Robert K. Moses, Jr.[(3)(4)]		114	145	259
Guillermo Ortiz[(3)(4)]		126	145	271
Emyr Jones Parry[(5)]		79	145	224
Robert A. Rayne[(3)(5)]	Presiding Director and Chairman of the Audit Committee	142	145	287
TOTAL		**863**	**1,160**	**2,023**

(1) Fees represent payments for retainers and meeting attendance from January 1 to December 31.

(2) Each non-employee director was awarded 12,000 restricted share units on September 12, 2012 and September 27, 2013. In addition, on June 20, 2013, each new non-employee director (Messrs. Gass and Kalman) was awarded 7,174 restricted share units. The value above represents the fair value of each award valued on the date of grant based on the Company's closing share price on that day.

(3) Members of the Audit Committee.

(4) Members of the Compensation Committee.

(5) Members of the Corporate Governance and Nominating Committee.

(6) Members of the Health, Safety and Environment Committee.

(7) Effective June 20, 2013, Samuel W. Bodman III did not stand for re-election and ceased being a director of the Company.

(8) Effective February 24, 2014, Nicholas F. Brady resigned as a director of the Company.

(9) Effective January 12, 2012, Robert B. Millard resigned as a director of the Company. He received no compensation for director services in 2012.

The accompanying notes are an integral part of these consolidated financial statements.

9. Executive Management Compensation

The following table sets forth the compensation awarded to our executive management team that was in place during the years ended December 31, 2013 and 2012. Mr. Duroc-Danner was the highest paid executive management team member in 2013 and 2012 based on compensation awarded and is shown separately in the table below in addition to being included in the total. On December 17, 2013, the Board of Directors of the Company designated the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Executive Vice President - Strategy & Development/Chief Safety Officer as the sole members of the Company's executive management team. See Note 10 for a list of executive management team members as of December 31, 2013 and 2012.

	For The Year Ended December 31, 2013		For The Year Ended December 31, 2012	
Type of Compensation *(In CHF thousands)*	**Total for Executive Management Team**	**Total for Highest Paid Member**	**Total for Executive Management Team**	**Total for Highest Paid Member**
Salary	6,363	1,760	6,359	1,760
Share-based Awards(1)(2)	28,522	7,321	21,421	220
Non-equity Incentive(3)	5,715	2,218	—	—
Severance Pay(4)	9,390	—	16,969	—
Expatriate/Geographic Benefits(5)	1,762	624	2,197	628
Expatriate Tax Equalization(6)	819	271	4,118	2,104
Other(7)	1,171	115	782	227
TOTAL	**53,742**	**12,309**	**51,846**	**4,939**

(1) *Share-based awards, which include performance-based share awards, were granted to executive management on various days within the year and vest over various periods. The value above is an accumulation of the grant date fair value of each of those awards. The grant date fair value of each of the awards was based on the Company's closing stock price on the date of grant or when applicable, a calculated fair value derived using a Monte Carlo valuation model.*

(2) *On December 18, 2012, Mr. Duroc-Danner voluntarily forfeited an award of 481,058 Performance Units granted on March 23, 2012 valued for compensation accounting purposes at approximately CHF 9.4 million. As a result of forfeiture which was approved by the Compensation Committee, the grant date fair value is not included in the full-year accumulated Share-based Awards amount shown above.*

(3) *Amounts represent potential payouts in conjunction with the Non-Equity Incentive Compensation Plan. Amounts have been accrued but not yet approved by the Compensation Committee.*

(4) *In 2013, three members and in 2012, two members of executive management left the company. The amount above represents their severance benefits in accordance with their employment agreements including the retirement benefit due to them in conjunction with the executive pension plan, if eligible.*

(5) *Expatriate/Geographic Benefits includes relocation pay, geographic differential, housing, schooling and other similar expatriate benefits.*

(6) *Expatriate Tax Equalization represents the difference between cash taxes paid on behalf of the executive and amounts withheld from the executive's compensation.*

(7) *Other includes benefits such as benefit plan contributions, car allowance, life insurance premiums, club dues, consulting fees, employer healthcare, Medicare and social security costs. In addition in 2013, Other includes a one-time lump sum cash payment to our new Chief Financial Officer of $300,000 as an inducement to join the Company and as a make-up payment for foregone amounts from his prior employer.*

The accompanying notes are an integral part of these consolidated financial statements.

10. Share Ownership – Board of Directors and Executive Management

The following table shows the amount and nature of shares in the Company as well as conversion and option rights held by each non-employee member of the Board of Directors and any person considered close to each such member.

AS OF DECEMBER 31, 2013:

Name and Function	Direct (includes 401(k) Shares Held)	Unvested Restricted Share/Units	Exercisable Options and Notional Share Units	Deferred Compensation Plan Holdings	Total
Nicholas F. Brady *Member of the Board*	896,622	24,000	—	5,679	926,301
David J. Butters *Committee Chairman and Member of the Board*	273,842	24,000	240,000	62,831	600,673
John D. Gass *Member of the Board*	—	19,174	—	—	19,174
Francis S. Kalman *Member of the Board*	—	19,174	—	—	19,174
William E. Macaulay *Committee Chairman and Member of the Board*	1,033,290	24,000	240,000	10,710	1,308,000
Robert K. Moses, Jr. *Member of the Board*	599,822	24,000	—	11,441	635,263
Guillermo Ortiz *Member of the Board*	44,556	27,383	—	—	71,939
Emyr Jones Parry *Committee Chairman and Member of the Board*	33,906	27,383	—	—	61,289
Robert A. Rayne(1) *Presiding Director, Committee Chairman and Member of the Board*	274,445	24,000	240,000	21,767	560,212

AS OF DECEMBER 31, 2012:

Name and Function	Direct (includes 401(k) Shares Held)	Unvested Restricted Share/Units	Exercisable Options and Notional Share Units	Deferred Compensation Plan Holdings	Total
Samuel W. Bodman III *Member of the Board*	71,906	23,383	—	—	95,289
Nicholas F. Brady *Member of the Board*	890,222	20,000	—	5,679	915,901
David J. Butters *Committee Chairman and Member of the Board*	247,146	20,000	302,400	62,831	632,377
William E. Macaulay *Committee Chairman and Member of the Board*	1,026,590	20,000	480,000	10,710	1,537,300
Robert K. Moses, Jr. *Member of the Board*	593,422	20,000	—	11,441	624,863
Guillermo Ortiz *Member of the Board*	15,506	23,383	—	—	38,889
Emyr Jones Parry *Member of the Board*	27,506	23,383	—	—	50,889
Robert A. Rayne(1) *Presiding Director, Committee Chairman and Member of the Board*	191,274	20,000	480,000	21,767	713,041

(1) Mr. Rayne serves as a non-executive director of LMS Capital plc, which beneficially own 2,050,000 shares as of December 31, 2013 and 2012. Mr. Rayne disclaims beneficial ownership of all of the shares beneficially owned by LMS Capital plc.

The accompanying notes are an integral part of these consolidated financial statements.

The following table shows the amount and nature of shares in the Company, as well as conversion and option rights, held by each member of Executive Management and any person considered close to each such member.

AS OF DECEMBER 31, 2013:

Name and Function	Direct (includes 401(k) Shares Held)	Unvested Restricted Share/Units	Exercisable Options and Notional Share Units	Unexercisable Options and Performance Units	Deferred Compensation Plan Holdings	Total
Bernard J. Duroc-Danner *Chairman of the Board, President and Chief Executive Officer*	1,150,943	—	5,889,211	998,303	151,279	8,189,736
Krishna Shivram *Executive Vice President and Chief Financial Officer*	142,413	—	—	—	—	142,413
Nicholas W. Gee *Executive Vice President - Strategy & Development and Chief Safety Officer*	60,214	207,210	—	251,002	—	518,426
Dharmesh Mehta *Executive Vice President and Chief Operating Officer*	264,128	199,081	—	217,282	3,370	683,861

AS OF DECEMBER 31, 2012:

Name and Function	Direct (includes 401(k) Shares Held)	Unvested Restricted Share/Units	Exercisable Options and Notional Share Units	Unexercisable Options and Performance Units	Deferred Compensation Plan Holdings	Total
Bernard J. Duroc-Danner *Chairman of the Board, President and Chief Executive Officer*	2,063,752	—	6,595,861	487,105	151,279	9,297,997
John H. Briscoe *Senior Vice President and Chief Financial Officer*	16,256	107,631	—	138,140	—	262,027
Peter T. Fontana *Senior Vice President and Chief Operating Officer*	311,595	275,797	—	313,485	5,478	906,355
Nicholas W. Gee *Senior Vice President- Formation, Evaluation & Well Construction*	20,816	136,565	—	148,105	—	305,486
Joseph C. Henry *Senior Vice President, Co-General Counsel and Corporate Secretary*	112,300	73,106	38,000	93,816	15,223	332,445
William B. Jacobson *Senior Vice President, Co-General Counsel and Chief Compliance Officer*	76,348	150,389	—	98,724	—	325,461
Dharmesh B. Mehta *Senior Vice President- Completion & Production*	217,749	114,937	—	92,604	3,370	428,660
James C. Parent *Vice President - Tax*	51,000	29,691	—	29,692	—	110,383

11. Risk Assessment Disclosure

Weatherford International Ltd., as the ultimate parent company of the Weatherford Group, is fully integrated into the Group-wide internal risk assessment process.

The Group-wide internal risk assessment process consists of regular reporting to the Board of Directors on identified risks and management's reaction to them. The procedures and actions to identify the risks, and where appropriate remediate, are performed by specific corporate functions (e.g. Treasury, Legal, Internal Audit, Engineering and Operations) as well as by the business units of the Weatherford Group.

These functions and business units have the responsibility to support and monitor the Group-wide procedures and processes to ensure their effective operation.

The accompanying notes are an integral part of these consolidated financial statements.

12. Guarantees, Commitments, Disputes and Litigation

Weatherford International Ltd., as the ultimate parent company of the Weatherford Group, guarantees the obligations of Weatherford International Ltd., a Bermuda exempt company and Weatherford International, LLC. The guaranteed debt includes certain short-term commercial paper, notes, revolving credit facilities, and debentures totaling approximately CHF 8.0 billion and CHF 7.9 billion at December 31, 2013 and 2012, respectively. Footnotes 10 and 11 in the Company's consolidated financial statements contain more detailed information on the underlying debt guaranteed by the Company.

U.S. Government and Internal Investigations

On November 26, 2013, Weatherford International Ltd. ("Weatherford"), a Swiss company and the U.S. Department of Justice, U.S. Securities and Exchange Commission ("SEC"), and U.S. Departments of Treasury and Commerce signed agreements to resolve investigations for prior alleged violations by Weatherford of the trade sanctions laws, Weatherford's participation in the United Nations oil-for-food program governing sales of goods into Iraq and Weatherford's non-compliance with the Foreign Corrupt Practices Act ("FCPA"). As of December 31, 2013, we were seeking court approval for some of these agreements. On January 17, 2014, the U.S. District Court for the Southern District of Texas provided the remaining necessary approval pertaining to these matters. We have recognized a USD 250 million (CHF 224 million) liability for the approved settlement amount and an indemnification asset of USD 232 million (CHF 208 million). Since the vast majority of the conduct underlying the allegations occurred prior to the Company's re-domestication to Switzerland, the Company entered into an Indemnity Agreement with the former parent company of the Weatherford Group, Weatherford International Ltd., a Bermuda company ("WIL Bermuda"), whereby WIL Bermuda accepted the majority of the costs and related liabilities regarding this settlement and future claims. Included in Due from Affiliates is a receivable from WIL Bermuda for USD 232 million (CHF 208 million) related to this matter.

The SEC and U.S. Department of Justice are also investigating the circumstances surrounding the material weakness in our internal controls over financial reporting for income taxes that was disclosed in a notification of late filing on Form 12b-25 filed on March 1, 2011 and in current reports on Form 8-K filed on February 21, 2012 and on July 24, 2012 and the subsequent restatements of our historical financial statements. We are cooperating fully with these investigations. We are unable to predict the outcome of these matters due to the inherent uncertainties presented by such investigations, and we are unable to predict potential outcomes or estimate the range of potential loss contingencies, if any. The government, generally, has a broad range of civil and criminal penalties available for these types of matters under applicable law and regulation, including injunctive relief, fines, penalties and modifications to business practices, some of which, if imposed on us, could be material to our business, financial condition or results of operations. In September 2013, we also received the final decision of the SIX Swiss Exchange Sanction Commission regarding its investigation for similar internal controls and restatement matters. The decision resulted in a fine of USD 270,000 (CHF 250,000) plus costs. We do not plan to appeal this decision.

Shareholder Litigation

In 2010, three shareholder derivative actions were filed, purportedly on behalf of the Company, asserting breach of duty and other claims against certain current and former officers and directors of the Company related to the United Nations oil-for-food program governing sales of goods into Iraq, FCPA and trade sanctions related to the U.S. government investigations disclosed above and in our SEC filings since 2007. Those shareholder derivative cases are pending in the Harris County, Texas, civil court and are captioned *Neff v. Brady, et al*., No. 201040764, *Hess v. Duroc-Danner, et al*., No. 201040765, and *Rosner v. Brady, et al*., No. 201047343.

In March 2011, a shareholder derivative action, *Iron Workers Mid-South Pension Fund v. Duroc-Danner, et al*., No. 201119822, was filed in Harris County, Texas, civil court purportedly on behalf of the Company against certain current and former officers and directors, alleging breaches of duty related to the material weakness and restatement announcements. In February 2012, a second shareholder derivative action, *Wandel v. Duroc-Danner, et al*., No. 1:12-cv-01305-LAK (SDNY), was filed in federal court in the Southern District of New York. In March 2012, a purported securities class action captioned *Freedman v. Weatherford International Ltd., et al*., No. 1:12-cv-02121-LAK (SDNY) was filed in the Southern District of New York against us and certain current and former officers. That case alleges violation of the federal securities laws related to the restatement of our historical financial statements announced on February 21, 2012, and later added claims related to the announcement of a subsequent restatement on July 24, 2012.

We cannot predict the outcome of these cases including the amount of any possible loss. If one or more negative outcomes were to occur relative to these cases, the aggregate impact to our financial condition could be material.

In March 2011, a shareholder class action captioned *Dobina v. Weatherford International Ltd., et al*., No. 1:11-cv-01646-LAK (SDNY), was filed in the U.S. District Court for the Southern District of New York, following our announcement on March 1, 2011 of a material weakness in our internal controls over financial reporting for income taxes, and restatement of our historical financial statements (the "2011 Class Action"). The associated lawsuit alleged violation of the federal securities laws by us and certain current and former officers. During the three months ended December 31, 2013, we entered into negotiations to settle the 2011 Class Action. As a result of these negotiations, settlement became probable and a settlement agreement was signed on January 29, 2014. The settlement agreement requires payments totaling approximately USD 53 million (CHF 48 million), which we expect to be entirely recoverable from insurance. The settlement arrangement must be submitted to the court for final approval. See "Notes to Consolidated Financial Statements – Note 21– Subsequent Events" for additional information regarding the settlement of the "Shareholder Litigation" matters.

Other Disputes

We are aware of various disputes and potential claims and are a party in various litigation involving claims against us, some of which are covered by insurance. For claims, disputes and pending litigation in which we believe a negative outcome is probable and a loss can be reasonably estimated, we have recorded a liability for the expected loss. These liabilities are immaterial to our financial condition and results of operations. In addition we have certain claims, disputes and pending litigation regarding which we do not believe a negative outcome is probable or for which we can only estimate a range of liability. It is possible, however, an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases, that would result in liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material. If one or more negative outcomes were to occur relative to these matters, the aggregate impact to our financial condition could be material.

The accompanying notes are an integral part of these consolidated financial statements.

13. Business Combinations

In May 2012, we acquired a company that designs and produces well completion tools. As purchase consideration, we paid CHF 28 million in cash, issued three million shares valued at approximately CHF 37 million, settled a previously existing note receivable for CHF 15 million and booked a liability of CHF 9 million as of December 31, 2013. Included in the liability is an estimated CHF 7 million contingency arrangement consideration, whose final settlement is dependent on the acquired company's 2014 revenues. These liabilities will be settled at the discretion of the Company with the issuance of our shares or a note payable.

14. Related Party Transactions

A subsidiary of the Company, Weatherford U.S., L.P. ("WUSLP"), performs general and administrative functions and provides oversight management services to most Weatherford entities. WUSLP personnel duties include, but are not limited to, marketing, tax, treasury, risk management, real estate, human resources, information technology, and legal services.

The Company was charged a management fee by WUSLP in consideration for these duties during 2013 and 2012. These charges included costs incurred on the Company's behalf for executive salaries, board of director fees, financial statement audit fees, internal audit costs and investor relations costs. In addition, the Company was allocated a percentage of various other functional expenses including legal, financial reporting, tax and treasury activities.

On January 31, 2013, the Company entered into a credit agreement for a revolving demand note with Weatherford International Ltd., a Bermuda company, the lender. The variable interest rate was 2.7% on December 31, 2013. The outstanding balance was USD 45 million (CHF 40 million) as of December 31, 2013.

On May 23, 2012, the Company issued 70,028,143 fully paid-in new registered shares out of authorized share capital with a fair value of CHF 850 million. These shares were given to Weatherford Bermuda Holdings, Ltd. as consideration for the contribution of Weatherford Drilling International Holdings (BVI) Ltd. to the Company. A legal reserve for these shares is listed separately in the Shareholders' Equity section of the financial statements.

On November 24, 2010, the Company entered into a credit agreement for a revolving demand note with Weatherford International Ltd., a Bermuda company, the lender. The variable interest rate was 2.7% on December 31, 2013. The outstanding balance was USD 81 million (CHF 73 million) as of December 31, 2013 and USD 122 million (CHF 111 million) as of December 31, 2012.

On March 15, 2010, the Company entered into a credit agreement for a revolving demand note with Weatherford U.S., L.P., the lender. The variable interest rate was 2.7% on December 31, 2013. The outstanding balance was USD 13 million (CHF 11 million) as of December 31, 2013 and USD 142 million (CHF 129 million) as of December 31, 2012.

On March 15, 2010, Weatherford International Ltd., a Bermuda company, the borrower, entered into a credit agreement for a revolving demand note with the Company, the lender. The variable interest rate was 2.7% on December 31, 2013. As of December 31, 2013 and 2012 there was no balance outstanding under this agreement.

On February 26, 2010, the Company entered into a credit agreement for a revolving demand note with Weatherford Capital Management Services LLC, a Hungary company, the lender. The variable interest rate was 2.7% on December 31, 2013. The outstanding balance was USD 103 million (CHF 92 million) as of December 31, 2013 and USD 100 million (CHF 91 million) as of December 31, 2012.

In addition to the notes listed above, as of December 31, 2013, we had additional receivables due from affiliates in the amount of USD 245 million (CHF 219 million) and current liabilities due to affiliates in the amount of USD 225 million (CHF 203 million). As of December 31, 2012, we had additional receivables due from affiliates in the amount of USD 72 million (CHF 66 million) and current liabilities due to affiliates in the amount of USD 43 million (CHF 41 million).

15. Insurance

The Weatherford Group maintains insurance policies covering the property, equipment and leasehold improvements of the Weatherford Group. The value of the coverage is at replacement cost, which is in excess of the book value of Weatherford's consolidated property, plant and equipment balance at December 31, 2013 and 2012.

16. Personnel Expenses

Consolidated personnel expenses for the Weatherford Group was approximately CHF 3.6 billion for the years ended December 31, 2013 and December 31, 2012.

17. Value Added Tax Group

The Company is part of a Group of Swiss Entities of Weatherford International Ltd. which is jointly and severally liable for the whole Swiss Value Added Tax amount due to the Swiss authorities by this group.

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report (the "Report") refers at various places to information contained in our Articles of Association and our organizational regulations, as well as other parts of the document "Weatherford International Ltd. 2013 Annual Report" of which this Report forms a part and to which we collectively refer in this Report as the "Annual Report," each of which can be found on our website at *www.weatherford.com*. This Report reflects disclosure required pursuant to the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange Ltd. (the "SIX").

The information herein is presented as of December 31, 2013, unless otherwise indicated. For information regarding the proposed change of our place of incorporation from Switzerland to Ireland and the delisting sought from the SIX and NYSE Euronext Paris in connection therewith, announced by ad hoc notice and Form 8-K dated April 2, 2014, please consult our website at *www.weatherford.com* – under "Investor Relations". References in this Report to "USD" and "$" refer to United States dollars.

Group Structure and Shareholders

Group Structure

Weatherford International Ltd. (together with its subsidiaries and predecessors, unless the context requires otherwise, "Weatherford," the "Company," "we," "us," or "our") is a joint-stock corporation organized under the laws of Switzerland, with its registered office located at Alpenstrasse 15, 6300 Zug, Switzerland, and its principal executive offices located at 4-6 Rue Jean-François Bartholoni, 1204 Geneva, Switzerland. Our shares are listed on the SIX, the New York Stock Exchange (the "NYSE") and the NYSE Euronext Paris under the symbol "WFT." The ISIN code for our shares on the SIX is CH0038838394, and the Swiss Security Number is 3883839. The market capitalization of our shares as of December 31, 2013 was USD 11.9 billion, based upon the closing price of USD 15.49 for our shares on the NYSE on December 31, 2013.

Weatherford's group of companies consists of the parent holding company, Weatherford International Ltd., and its subsidiaries (including the subsidiaries listed below) all of which are fully consolidated in our financial statements. We also have investments in certain joint ventures or other entities in which we do not control (by vote or value) more than 50% of the outstanding shares or board (or equivalent) seats. The list of subsidiaries below only includes subsidiaries with consolidated revenues or assets of at least one percent of the total revenues or total assets, respectively, of the Weatherford group of companies.

Company Name	Jurisdiction of Formation	Registered Office	Share Capital[1]	Percentage Interest
EVI de Venezuela, S.A.	Venezuela	Lecherias, Anzoategui	BSF 13,040,691	100%
Precision Energy Services, Inc.	United States	Wilmington, Delaware	USD 1,010	100%
Weatherford Artificial Lift Systems, LLC	United States	Wilmington, Delaware	USD 145,618,803[2]	100%
Weatherford Bermuda Holdings Ltd.	Bermuda	Hamilton	USD 14,000	100%
Weatherford Canada Ltd.	Canada	Edmonton, Alberta	CAD 1,622,898,583[2]	100%
Weatherford Canada Partnership	Canada	Edmonton, Alberta	CAD 4,464,615,134[2]	100%
Weatherford Capital Management Services Limited Liability Company	Hungary	Szombathely	USD 3,423,984	100%
Weatherford (China) Energy Services Co., Ltd.	China	Tianjin	USD 10,000,000	100%
Weatherford Colombia Limited	British Virgin Islands	Tortola	USD 50,000	100%
Weatherford de Mexico, S. de R.L. de C.V.	Mexico	Distrito Federal	MXN 4,101,691,000[2]	100%
Weatherford Drilling International (BVI) Ltd.	British Virgin Islands	Tortola	USD 1	100%
Weatherford Drilling International Holdings (BVI) Ltd.	British Virgin Islands	Tortola	USD 50,000	100%
Weatherford Financing (Luxembourg) S.à r.l.	Grand Duchy of Luxembourg	Luxembourg	EUR 38,001,725	100%
Weatherford Industria e Comercio Ltda.	Brazil	Estado do Rio de Janeiro	BRL 350,522,664	100%
Weatherford International de Argentina S.A.	Argentina	Ciudad Autónoma de Buenos Aires	ARS 767,163,293	100%
Weatherford International Ltd.	Bermuda	Hamilton	USD 1,010,000,000	100%

Company Name	Jurisdiction of Formation	Registered Office	Share Capital[1]	Percentage Interest
Weatherford International, LLC	United States	Wilmington, Delaware	USD 1,681,031,646[2]	100%
Weatherford Investment (Luxembourg) S.à r.l.	Grand Duchy of Luxembourg	Luxembourg	USD 514,738,017	100%
Weatherford Latin America, S.A.	Venezuela	Lecherias, Anzoategui	BSF 74,317,731	100%
Weatherford, LLC	Russian Federation	Moscow	RUB 165,010,000[2]	100%
Weatherford Luxembourg S.à r.l.	Grand Duchy of Luxembourg	Luxembourg	USD 206,979,678	100%
Weatherford Norge AS	Norway	Sandnes	NOK 27,080,000	100%
Weatherford Oil Tool GmbH	Germany	Langenhaagen	EUR 2,607,589	100%
Weatherford Oil Tool Middle East Limited	British Virgin Islands	Tortola	USD 50,000	100%
Weatherford Services, Ltd.	Bermuda	Hamilton	USD 1,017,000	100%
Weatherford U.K. Limited	England	Norfolk	GBP 6,155,300	100%
Weatherford U.S. Holdings, L.L.C.	United States	Wilmington, Delaware	USD 2,928,549,174[2]	100%
Weatherford U.S., L.P.	United States	Schriever, Louisiana	USD 1,000	100%
Weatherford Worldwide Holdings GmbH	Switzerland	Zug	CHF 21,000	100%
Weatherford/Lamb, Inc.	United States	Wilmington, Delaware	USD 200,000	100%
WEUS Holding, LLC	United Sates	Wilmington, Delaware	USD 1,285,284,559[2]	100%
WOFS Investment Holdings GmbH	Switzerland	Baar	CHF 20,000	100%

(1) Share capital is calculated by multiplying the number of issued shares by the par value of the shares. The share capital may not reflect the taxable share capital amount and does not include any paid-in surplus, unless otherwise indicated.

(2) Ownership interests without par value. Share capital reflects paid-in surplus.

The Company's operational performance is reviewed on a geographic basis. We report the following regions as separate, distinct reporting segments: (i) North America, (ii) Latin America, (iii) Europe/Sub-Sahara Africa/Russia, and (ii) Middle East/North Africa/Asia Pacific. The financial performance of these regions is described in the Company's consolidated financial statements.

Significant Shareholders

The table below sets forth the persons or entities known to the Company as of December 31, 2013 to be holding beneficially 3% or more of the Company's share capital registered in the commercial register of the Canton of Zug, based upon information furnished by the shareholder pursuant to SIX requirements or contained in filings made by the shareholder with the U.S. Securities and Exchange Commission (the "SEC").

Name	Number of Shares	Percent of Shares[1]
Dodge & Cox[2]	67,712,743	8.06%
ClearBridge Investments, LLC[3]	61,913,655	7.37%
Invesco Ltd.[4]	54,071,450	6.44%
Orbis[5]	51,151,356	6.09%
Vanguard Group Inc.[6]	25,581,552	3.05%
Weatherford International Ltd.[7]	69,741,149	8.31%

(1) The percentage indicated is based on the Company's 839,604,529 issued shares as of December 31, 2013.

(2) According to the relevant filing, the beneficial owner has sole voting power over 65,389,343 shares and sole dispositive power over all of the shares.

(3) According to the relevant filing, the beneficial owner has sole voting power over 60,578,242 shares and sole dispositive power over all of the shares.

(4) According to the relevant filing, subsidiaries of the beneficial owner have sole voting power over 53,634,844 shares and sole dispositive power over all of the shares.

(5) According to the relevant filing, Orbis includes Orbis Investment Management (U.S.), LLC, Orbis Investment Management Limited and Orbis Asset Management Limited. The beneficial owners have sole voting power and sole dispositive power over all of the shares.

(6) According to the relevant filing, Vanguard Group Inc. has sole voting power over 605,981 shares.

(7) Group of companies consisting of Weatherford Bermuda Holdings Ltd. and Weatherford International, LLC. The Company is the beneficial owner of these shares and they are deemed treasury shares, which do not hold any voting power.

Disclosure notifications pertaining to shareholdings of the Company that were filed with the Company and the SIX are published on the SIX's electronic publication platform and can be accessed via the database search page: *http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html*

We are not aware of any agreements among our shareholders regarding the exercise of their rights as shareholders.

Cross-Shareholdings

The Company has no cross shareholdings in excess of a reciprocal 5% of capital or voting rights with any other company.

Capital Structure

Share Capital

As of December 31, 2013, the Company's registered share capital was CHF 973,941,253.64, divided into 839,604,529 fully paid-in registered shares. Each registered share has a par value of CHF 1.16. As of December 31, 2013, the Company's conditional capital was CHF 432,386,807.68, and the Company's authorized capital was CHF 177,480,000.00.

Please refer to Article 6 of our Articles of Association for a complete description of the terms and conditions of the issuance of shares out of our conditional capital. No particular group of beneficiaries has the right to subscribe to our conditional share capital. Article 6 of our Articles of Association states that the preferential subscription rights and advance subscription rights of our shareholders to our conditional share capital shall be excluded in connection with the issuance of any conditional share capital. For your reference, our Articles of Association can be found at: *http://www.weatherford.com/ECMWEB/groups/web/documents/weatherfordcorp/wftcorp_articles_assoc.pdf.*

Changes in Capital

As part of its 2009 redomiciliation from Bermuda to Switzerland, the Company acquired, in connection with a capital increase on February 26, 2009, all of the 728,782,425 common shares of Weatherford International Ltd., a Bermuda exempted company ("Weatherford Bermuda") (the former parent company of the Weatherford group of companies), which had at the time of the redomiciliation a total value of CHF 7,922,062,403.82. As consideration for this contribution, the Company issued a total of 728,782,425 shares with a total par value of CHF 845,387,613, which shares were provided to the shareholders of Weatherford Bermuda to enable them to become shareholders of the Company. The difference between the aggregate par value of the issued shares and the total value of the contribution, in the amount of CHF 7,076,674,790.82, was allocated to the reserves of the Company.

The Company subsequently issued shares and increased its share capital out of its authorized capital in connection with three contribution-in-kind transactions and an internal reorganization, each approved by our board of directors (the "Board"). In 2009, the Company's share capital increased to CHF 879,798,098.92. In 2010, there were no increases. In 2011, it was increased to CHF 885,196,366.56. In 2012, the Company's share capital increased to CHF 887,136,937.52, CHF 968,369,583.40 and subsequently CHF 973,941,253.64. On March 2, 2011, and February 28, 2012, the Company issued shares out of its conditional share capital in connection with the exercise of warrants and effective February 15, 2012 and September 12, 2012, increased its share capital by CHF 1,940,570.96 and CHF 5,571,670.24, respectively. Effective May 23, 2012, the Company issued shares and increased its share capital out of its authorized capital by CHF 81,232,645.88.

At December 31, 2011, warrants were outstanding granting rights to purchase up to 8.6 million of the Company's shares. On February 28, 2012, 4.3 million of these warrants were exercised through physical delivery of shares issued out of conditional capital in exchange for CHF 58 million and the remaining 4.3 million of these warrants were exercised through net share settlement resulting in the issuance of 494,000 shares out of conditional capital.

Shares, Participation Certificates and Dividend-right Certificates

Our shares have a par value of CHF 1.16 each. All shares are fully paid-in registered shares. According to Article 17 of our Articles of Association, each share has the right to one vote. Shareholders have the right to receive dividends and other distributions, if any, declared by the Company with respect to our shares. Please refer to Articles 7 and 9 of our Articles of Association for certain conditions relating to the voting of our shares. For your reference, our Articles of Association can be found at: *http://www.weatherford.com/ECMWEB/groups/web/documents/weatherfordcorp/wftcorp_articles_assoc.pdf.*

Weatherford has not issued participation certificates or dividend-right certificates.

Limitations on Transferability and Nominee Registrations

The Company has not imposed any restrictions generally applicable to the transfer of our shares. The Company's share register is maintained by American Stock Transfer & Trust Company, LLC, which acts as transfer agent and registrar of the Company. The share register reflects only record owners of our shares.

All shares shall be subject to such stock-transfer orders and other restrictions as the Board may deem advisable under the rules, regulations, and other requirements of the SEC and the U.S. Securities Act of 1933, as amended (the "Securities Act") (including with respect to unregistered sales of shares), any exchange upon which the shares are then listed and any applicable securities law, and the Board may cause a legend or legends to be put on any certificates representing shares to make appropriate reference to such restrictions.

Voting rights may be exercised by shareholders registered in the Company's share register or by a duly appointed proxy of a registered shareholder or nominee, which proxy need not be a shareholder of the Company. Shareholders wishing to exercise their voting rights who hold their shares through a bank, broker or other nominee should follow the instructions provided by such bank, broker or other nominee or, absent instructions, contact such bank, broker or other nominee for instructions. Shareholders holding their shares through a bank, broker or other nominee will not automatically be registered in the Company's share register. If any such shareholder wishes to be registered in the Company's share register, such shareholder should contact the bank, broker or other nominee through which it holds its shares.

Convertible Bonds and Options

See below for information on the Company's outstanding options, outstanding restricted share units and outstanding performance units as of December 31, 2013. In addition to those outstanding awards, there are also 4,397,209 notional share units which were granted in connection with the Company's 2010 Supplemental Executive Retirement Plan ("SERP").

Incentive Plans

Our incentive plans permit the grant of options, stock appreciation rights, restricted stock awards ("RSA"), restricted share units ("RSU"), performance share awards, performance unit awards, other share-based awards and cash-based awards to any employee, non-employee directors, and other individual service providers of the Company (including consultants) or of any affiliate.

The provisions of each award vary based on the type of award granted and are determined by the Compensation Committee of our Board. Those awards, such as stock options that are based on a specific contractual term, will be granted with a term not to exceed ten years. Upon grant of an RSA, the recipient has the rights of a shareholder, including but not limited to, the right to vote such shares and the right to receive any dividends paid on such shares. Recipients of RSU awards do not have the rights of a shareholder until such date as the shares are issued or transferred to the recipient. As of December 31, 2013, approximately 16.7 million shares were available for grant under our incentive plans.

Share-Based Compensation Expense

We recognized the following employee share-based compensation expense during each of the years ended December 31, 2013, 2012 and 2011:

	Year Ended December 31,		
(In millions)	2013	2012	2011
Share-based compensation	$ 66	$ 76	$ 87
Related tax benefit	11	27	30

Options

Stock options were granted with an exercise price equal to or greater than the fair market value of our shares as of the date of grant. We used the Black-Scholes option pricing model to determine the fair value of stock options awarded. The estimated fair value of our stock options was expensed over their vesting period, which was generally one to four years. There were no stock options granted during 2013, 2012 or 2011. The intrinsic value of stock options exercised during 2013, 2012 and 2011 was USD 12 million, USD 4 million and USD 10 million, respectively. All options were fully vested as of December 31, 2012. A summary of option activity for the year ended December 31, 2013, is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value
	(In thousands)		*(In years)*	*(In thousands)*
Outstanding at December 31, 2012	10,403	$ 9.21	2.54	$ 31,717
Granted	—	—		
Exercised	(2,447)	8.89		
Forfeited	—	—		
OUTSTANDING AND VESTED AT DECEMBER 31, 2013	**7,956**	**$ 9.31**	**2.01**	**$ 54,775**

Restricted Share Awards and Restricted Share Units

RSAs and RSUs vest based on continued employment, generally over a two to five-year period. The fair value of RSAs and RSUs is determined based on the closing price of our shares on the date of grant. The total fair value, less assumed forfeitures, is expensed over the vesting period. The weighted average grant date fair value of RSAs and RSUs granted during the years ended December 31, 2013, 2012 and 2011 was USD 13.49, USD 13.30 and USD 22.41, respectively. The total fair value of RSAs and RSUs vested during the years ended December 31, 2013, 2012 and 2011 was USD 61 million, USD 78 million and USD 86 million, respectively. As of December 31, 2013, there was USD 67 million of unrecognized compensation expense related to unvested RSAs and RSUs, which is expected to be recognized over a weighted average period of two years. A summary of RSA and RSU activity for the year ended December 31, 2013 is presented below:

	RSA	Weighted Average Grant Date Fair Value	RSU	Weighted Average Grant Date Fair Value
	(In thousands)		*(In thousands)*	
Non-Vested at December 31, 2012	2,402	$ 18.93	3,051	$ 18.63
Granted	2,397	14.04	2,305	12.93
Vested	(1,178)	21.44	(1,870)	19.20
Forfeited	(410)	15.40	(349)	17.23
NON-VESTED AT DECEMBER 31, 2013	**3,211**	**$ 14.80**	**3,137**	**$ 14.26**

Performance Units

We issued 1.9 million, 1 million and 688,000 performance units in 2013, 2012 and 2011, respectively. The performance units issued in those years vested at the end of a three-year period assuming continued employment and the Company's achievement of certain market-based performance goals. Performance units expire unvested when market conditions are not met. The weighted average grant date fair value of our performance units was determined through use of the Monte Carlo simulation method. As of December 31, 2013, there was USD 12 million of unrecognized compensation expense related to performance units, which is expected to be recognized over a weighted average period of one year. A summary of performance unit activity for the years ended December 31, 2013, 2012 and 2011 is presented below:

	Year Ended December 31, 2013	Weighted Average Grant Date Fair Value	Year Ended December 31, 2012	Weighted Average Grant Date Fair Value	Year Ended December 31, 2011	Weighted Average Grant Date Fair Value
	(In thousands)		*(In thousands)*		*(In thousands)*	
Non-Vested at Period Beginning	1,402	$ 23.14	1,241	$ 21.35	986	$ 12.32
Granted	1,905	10.81	1,064	21.32	688	29.64
Vested	(700)	12.04	(64)	13.19	—	—
Expired	(—)	—	(358)	15.49	(363)	12.32
Forfeited	(696)	20.03	(481)	21.53	(70)	22.03
NON-VESTED AT PERIOD END	**1,911**	**$ 16.05**	**1,402**	**$ 23.14**	**1,241**	**$ 21.35**

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information as of December 31, 2013, about the number of shares to be issued upon vesting or exercise of equity awards as well as the number of shares remaining available for issuance under our equity compensation plans.

	Shares to be Issued Upon Exercise	Weighted Average Exercise Price	Shares Available for Future Issuance[(a)]
	(In thousands, except share prices)		
Plan Category:			
Equity compensation plans approved by shareholders[(b)]	7,404	$ 15.39	16,665
Equity compensation plans not approved by shareholders[(c)]	7,035	7.64	—
TOTAL	**14,439**	**$ 11.61**	**16,665**

(a) Excludes shares reflected in the first column of this table.

(b) Includes our Omnibus Plan, which was approved by our shareholders in May 2006, and our 2010 Omnibus Incentive Plan, which was approved by our shareholders in June 2010.

(c) Includes the following compensation plans that were not approved by our shareholders: our 1998 Employee Stock Option Plan; our Non-Employee Director Deferred Compensation Plan; our Foreign Executive Deferred Compensation Stock Ownership Plan; and our 2003 Restricted Share Plan. No awards have been issued under these plans since May 2006 when our Omnibus Plan was approved.

Warrants

In 2002, we issued warrants to purchase up to 12.9 million of our shares at a price of USD 15.00 per share, which were exercisable until February 28, 2012. These warrants were issued in connection with the acquisition of intellectual property rights and not as compensation to any employee. At December 31, 2011, 8.6 million of these warrants were outstanding. In February 2012, the remaining warrants were exercised and shares were issued out of our conditional capital.

Board of Directors

The following table lists the members of our Board and their ages as of December 31, 2013. Each of the Board members was elected by our shareholders for a term of one year until the next annual shareholder meeting. Our Articles of Association do not limit the number of terms a member may be re-elected to the Board. For your reference, our Articles of Association can be found at: *http://www.weatherford.com/ECMWEB/groups/web/documents/weatherfordcorp/wftcorp_articles_assoc.pdf.*

Name	Age	Position
Bernard J. Duroc-Danner	60	Chairman of the Board, President and Chief Executive Officer
Robert A. Rayne	64	Independent Vice-Chairman of the Board and Presiding Director
David J. Butters	73	Independent Non-Employee Director
John D. Gass	61	Independent Non-Employee Director
Francis S. Kalman	66	Independent Non-Employee Director
William E. Macaulay	68	Independent Non-Employee Director
Robert K. Moses, Jr.	73	Independent Non-Employee Director
Guillermo Ortiz	65	Independent Non-Employee Director
Emyr Jones Parry	66	Independent Non-Employee Director
Nicholas F. Brady[(a)]	83	Independent Non-Employee Director

(a) Nicholas F. Brady resigned from the Board effective February 24, 2014 due to other personal commitments.

Director Biographies

Bernard J. Duroc-Danner

Age: 60
Director since: 1988
Committees: None
Other Public Company Boards: LMS Capital plc

Dr. Duroc-Danner joined EVI, Inc., Weatherford's predecessor company, at its inception in May 1987 and was directly responsible for the growth of EVI, Inc.'s oilfield service and equipment business. He has directed the growth of the Company since that time. He was elected EVI's President and Chief Executive Officer in 1990. Subsequent to the merger of EVI, Inc. with Weatherford Enterra, Inc. on May 27, 1998, Dr. Duroc-Danner was elected as our Chairman of the Board. Dr. Duroc-Danner's family has been in the oil business for two generations. He holds an M.B.A. and a Ph.D. in Economics from Wharton (University of Pennsylvania). Prior to the start-up of EVI, Dr. Duroc-Danner held positions at Arthur D. Little Inc. and Mobil Oil Inc. Dr. Duroc-Danner has been a director of LMS Capital plc, an investment company listed on the London Stock Exchange, since 2006. During the past five years, Dr. Duroc-Danner also was a director of Helix Energy Solutions Group, Inc. Dr. Duroc-Danner serves on the National Petroleum Council and is a member of the Society of Petroleum Engineers. He was the recipient of Ernst & Young's 2008 Entrepreneur of the Year in the Energy, Chemicals and Mining category. Dr. Duroc-Danner is a French and American citizen.

Specific qualifications and experience of particular relevance to our Company

Dr. Duroc-Danner is a valued member of the Board because of his educational background, depth of knowledge of the oilfield service industry, domestically and internationally, and his 27 years of experience in successfully leading and expanding the Company's business. As President and Chief Executive Officer, Dr. Duroc-Danner serves as an important link between senior management and the Board, and he brings to the Board an invaluable perspective in strategic planning for the future growth of the Company.

David J. Butters

Age: 73
Director since: 1984
Committees: Audit; Corporate Governance & Nominating (Chair)
Other Public Company Boards: GulfMark Offshore, Inc. (Chairman)

Mr. Butters has been Chairman, President and Chief Executive Officer of Navigator Holdings, Ltd., an international shipping company the principal business of which is the transport of liquefied petroleum gas, since September 2008 and has been Chairman and President of Navigator Holdings since August 2006. From 1969 to September 2008, Mr. Butters was a Managing Director of Lehman Brothers Inc., an investment banking company. In addition to serving as Chairman of the Board of GulfMark Offshore, Inc., Mr. Butters is also Chairman of the Board of Directors of ACOL Tankers Ltd., a privately held oil tanker company. Mr. Butters holds a B.S. from Boston College and an M.B.A. from Columbia University Business School. Mr. Butters is an American citizen.

Specific qualifications and experience of particular relevance to our Company

Mr. Butters' extensive career experience in investment banking is an asset to the Audit Committee in carrying out its duties. In addition, his chief executive officer experience and his depth of knowledge of the Company's business as a result of his 29-year directorship on our Board provide us with a valuable perspective in making strategic decisions and planning for our future.

John D. Gass

Age: 61
Director since: 2013
Committees: Compensation; Health, Safety and Environment
Other Public Company Boards: Southwestern Energy Company, Suncor Energy Inc.

Mr. Gass is a retired Vice President of Chevron Corporation and President of Chevron Gas and Midstream, a position he held from 2003 until his retirement in 2012. Mr. Gass joined Chevron in 1974 and over the next 38 years held positions of increasing responsibility both domestically and abroad, in engineering, operations and executive management. Mr. Gass has been a director of Southwestern Energy Company since November 2012. Mr. Gass became a director of Suncor Energy Inc. in February 2014. Mr. Gass received a bachelor's degree in civil engineering from Vanderbilt University and a master's degree in civil engineering from Tulane University. He serves on the Board of Visitors for the Vanderbilt School of Engineering and is on the advisory board for the Vanderbilt Eye Institute. He is a member of the American Society of Civil Engineers and the Society of Petroleum Engineers. Mr. Gass is an American citizen.

Specific qualifications and experience of particular relevance to our Company

Mr. Gass has 38 years of experience in the international exploration and production industry, including executive leadership experience, which is a valuable asset to our Board in its strategic planning and decision-making processes.

Francis S. Kalman

Age: 66
Director since: 2013
Committees: Audit Committee (Vice Chair)
Other Public Company Boards: Ensco plc, Kraton Performance Polymers, Inc., CHC Group Ltd.

Mr. Kalman serves as a senior advisor to a private investment subsidiary of Tudor, Pickering, Holt & Co., LLC, that specializes in direct investments in upstream, midstream and oilfield service companies. Mr. Kalman served as Executive Vice President of McDermott International, Inc. from 2002 until his retirement in 2008 and as Chief Financial Officer from 2002 until 2007. From 2000 to 2002, he was Senior Vice President and Chief Financial Officer of Chemical Logistics Corporation, from 1999 to 2000, he was a principal of Pinnacle Equity Partners, LLC, from 1998 to 1999, he was Executive Vice President and Chief Financial Officer of Chemical Logistics Corporation and from 1996 to 1997, he was Senior Vice President and Chief Financial Officer of Keystone International, Inc. Mr. Kalman started his career as a Certified Public Accountant with PriceWaterhouse & Co. In addition to the above, he has served in various financial capacities with Atlantic Richfield Company (1975 to 1982), United Gas Pipeline (1982 to 1991) and American Ref-Fuel (1991 to 1996). Mr. Kalman has a B.S. in Accounting from Long Island University. In addition to his directorships on the boards of Ensco plc, Kraton Performance Polymers, Inc., and CHC Group Ltd., during the past five years, Mr. Kalman also served on the board of Pride International, Inc., which merged into Ensco plc. Mr. Kalman is an American citizen.

Specific qualifications and experience of particular relevance to our Company

Mr. Kalman has extensive experience in accounting and financial reporting, including chief financial officer experience and serving as chairman of the audit committee of a public company. In addition to financial expertise, he also has executive leadership and strategic planning experience in the international energy service industry that complements the mix of skills of our other members of the Board.

William E. Macaulay

Age: 68
Director since: 1998
Committees: Compensation (Chair)
Other Public Company Boards: Dresser-Rand Group, Inc. (Chairman), CHC Group Ltd. (Chairman), Glencore Xstrata plc

Mr. Macaulay is the Chairman and Chief Executive Officer of First Reserve Corporation. He has been with First Reserve, a private equity investment firm focused on the energy industry, since 1983. Mr. Macaulay is responsible for supervision of all aspects of the firm's investment program and strategy, as well as overall management of the firm. Mr. Macaulay served as a director of Weatherford Enterra from October 1995 to May 1998. Mr. Macaulay also served as Director of Corporate Finance for Oppenheimer & Co., Inc., where he worked from 1972 to 1982. Mr. Macaulay holds a B.B.A. from City College of New York and an M.B.A. from the Wharton School of the University of Pennsylvania. Currently, Mr. Macaulay serves as Chairman of Dresser-Rand Group, Inc., a supplier of compression and turbine equipment to the oil, gas, petrochemical and industrial process industries, and is a director of Glencore Xstrata plc, a multinational mining and commodities trading company headquartered in Baar, Switzerland. Mr. Macaulay also serves as Chairman of CHC Group Ltd., an international commercial operator of helicopters focusing on flight services to oil and gas companies and government search-and-rescue agencies, and helicopter maintenance, repair and overhaul services. Previously, Mr. Macaulay served as Chairman of the Board of Foundation Coal Holdings, Inc., a coal company, and as a director of Dresser, Inc., a provider of equipment and services in global energy infrastructures, National Oilwell Varco, Inc., an international provider of drilling systems and associated services to the oil and gas exploration and production industry, and Pride International, Inc., a contract drilling and related services company, which merged into Ensco plc. Mr. Macaulay is an American citizen.

Specific qualifications and experience of particular relevance to our Company

Mr. Macaulay's investment and financial expertise, chief executive officer experience and extensive knowledge of the oilfield service industry are important assets to the Board in its decision-making process and in strategic planning.

Robert K. Moses, Jr.

Age: 73
Director since: 1998
Committees: Audit; Compensation; Health, Safety and Environment
Other Public Company Boards: None

Mr. Moses has been a private investor, principally in the oil and gas exploration and oilfield services business in Houston, Texas, for more than the past five years. He served as Chairman of the Board of Directors of Weatherford Enterra from May 1989 to December 1992 and as a director of Weatherford Enterra from December 1992 to May 1998. Mr. Moses holds a B.A. in Economics from the University of Texas at Austin. Mr. Moses is an American citizen.

Specific qualifications and experience of particular relevance to our Company

Mr. Moses' investment experience, extensive knowledge of and experience in the oilfield service industry and institutional knowledge of one of Weatherford's most significant legacy companies provide a unique perspective that is an asset to the Board in its decision-making process.

Guillermo Ortiz

Age: 65
Director since: 2010
Committees: Audit; Compensation
Other Public Company Boards: Grupo Aeroportuario del Sureste S.A.B. de C.V., Grupo Comercial Chedraui S.A.B. de C.V., Mexichem S.A.B. de C.V., Vitro S.A.B. de C.V.

Dr. Ortiz is Chairman of Banorte, the third largest bank in Mexico and served as Governor of the Bank of Mexico from 1998 until 2009, and as Chairman of the Board of the Bank for International Settlements (BIS) in 2009. He previously served as Secretary of Finance and Public Credit in Mexico, from 1994 to 1998. Dr. Ortiz was also Executive Director at the International Monetary Fund and is a director of several international non-profit organizations. Dr. Ortiz holds a B.A. in Economics from the National Autonomous University of Mexico and both a M.Sc. and a Ph.D. in Economics from Stanford University. Dr. Ortiz is a Mexican citizen.

Specific qualifications and experience of particular relevance to our Company

Dr. Ortiz is a valuable member of the Audit Committee because of his extensive finance and banking experience, particularly relating to global economic matters and multinational financing. In addition, he brings to the Board an important international perspective.

Emyr Jones Parry

Age: 66
Director since: 2010
Committees: Corporate Governance & Nominating; Health, Safety and Environment (Chair)
Other Public Company Boards: None

Sir Emyr has been the President of the University of Aberystwyth, located in Wales, since 2008, Chairman of the All Wales Convention, a body established by the Welsh Assembly Government to review Wales's constitutional arrangements, since 2007, Chairman of Redress, a human rights organization, and Chairman of the Corporate and Social Responsibility External Advisory Group of First Group plc, a transport operator, since 2008. Sir Emyr previously held numerous diplomatic positions, including U.K. Permanent Representative to the United Nations from 2003 to 2007 and U.K. Ambassador to NATO from 2001 to 2003, after specializing in European Union affairs including energy policy. Sir Emyr received a B.S. in Theoretical Physics from the University of Cardiff and a Ph.D. in Polymer Physics from the University of Cambridge. Sir Emyr is a U.K. citizen.

Specific qualifications and experience of particular relevance to our Company

Sir Emyr brings to the Board a wealth of government relations experience, a high level of public and social policy knowledge and an important international perspective that are valuable to the Board in making global business decisions.

Robert A. Rayne

Age: 64
Director since: 1987
Committees: Audit (Chair); Corporate Governance & Nominating
Other Public Company Boards: ChyronHego Corporation, Derwent London plc (Non-Executive Chairman), LMS Capital plc

Mr. Rayne has been a non-executive director of LMS Capital plc, an investment company listed on the London Stock Exchange, since February 2010, and was the Chairman of LMS Capital from February 2010 to January 2012. Mr. Rayne was the Chief Executive Officer and a director of LMS Capital from June 2006, when the investment business of London Merchant Securities plc was demerged and LMS Capital was formed to hold this business, until February 2010. Mr. Rayne was employed by London Merchant Securities from 1968 to June 2006 and served as its Chief Executive Director from May 2001 to June 2006. Mr. Rayne attended Malvern College and received a diploma from the New York Institute of Finance in Accounting, Law, and Working in the Stock Exchange. Mr. Rayne is a U.K. citizen.

Mr. Rayne is Vice Chairman and Presiding Director of the Company's Board. As Presiding Director, Mr. Rayne leads the executive sessions of the non-management directors, which are held at least twice each year.

Specific qualifications and experience of particular relevance to our Company

Mr. Rayne has expertise in a wide range of sectors in addition to the oilfield service industry, including the real estate, media, consumer and technology industries. His 27-year tenure on our Board and his financial and investment expertise, chief executive office experience, international perspectives and diversity of expertise are beneficial to the Board in carrying out its duties.

Nicholas F. Brady

Age: 83
Director since: 2004
Committees: Corporate Governance & Nominating
Other Public Company Boards: Franklin Templeton Investment Funds (Chairman), Holowesko Partners Ltd.

Mr. Brady has been the Chairman of Darby Overseas Investments, Ltd., an investment firm, since 1994. Mr. Brady is Chairman of Franklin Templeton Investment Funds, an international investment management company, and a director of Holowesko Partners Ltd., a registered investment advisor. Mr. Brady is a former Secretary of the U.S. Department of the Treasury (1988-1993), a former Chairman of the Board of Dillon Read & Co. Inc. (1970-1988) and a former Chairman of Purolator, Inc. (1971-1987). Mr. Brady also represented the state of New Jersey as a member of the United States Senate (1982). Mr. Brady holds a B.A. from Yale University and an M.B.A. from Harvard Business School. Mr. Brady is an American citizen.

During the past five years, Mr. Brady also was a director of Hess Corporation and director or trustee, as the case may be, of a number of investment companies in the Franklin Templeton Group of Funds. Mr. Brady resigned from the Board effective February 24, 2014.

Specific qualifications and experience of particular relevance to our Company

During his career in both the public and private sectors, Mr. Brady acquired significant financial, managerial and investment banking experience, international public policy knowledge and relationships in business and government. Mr. Brady's educational background, his high level of financial literacy and his extensive experience in the public and private sectors are assets to the Board in carrying out its duties.

Committees and Meetings of the Board

The Board has created the following committees: Audit; Compensation; Corporate Governance and Nominating; and Health, Safety and Environment. All members of these committees are considered independent under the current rules of the NYSE and the SEC. The members of each committee are shown in the following table.

NAME	AUDIT	COMPENSATION	CORPORATE GOVERNANCE & NOMINATING	HEALTH, SAFETY & ENVIRONMENT
Bernard J. Duroc-Danner				
David J. Butters	✔		✔ (Chair)	
John D. Gass		✔		✔
Francis S. Kalman	✔			
William E. Macaulay		✔ (Chair)		
Robert K. Moses, Jr.	✔	✔		✔
Guillermo Ortiz	✔	✔		
Emyr Jones Parry			✔	✔ (Chair)
Robert A. Rayne	✔ (Chair)		✔	
Nicholas F. Brady (resigned in February 2014)			✔	

Number of Meetings in 2013

During 2013, the Board met five times, the Audit Committee met 11 times, the Compensation Committee met four times, the Corporate Governance and Nominating Committee met four times, and the Health, Safety and Environment Committee met one time (for its inaugural meeting). The average duration of the Board meetings was 5-7 hours.

Audit Committee

The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Board has adopted a written charter for the Audit Committee. The charter is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." The primary functions of the Audit Committee are overseeing:

- the integrity of our financial statements, financial reporting process and systems of internal accounting and financial controls;
- our compliance with legal and regulatory requirements;
- our independent auditor's qualifications and independence; and
- the performance of our internal audit function and independent auditor.

Mr. Kalman currently serves on the audit committees of four public companies, including the Company's Audit Committee. In connection with his commencement of service on the fourth audit committee, the Board determined that his service on these other audit committees would not impair his ability to effectively serve on the Company's Audit Committee.

Compensation Committee

The Board has adopted a written charter for the Compensation Committee. The charter is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." The primary functions of the Compensation Committee are:

- evaluating the performance and determining and approving the compensation of our executive officers;
- making decisions regarding executive compensation, incentive compensation plans and equity-based plans; and
- administering or having administered our incentive compensation plans and equity-based plans for executive officers and employees.

All members of the Compensation Committee satisfy the qualification standards of section 162(m) ("section 162(m)") of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and Section 16 of the Exchange Act.

Corporate Governance and Nominating Committee

The Board has adopted a written charter for the Corporate Governance and Nominating Committee. The charter is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." The primary functions of the Corporate Governance and Nominating Committee are:

- identifying individuals qualified to serve as Board members;
- recommending to the Board the director nominees for the next Annual General Meeting of Shareholders;
- reviewing and structuring our compensation policy regarding fees and equity compensation paid and granted to our directors;
- developing and recommending to the Board the Corporate Governance Guidelines for the Company;
- overseeing the Board in its annual review of the Board's and management's performance; and
- recommending to the Board director nominees for each committee.

Health, Safety and Environment Committee

The Board of Directors has adopted a written charter for the Health, Safety and Environment Committee. The charter is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." The primary functions of the Health, Safety and Environment Committee are:

- overseeing the Company's adherence to policies, practices and procedures that promote best practices relating to health, safety and environmental stewardship;
- encouraging the Company to promote safety awareness among all employees and monitor safety performance and safety inspections; and
- providing suggestions and recommendations to executive management of the Company for resolution of health, safety and environmental concerns of strategic significance.

Corporate Governance Matters

We are committed to adhering to sound principles of corporate governance. A copy of our Corporate Governance Principles is available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies."

Director Independence

The Board has affirmatively determined that each director is independent under the current rules of the NYSE and the SEC, other than Dr. Duroc-Danner, who is an employee. As contemplated by NYSE rules, the Board has adopted categorical standards to assist it in making independence determinations. These standards are available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies." A relationship falls within the categorical standards of independence if it:

- is a type of relationship addressed in Section 303A.02(b) of the NYSE Listed Company Manual, but under those rules does not preclude a determination of independence; or
- is in the ordinary course of business and does not exceed 2% of the consolidated gross revenues of the other person for the previous year.

The Board, however, considers and reviews all relationships with each director in making its independence determinations. None of the independent directors had relationships relevant to an independence determination that were outside the scope of the Board's categorical standards. The relationship discussed under "Related Person Transactions" in this Report did not exceed these categorical standards and was determined by the Board not to be material.

Policies Regarding Related Person Transactions

Our policies regarding transactions between us or any of our affiliates and our directors, executive officers and other employees are set forth in writing in our Corporate Governance Principles and our Code of Business Conduct. These documents are available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies" or "Code of Business Conduct," as applicable. If an actual or potential conflict of interest arises for any director, the director is required to notify the Board and is not allowed to participate in any discussions or vote on any transaction in which the actual or potential conflict of interest may arise. The Board approves any transactions with our Chief Executive Officer, and our Chief Executive Officer approves any transactions with any other officer.

Director Nominations

In obtaining the names of possible nominees for directors, the Corporate Governance and Nominating Committee conducts its own inquiries and will consider suggestions from other directors, management, shareholders and other sources, and its process for evaluating nominees identified in unsolicited recommendations from shareholders is the same as its process for unsolicited recommendations from other sources. The Corporate Governance and Nominating Committee will consider nominees recommended by shareholders who submit their recommendations in writing to Chair, Corporate Governance and Nominating Committee, care of the Corporate Secretary, Weatherford International Ltd., 4-6 Rue Jean-François Bartholoni, 1204 Geneva, Switzerland. Recommendations received before December 1st in any year will be considered for inclusion in the slate of director nominees to be presented at the Annual General Meeting in the following year. Unsolicited recommendations must contain the name, address and telephone number of the potential nominee, a statement regarding the potential nominee's background, experience, expertise and qualifications, a signed statement confirming his or her willingness and ability to serve as a director and abide by our corporate governance policies and his or her availability for a personal interview with the Corporate Governance and Nominating Committee, and evidence that the person making the recommendation is a shareholder of Weatherford.

The Corporate Governance and Nominating Committee believes that nominees should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of our shareholders. Directors should have a record of accomplishment in their chosen professional field and demonstrate sound business judgment. Directors must be willing and able to devote sufficient time to carrying out their duties and responsibilities effectively, including attendance at (in person) and participation in Board and Committee meetings, and should be committed to serve on the Board for an extended period of time. The Corporate Governance and Nominating Committee will consider whether and to what extent a nominee will bring diversity, whether in educational background, experience, expertise and/or regional knowledge, to the Board in determining whether a candidate will be an appropriate fit with, and an asset to, the Board.

Rule 14a-8 under the Exchange Act, addresses when a shareholder may submit a proposal for inclusion of a nominee for director in our proxy materials. Shareholders who do not comply with Rule 14a-8 but who wish to have a nominee considered by our shareholders at the Annual General Meeting must comply with the deadlines and procedures set forth in our Articles of Association. For your reference, our Articles of Association can be found at: *http://www.weatherford.com/ECMWEB/groups/web/documents/weatherfordcorp/wftcorp_articles_assoc.pdf*.

Communication with Directors

Any shareholder or other interested party that desires to communicate with the Board or any of its specific members, including the Presiding Director or the non-management directors as a group, should send their communication to the Corporate Secretary, Weatherford International Ltd., 4-6 Rue Jean-François Bartholoni, 1204 Geneva, Switzerland. All such communications will be forwarded to the appropriate members of the Board.

Leadership Structure

The Board has determined that the most effective leadership structure for the Company is to combine the role of Chief Executive Officer and Chairman. The Board believes that by serving both as Chief Executive Officer and Chairman, Dr. Duroc-Danner brings multiple perspectives to the Board and also is best informed to lead the Board because of his role in the management of the Company's business and strategic direction.

The Board has appointed Mr. Rayne as Presiding Director to preside over executive sessions of non-management directors. The Board believes it is in the best interest of the Company's shareholders to have a Presiding Director who has the authority to call executive sessions as a counterbalance to the Company's combined roles of Chief Executive Officer and Chairman. The Board believes executive sessions provide the Board with the ability to independently evaluate management, openly discuss strategic and other business issues involving the Company and ensure that the Company is upholding high standards of corporate governance. For information on how to communicate with our Presiding Director and other non-management members of the Board, please see "Communication with Directors."

Executive Sessions

Executive sessions of non-management directors are held after each regularly scheduled Board meeting and at such additional times as may be needed. In 2013, the non-management directors held four executive sessions.

Director Attendance at Annual General Meeting

All directors are expected to attend the Annual General Meeting. All of our directors other than Mr. Brady attended our 2013 Annual General Meeting.

Code of Conduct

We have adopted a Code of Business Conduct that applies to our directors, officers and employees. We also have adopted a Supplemental Code of Business Conduct that applies to our President and Chief Executive Officer, our Chief Financial Officer and our Chief Accounting Officer. These documents are available on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Code of Business Conduct" or "Supplemental Code of Conduct," as applicable. Any amendments to, or waivers of, our Code of Business Conduct (to the extent applicable to our President and Chief Executive Officer, our Chief Financial Officer or our Chief Accounting Officer) or to the Supplemental Code of Business Conduct will be posted at this location on our website.

Risk Management Oversight

The Audit Committee is responsible for the oversight of risk management for the Company. As part of their oversight function, the Audit Committee discusses and implements guidelines and policies concerning financial and compliance risk assessment and risk management, including the process by which major financial risk exposure is monitored and mitigated, and works with members of management to assess and monitor risks facing the Company's business and operations, as well as the effectiveness of the Company's guidelines and policies for managing and assessing financial and compliance risk. The Audit Committee meets and discusses, as appropriate, issues regarding the Company's risk management policies and procedures directly with those individuals responsible for day-to-day risk management in the Company's internal audit and compliance departments.

In addition, the Corporate Governance and Nominating Committee periodically provides oversight with respect to risks associated with our corporate governance policies and practices, including our Code of Business Conduct and Supplemental Code of Business Conduct. The Corporate Governance and Nominating Committee also oversees and reviews, on an annual basis, an evaluation of the Board, each of our Board committees and management.

The Compensation Committee reviews our compensation plans and practices to ensure that they do not encourage excessive risk taking and instead encourage behaviors that support sustainable value creation. See "Risk Analysis of our Compensation Programs" on page 131.

Our Health, Safety and Environment Committee oversees the Company's policies and practices to promote good stewardship, to encourage safety awareness, to monitor safety performance, and to provide suggestions to management for the resolution of health, safety and environmental concerns, all with a view towards reducing risks in those areas.

Our organizational regulations govern the internal organization and the duties, powers and responsibilities of the Board, board committees and officers of Weatherford. Please refer to our organizational regulations for the information related to the division of responsibility among the Board, Board committees and our officers. Our organizational regulations can be found at: *http://www.weatherford.com/weatherford/groups/web/documents/weatherfordcorp/wfcorp_org_regs.pdf.*

Executive Management

The following table lists the members of our executive management as determined by our Board and their ages as of December 31, 2013 (Dr. Duroc-Danner's biography is on page 121). None of the executive officers or directors has any family relationships with each other. The similar table in our Corporate Governance Report for the financial year 2012 (as part of our Annual Report for the financial year 2012, which is available on our website at *www.weatherford.com* by clicking on "Investor Relations" then "Annual Reports"), included additional Weatherford officers. However, the Board determined in 2013 that only the following officers are "executive management" or "senior management" ("*Geschäftsleitung*") pursuant to Swiss law and the applicable SIX regulations, namely the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Executive Vice President — Strategy and Development and Chief Safety Officer.

Name	Age	Position
Bernard J. Duroc-Danner	60	Chairman of the Board, President and Chief Executive Officer
Krishna Shivram	51	Executive Vice President and Chief Financial Officer
Dharmesh Mehta	47	Executive Vice President and Chief Operating Officer
Nicholas W. Gee[(a)]	50	Executive Vice President – Strategy and Development and Chief Safety Officer

(a) Mr. Gee left the Company effective February 28, 2014.

Krishna Shivram was appointed Executive Vice President and Chief Financial Officer in November 2013. Mr. Shivram has over 25 years of financial and operational management experience in the oilfield service industry and previously worked for Schlumberger Ltd. in a variety of roles across the globe. Immediately prior to joining Weatherford, Mr. Shivram had served as Vice President and Treasurer of Schlumberger Ltd. since January 2011. Prior to his serving as Vice President and Treasurer, Mr. Shivram held a number of senior management positions at Schlumberger, including Controller - Drilling Group from May 2010 to January 2011, Manager - Mergers and Acquisitions from May 2009 to April 2010 and Controller - Oilfield Services from August 2006 to April 2009. Mr. Shivram is a Chartered Accountant and has experience in financial accounting, income taxes and treasury operations, along with a strong background in corporate finance and mergers and acquisitions. Mr. Shivram is an Indian citizen.

Dharmesh Mehta was appointed Executive Vice President in March 2013 and Chief Operating Officer in November 2013. Mr. Mehta joined the Company in 2001 and has served in various senior management capacities, including Senior Vice President – Completion and Production Systems and Chief Administrative Officer. Prior to joining the Company, Mr. Mehta had 10 years of experience in the software and oil and gas industries. Mr. Mehta holds a bachelor's degree from the University of Houston and a master's degree from the University of Wisconsin. Mr. Mehta is an American citizen.

Nicholas W. Gee was appointed Executive Vice President – Strategy and Development and Chief Safety Officer in November 2013. Mr. Gee rejoined Weatherford in April 2009 and held various senior management positions, including Senior Vice President – Formation Evaluation and Well Construction. Between June 2004 and April 2009, he pursued investment opportunities in the oil and gas exploration and production sector and provided technology and business strategy advice internationally to large and small oil and gas operating and service companies. Between 2000 and 2004, Mr. Gee was a vice president of our completions group. Prior to that time, he was in management with Global Marine Drilling Company in the North Sea. Mr. Gee began his career as a petroleum engineer with BP working in oil and gas exploration and production and has over 25 years' experience in the oil and gas exploration and production business. He graduated with a 1st class honors degree in Chemical Engineering from the University of Birmingham and holds an MBA with distinction from Warwick Business School. Mr. Gee is a citizen of the United Kingdom. He left the Company effective February 28, 2014.

Related Person Transaction

We lease our London office space from Central London Commercial Estates Limited, which is affiliated with Derwent London, of which one of our directors, Mr. Rayne is the Non-executive Chairman. Mr. Rayne was not personally involved in the negotiation of the lease transaction and receives no personal benefit from this transaction. The lease transaction was reviewed by the Corporate Governance and Nominating Committee of our Board and approved by our Board, with Mr. Rayne abstaining from voting on the matter. In their review, our Corporate Governance and Nominating Committee considered among other factors a report from an independent real estate brokerage firm with expertise in the relevant market analyzing lease alternatives to conclude that the transactions were, taken as a whole, at least as fair to us as would have been obtained on an arms-length basis from a non-affiliated party. In 2013, we paid the lessor a total of approximately £253,000 (USD 422,000 based on exchange rates as of March 31, 2014).

There are no management contracts between the Company and third parties regarding the delegation of the management tasks.

Compensation, Shareholdings and Loans

Board Compensation

We use a combination of cash and share-based incentive compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, we consider the significant amount of time that directors expend in fulfilling their duties to the Company, as well as the level of knowledge and experience that we require of members of our Board. Our Corporate Governance and Nominating Committee is responsible for reviewing and structuring our compensation policy regarding fees and compensation paid and granted to our directors.

Longnecker & Associates ("L&A"), a compensation consulting firm, has been retained by the Corporate Governance and Nominating Committee as an independent compensation consultant to advise the Committee on the appropriate compensation for the Board. L&A annually assists the Corporate Governance and Nominating Committee by providing comparative market data on board compensation practices and programs based on an analysis of publicly available information on our peer group (see "Market Analysis and Peer Group" below in this Report) and U.S. industry practices.

Directors' Fees

Directors who are not employees of the Company are paid the following fees:

- USD 5,000 for each Board meeting attended;
- USD 2,000 for each committee meeting attended;
- USD 60,000 as an annual retainer;
- USD 20,000 as an additional annual retainer for the Audit Committee chair;
- USD 10,000 as an additional annual retainer for each Audit Committee member;
- USD 15,000 as an additional annual retainer for the Compensation Committee chair;
- USD 10,000 as an additional annual retainer for the Corporate Governance and Nominating Committee chair;
- USD 15,000 as an additional annual retainer for the Health, Safety and Environment Committee Chair; and
- USD 20,000 as an additional annual retainer for the Presiding Director.

Annual retainers are paid quarterly. We do not compensate Dr. Duroc-Danner for his service on the Board.

Restricted Share Unit Awards

On September 27, 2013, we granted each of our non-employee directors 12,000 restricted share units pursuant to our 2010 Omnibus Incentive Plan. The awards vest in three equal annual installments, beginning on September 27, 2014, subject to earlier vesting in the event of the death or disability of the director or a change of control of the Company. In addition, on June 20, 2013, we granted to each of Messrs. Gass and Kalman 7,174 restricted share units in connection with their joining our Board, which vest in two equal installments on June 20, 2015 and 2017, also subject to earlier vesting in the aforesaid circumstances.

The Corporate Governance and Nominating Committee believes that providing a majority of the overall Board compensation in the form of our registered shares aligns the interests of our directors with those of our shareholders. The RSU awards are a fixed type of compensation.

Non-Employee Director Deferred Compensation Plan (Suspended)

The Weatherford International Ltd. Non-Employee Director Deferred Compensation Plan was suspended effective December 31, 2008 because of changes in tax laws. While the plan is suspended, amounts are still payable to participants on the occurrence of triggering events under the plan.

Prior to the suspension of this plan, each of our non-employee directors (other than Messrs. Gass and Kalman and Dr. Ortiz and Sir Emyr, who are not participants in the plan) elected to defer 7.5% of the fees paid by us and to have his distribution paid on the first day of the calendar quarter coincident with or next following the date of his cessation of service with the Board. In any event, all benefits under the plan will be distributed no later than January 1, 2017. The amount of the distribution will be a number of registered shares equal to the number of units in the director's account at the time of the distribution.

Non-Employee Director Retirement Plan (Discontinued)

After the merger of EVI, Inc. and Weatherford Enterra in June 1998, we discontinued this plan. Mr. Moses is the only current director who was fully vested and eligible to participate in this plan at the time of the plan's discontinuance. Mr. Moses had over 10 years of credited service on the Board of Weatherford Enterra at the time the plan was discontinued, and his annual benefit amount upon his retirement will be USD 20,000 payable for 10 years, provided that in any event, benefits under this plan will be completely distributed no later than January 1, 2017.

Summary of Board Compensation for 2013

The following table reflects the compensation paid to each of our non-employee directors for the year ended December 31, 2013. Compensation amounts shown below are in CHF in accordance with Swiss statutory requirements, however, actual amounts were paid in USD. Dr. Duroc-Danner was an executive officer and director in 2013, and information about his compensation is listed in the sections of this Report that detail executive officer compensation.

Name	Function	Fees Paid In Cash(1)	% of Individual Total Comp	Share-based Compensation(2)	% of Individual Total Comp	Total Compensation
				(In CHF thousands)		
Samuel W. Bodman III(3)(4)(7)		51	100	—	0	51
Nicholas F. Brady(5)(8)		89	35	166	65	255
David J. Butters(3)(5)	Chairman of the Corporate Governance and Nominating Committee	130	44	166	56	296
John D. Gass(4)(6)		63	20	256	80	319
Francis S. Kalman(3)		72	22	256	78	328
William E. Macaulay(4)	Chairman of the Compensation Committee	110	40	166	60	276
Robert K. Moses, Jr.(3)(4)(6)		126	43	166	57	292
Guillermo Ortiz(3)(4)		176	51	166	49	342
Emyr Jones Parry(5)(6)	Chairman of the Health, Safety and Environment Committee	98	37	166	63	264
Robert A. Rayne(3)(5)	Presiding Director and Chairman of the Audit Committee	152	48	166	52	318
TOTAL		**1,067**		**1,674**		**2,741**

(1) Fees represent payments for retainers and meeting attendance from January 1 to December 31.

(2) Each non-employee director (other than Dr. Bodman) was awarded 12,000 restricted share units on September 27, 2013. Additionally, Messrs. Gass and Kalman were each awarded 7,174 restricted share units on June 20, 2013 in connection with their joining our Board. The value above represents the fair value of the awards valued on the date of grant based on the Company's closing share price on that day.

(3) Members of the Audit Committee.

(4) Members of the Compensation Committee.

(5) Members of the Corporate Governance and Nominating Committee.

(6) Members of the Health, Safety and Environment Committee.

(7) Effective June 20, 2013, Dr. Bodman ceased being a director of the Company after not standing for re-election at our 2013 Annual General Meeting.

(8) Effective February 24, 2014, Mr. Brady resigned as a director of the Company.

Executive Officer Compensation

Our compensation program is designed to reward our executive officers for the achievement of strategic and operational goals and the achievement of increased shareholder value, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking.

Oversight of our Executive Compensation Practices

Our executive compensation program is administered by the Compensation Committee of the Board. The Compensation Committee is responsible for, among other functions, reviewing and approving the total compensation for certain of our executive officers consistent with the objectives and philosophy described below.

Compensation Philosophy and Objectives

The Compensation Committee follows a “pay for performance” philosophy in our executive compensation structure. The Committee’s objective is to provide compensation to our executive officers at a level and in a manner that maximizes shareholder value.

The Compensation Committee believes that our executive compensation program should reward enhanced financial performance of the Company and maximize shareholder value by aligning the short-term and long-term interests of our executive officers with those of our shareholders. Our Company’s programs are intended to:

- Attract, retain and motivate individuals of outstanding ability in key executive positions;
- Drive and reward strong business performance to create superior value for our shareholders;
- Pay for performance;
- Ensure that performance-based compensation does not encourage excessive risk taking; and
- Encourage our executives to focus on both the short-term and long-term performance goals of the Company.

Our executive compensation also is intended to be market competitive. For 2013, the Compensation Committee approved base salary, annual performance compensation and long-term incentive compensation (together, the “total direct compensation”) for executive officers that was intended to be competitive with our peer group. However, in setting the compensation of executive officers, the Compensation Committee also takes into consideration historical and individual circumstances, including tenure and experience, individual performance, anticipated future contributions, retention factors, including apparent career alternatives for each individual, and the availability of comparable data for certain positions.

The Compensation Committee believes that a majority of executive compensation should be “at risk” — that is, the ultimate, realized value of the compensation is tied to the Company’s financial and equity performance. During periods when our financial performance meets or exceeds established objectives, we believe that executive officers should be rewarded under our incentive compensation programs for their efforts in achieving our goals. Likewise, when our performance does not meet the established goals, incentive compensation may be reduced or eliminated.

Incentive compensation is designed to balance short-term annual results and long-term multi-year success of the Company. Short-term awards primarily are payable in cash, while long-term awards are equity-based awards.

Clawback Policy

The Weatherford Executive Compensation Clawback Policy sets out the terms under which we may seek to recover incentive compensation from our officers under certain circumstances. The purpose of the policy is to enable the Compensation Committee to recoup performance-based compensation that is paid but is subsequently determined not to have been earned because financial results are restated, including if the Compensation Committee determines that an officer has engaged in fraud, willful misconduct or gross negligence that has caused or contributed to a restatement of our financial statements.

Mandatory Minimum Share Ownership Guidelines

The Compensation Committee believes that it is important to align the interests of management with the interests of our shareholders. In furtherance of this philosophy, the Company has adopted the following mandatory minimum share ownership guidelines. Share ownership includes shares owned directly as well as equity-based awards not yet fully vested, deferred compensation plans and retirements plans (including our 401(k) plan and suspended plans). The minimum guidelines are based on a multiple of the latest annual base salary or, in the case of directors, annual cash retainer. The guidelines are as follows:

Chief Executive Officer	6x
Other executives	3x
Directors	5x

A transition period of two years is allowed for new directors to achieve the ownership amount. Executive officers are required to achieve ownership amounts within three years of hire or appointment.

The Compensation Committee has reviewed the share ownership of our executive officers and directors and determined that they, subject to the transition period described above, meet or exceed these share ownership guidelines.

Compensation Committee Processes and Activities

The Compensation Committee meets at least quarterly to consider our executive compensation programs and matters that relate to executive compensation. The Compensation Committee receives regular reports on compensation information and analysis prepared by L&A, the financial performance of the Company and the performance of each executive officer to determine the appropriate level and combination of salary and incentive compensation for executive officers. The procedures used to establish the total compensation levels for all executive officers are the same; however, there is variability in the levels of compensation paid among our executive officers, as the Compensation Committee may consider historical and individual circumstances, including tenure and experience, individual performance, anticipated future contributions, retention factors, including apparent career alternatives for each individual, and the availability of comparable data for certain positions.

The Compensation Committee annually reviews the compensation structure of our executive officers. Following the annual review, the Compensation Committee adjusts base salaries, determines the metrics and goals for annual performance compensation and determines the forms and amounts of long-term incentive awards. In making those determinations, the Compensation Committee relies on input from L&A, but also solicits input and recommendations from our CEO as to appropriate forms and amounts of compensation for the executive officers other than himself, including recommendations as to potential metrics and targets for our annual incentive plan. While the Compensation Committee considers the CEO's recommendations as it deems appropriate, it retains ultimate decision-making authority to determine compensation of all executive officers, other than the CEO, whose compensation is recommended by the Compensation Committee and approved by the Board.

The Compensation Committee reviews the Company's compensation philosophies on an ongoing basis in an effort to ensure that executive compensation appropriately reflects corporate and individual performance and yields awards that are reflective of the individual's contribution to the achievement of our goals.

Risk Analysis of our Compensation Programs

The Compensation Committee reviews our compensation plans and policies to ensure that they do not encourage unnecessary risk taking and instead encourage behaviors that support sustainable value creation. In 2013, the Compensation Committee, with the assistance of L&A, reviewed the Company's compensation policies and practices for executive officers, and believes that our compensation programs are not reasonably likely to have a material adverse effect on the Company. We believe the following factors reduce the likelihood of excessive risk-taking:

- The program design provides a balanced mix of cash and equity, annual and long-term incentives, fixed and variable pay, and performance metrics;
- Maximum payout levels for bonuses are capped;
- The Compensation Committee has downward discretion over incentive program payouts;
- Executive officers are subject to share ownership guidelines;
- Compliance and ethical behaviors are integral factors considered in all performance assessments; and
- The Company has a clawback policy.

Compensation Consultants and Independence

As set forth in its charter (which can be found on our website at *www.weatherford.com*, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters"), the Compensation Committee has the authority to retain and terminate compensation consultants to provide advice to the Compensation Committee. The Committee retained L&A in 2013 to provide information, analyses and advice regarding executive compensation. The NYSE has adopted guidelines for Compensation Committees to consider when identifying Committee advisor independence. The Committee reviewed these guidelines and determined that L&A is an independent consultant, and L&A performs no services for the Company other than those related to executive and non-employee director compensation.

Our management communicates with L&A and provides data to L&A regarding our executive officers, but does not direct L&A's activities. L&A has not performed or provided compensation services in the past to our management.

Market Analysis and Peer Group

When considering our compensation practices and levels, the Compensation Committee reviews the compensation practices and levels of a peer group of publicly-traded energy service and exploration and production companies to determine market levels. There are a limited number of companies and potential peers for us to determine an appropriate peer group. The Compensation Committee periodically reviews the composition of our peer group to ensure that the companies in the group are relevant for comparative purposes and have executive positions with responsibilities similar to ours and that compete with us for executive talent. The Compensation Committee and L&A review data for potential peers relating to enterprise value, revenue and market capitalization. Based on these factors and directly comparable business lines, the Compensation Committee determined that the following companies would comprise our peer group for 2013. The Company's revenues were in the 50th percentile of this peer group. This is the same peer group we used in 2012, and we used the same peer group in early 2014 to establish executive compensation for 2014:

- Baker Hughes Incorporated
- Cameron International Corporation
- Halliburton Company
- Nabors Industries Ltd.
- National Oilwell Varco, Inc.
- Noble Energy Inc.
- Schlumberger Limited
- Transocean Ltd.

Components of our Executive Compensation Program

The following table reflects the compensation paid to our executive management team for the year ended December 31, 2013. Compensation amounts shown below are in CHF in accordance with statutory requirements, however, actual amounts were paid in the executive's local currency. Dr. Duroc-Danner was the highest paid executive management team member in 2013 based on compensation awarded and is shown separately in the table below in addition to being included in the total.

	For the Year Ended December 31, 2013		
Type of Compensation	**Total for Executive Management Team**[(1)] *(in CHF thousands)*	**% of Team Compensation to Total Compensation**	**Total for Highest Paid Member** *(in CHF thousands)*
Salary	4,787	11	1,760
Share-based Awards[(2)]	23,456	55	7,321
Non-equity Incentive[(3)]	3,573	8	2,218
Severance Pay[(4)]	7,524	18	—
Expatriate/Geographic Benefits[(5)]	1,759	4	624
Expatriate Taxes[(6)]	819	2	271
Other[(7)]	1,049	2	115
TOTAL	**42,967**	**100**	**12,309**

(1) The Board designated the following officers as the sole members of the Company's executive management team: Chief Executive Officer; Chief Financial Officer; Chief Operating Officer; and Executive Vice President — Strategy and Development and Chief Safety Officer. Amounts herein also include compensation related to our former Chief Financial Officer and Chief Operating Officer in addition to persons in those positions as of December 31, 2013.

(2) Share-based awards, which include performance-based share awards, were granted to executive management on various days within the year and vest over various periods. The value above is an accumulation of the grant date fair value of each of those awards. The grant date fair value of each of the awards was based on the Company's closing stock price on the date of grant or when applicable, a calculated fair value derived using a Monte Carlo valuation model.

(3) Amounts represent payouts in conjunction with the Non-Equity Incentive Compensation Plan.

(4) In 2013, two members of the executive management team left the Company. The amount above represents their severance benefits in accordance with their employment agreements.

(5) Expatriate/Geographic Benefits includes relocation pay, geographic differential, housing, schooling and other similar expatriate benefits.

(6) Expatriate Taxes represents the difference between cash taxes paid on behalf of the executive and amounts withheld from the executive's compensation.

(7) Other includes benefits such as benefit plan contributions, car allowance, life insurance premiums, club dues, consulting fees, employer healthcare, Medicare and social security costs. Other also includes a one-time lump sum cash payment to our new Chief Financial Officer of $300,000 as an inducement to join the Company and as a make-up payment for foregone amounts from his prior employer as well as a bonus for our current Chief Operating Officer for his leadership in successfully remediating the material weakness in internal control over income tax accounting.

Below is a detailed discussion and analysis of each component of our executive compensation.

Base Salary

Base salary provides a fixed level of compensation to the executive, representative of his skills, responsibilities and experience. Base salaries for our executive officers are reviewed annually. Proposed increases to base salaries are reviewed by the Compensation Committee following recommendations from Dr. Duroc-Danner (other than for his own base salary). The Compensation Committee does not rely on predetermined formulas or criteria when evaluating executive base salaries, but considers comparable market data provided by L&A. The Committee also considers individual contributions, retention and succession planning concerns in setting base salaries.

Annual Incentive Compensation

Our annual incentive compensation is generally structured to deliver variable cash payouts in line with market multiples when performance targets are achieved or exceeded. The Compensation Committee annually establishes the terms of any awards under our Executive Non-Equity Incentive Compensation Plan (the "ICP"), including the financial metrics and goals for each award, during the first quarter.

For each award under the ICP, the Committee establishes goals at three levels: threshold, target and superior. Target represents a strong but achievable level of performance that will increase shareholder value. Superior represents an extraordinary level of performance that will substantially increase shareholder value. Threshold is the entry-level of performance under the ICP, established so that smaller awards will be earned for satisfactory performance short of target.

The Compensation Committee establishes potential award payments as a percentage of the executive's annual base salary as in effect at the end of the plan year, with a percentage determined for achievement of threshold, target or superior level. If our financial results fall between the threshold and target goal levels or between the target and superior goal levels, the award payment will be determined by linear interpolation to derive the percentage of salary.

2013 Annual Incentive Results

For 2013, the Compensation Committee adopted multiple metrics to determine the short-term incentive payouts that include goals based on profitability, capital efficiency and safety as set forth in the following table, which also shows the actual results of these metrics.

($ in millions)

Objective		Profitability	Capital Efficiency	Safety	
Performance Metric		**Operating Income[(a)]**	**Reduction in Days Working Capital[(b)]**	**Lost-Time Incident Rate**	**Preventable Vehicle Incident Rate**
Metric Weight		45%	45%	5%	5%
2013 Superior	$	2,757	12 days	0.14	0.69
2013 Target	$	2,282	10 days	0.15	0.73
2013 Threshold	$	2,007	8 days	0.17	0.81
2013 Actual	$	1,715	14 days	0.15	0.62

(a) Operating Income is regional operating income before corporate, research and development, and items.

*(b) Days Working Capital is calculated as [(Receivables + Inventory – Payables)/Annual Revenue] * 365 and the reduction is based on the change from December 31, 2012 to December 31, 2013.*

The Company did not achieve the threshold level for profitability in 2013. However, the Company achieved substantial improvements in its capital efficiency, and met or surpassed targets in its safety metrics. These results led to non-equity incentive payments. These payouts are calculated based on the program as described in our proxy statement for our 2013 Annual General Meeting of Shareholders (which is available on our website at *www.weatherford.com* – under "Investor Relations") and do not include any discretionary additional payouts. Our CEO's target annual incentive potential for 2013 was CHF 2,112,000. His maximum potential was CHF 4,224,000, but his achieved and paid incentive was CHF 2,217,600.

Award payments under the ICP are made after the public release of our year-end financial results for the applicable year and after determination of the award payments by the Compensation Committee. No award payment is made until the calculation of the payment award is approved by the Compensation Committee. Plan awards earned for a year generally are paid in February or March of the following year. Awards are paid in cash in the currency in which the recipient is ordinarily paid.

The Compensation Committee may determine that modifying the ICP, the goals or the potential award payments would provide more appropriate incentives for executives in the event of unforeseen developments. The Compensation Committee does not intend to exercise this discretion except in very unusual circumstances. The Compensation Committee reserves the right in its sole discretion to adjust the financial metrics under the ICP to reflect (1) the impact of material acquisitions or dispositions, (2) changes in our industry, (3) changes in macro-economic factors or conditions impacting the Company, (4) changes in market compensation practices and other circumstances, (5) changes in applicable laws, regulations or accounting practices, or (6) other matters that were not anticipated when the financial goals for the plan year were determined. The Compensation Committee also retains the discretion to make alternative bonus calculations or to make retention awards or other awards based on alternative or non-financial performance criteria if unexpected circumstances make such changes appropriate. The Compensation Committee does not intend to increase the potential payment amounts even if an adjustment to the metrics is warranted.

Long-Term Equity Incentive Compensation

Long-term equity incentives are designed to motivate management to enable the Company to achieve long-term performance improvements and serve to link a significant portion of compensation to shareholder returns. In March 2010, the Compensation Committee approved the 2010 Omnibus Incentive Plan (which was approved by our shareholders at our Annual General Meeting on June 23, 2010), under which the Company may issue awards of long-term equity compensation from time to time consistent with the objectives and philosophy of our compensation programs. We generally grant long-term equity awards annually in February or March to incentivize future performance.

Determination of Aggregate Value of Awards

In determining the total value of long-term incentive awards to be granted to executive officers, the Compensation Committee determines the award value as a nominal dollar amount in accordance with market data and considers, without giving particular weight to any specific factor, the position of the officer (both in terms of function and responsibilities), tenure, anticipated future contributions and the long-term incentive compensation of similarly situated executives in our peer group. In determining the number of restricted share or performance units to award, the Compensation Committee looks to the closing share price as of the date of grant.

Forms of Long-term Incentives

Long-term incentive awards provide executive officers with a benefit that increases only when the value of our shares increases, which aligns their interests with increasing shareholder value. Long-term incentives are equity-based and include restricted share units and performance units. In determining the form or forms of award grants, the Committee considers, among other factors, the seniority of the officer and the ability of the officer to impact our success, as well as the appropriateness of a particular security to the individual executive.

Restricted share units ("RSUs") motivate our executive officers to strive for share price appreciation, as they are granted at the closing price on the date of grant, and the executive realizes value only when the units vest and the underlying shares are delivered. RSUs generally vest in equal annual installments over a period of three years. Upon vesting, the holder of RSUs receives one registered share for each unit that vested. Holders of RSUs do not have voting rights or dividend participation rights until the underlying shares are delivered to them. RSUs are a fixed component of our executive compensation program, *i.e.*, their attribution to the respective executive officer does not depend on the achievement of any performance target.

Performance units ("PUs") have the higher possible returns and also higher risk of the various forms of awards available to the Compensation Committee to grant. PUs also provide an even stronger correlation to shareholder value, as they vest, if at all, into a number of shares depending on achievement of specified performance targets. PUs are thus a variable type of compensation. PUs vest over a specified period of time, as determined for each award.

With regard to vesting of RSUs and PUs, if the holder's employment with the Company terminates prior to the last (or sole) vesting date, in the case of RSUs, for any reason other than the holder's death or "disability," or in the case of both types of awards, is terminated by the holder for any reason other than "good reason" or by the Company for "cause," then any restrictions that have not previously lapsed pursuant to the aforesaid provisions will not lapse, and any units with respect to which the restrictions have not lapsed will be forfeited to the Company. See additional descriptions and definitions in "Executive Employment Agreements" on page 137.)

For our executive management team, the proportion of (i) RSUs to (ii) PUs granted during 2013 in aggregate is approximately 44 percent.

Grants in 2013

In March 2013, the Committee awarded long-term equity incentives to the members of our executive management team. Of these awards, the Committee granted 100% of the award to our CEO and our former Chief Operating Officer in the form of PUs. The Compensation Committee granted other executive officers (other than Mr. Shivram) 50% of their awards in PUs and 50% in RSUs. In determining to grant other executive officers a different equity mix, the Compensation Committee noted that the Company was alone among its peers in providing all long-term compensation solely in PUs for the CEO. Further, the Compensation Committee considered that a grant of entirely PUs may not be the most effective incentive for all executive officers, depending on such factors as the executive's career tenure, level of responsibility within the Company, job function, and retention concerns. Mr. Shivram's awards were 100% in the form of restricted share awards and were granted as an inducement to join the Company and as a make-up payment for foregone amounts at Mr. Shivram's prior employer. Mr. Shivram's awards vested immediately but are subject to lock-up provisions that enable him to sell or otherwise dispose of the shares only over a three-year period, and are also subject to the forfeiture provisions discussed above under "Forms of Long-Term Incentives."

The 2013 PUs have a single three-year performance period (2013-2015 combined). The PUs will be settled in registered shares issued under our 2010 Omnibus Incentive Plan, with the actual number of shares to be issued based on a multiple of each executive's targeted number of PUs. The performance multiplier is based on the Company's absolute increase in share price, measured as compound annual growth rate ("CAGR"). The following table shows the number of shares each unit will vest into based on our three-year CAGR:

CAGR	Performance Multiplier
20%+	2.0x
15%	1.0x
10%	0.5x
<10%	0.0x

CAGR between 10% and 15% or between 15% and 20% would be interpolated (*i.e.*, CAGR of 18% would yield a multiplier of 1.6x).

Other Share Grants

Due to our suspension of the Executive Deferred Compensation Stock Ownership Plan ("EDC") in 2008 (see "Retirement Plans—Suspended Deferred Compensation Plan" below), and in order to continue to encourage equity ownership as well as to compensate participants for the loss of this benefit, we grant participants in this plan and certain other executives, including our executive management team (other than Mr. Shivram as this benefit ceased prior to his employment) and approximately 20 other non-executive senior management and key employees, quarterly grants of shares in an amount to approximate the benefits participants would have received had we not suspended the plan.

Perquisites

We provide our executive officers with perquisites and other personal benefits that we believe are reasonable and consistent with the practices of our peer group. Perquisites made available to our executive officers include an annual car allowance or the use of a company car and payment of club dues. The amounts of these perquisites are shown in the table under "Components of our Executive Compensation Program" on page 132.

Expatriate Benefits

For our executive officers who are assigned to an international location outside their home country, we also provide reasonable and customary expatriate benefits, including relocation expenses, housing allowance and educational expenses for dependent children. The types and values of expatriate benefits are shown in the table under "Components of our Executive Compensation Program" on page 132.

Dr. Duroc-Danner has declined to accept a housing allowance or educational expenses in connection with his relocation to Switzerland.

We also provide officers who are on international assignment a benefit designed to absorb part of the additional tax burden resulting from their assignment. We believe these benefits are standard in our industry and generally apply to non-management expatriate employees as well. We believe the level of tax benefit provided is reasonable and not excessive. Further, we believe the cost to the Company of providing this benefit is reasonable in light of the benefits we receive in having our officers assigned outside of their home country.

The level of tax benefit we provide to officers assigned to our Swiss headquarters is significantly less than the benefit we provide to non-executive employees on international assignment in other jurisdictions. We use a "hypothetical tax" model, in which we deduct a fixed amount from the executive's cash and equity income and then pay taxes on behalf of the executive in his home country and country of assignment. Many companies use a "tax equalization" method, in which the expatriates' taxes are calculated based on what they would be in his or her home country if he or she were not on an international assignment, and the company reimburses the expatriate for all taxes above that amount.

For our officers assigned to Switzerland, we generally deduct a 35% hypothetical tax. The effective result is that these officers pay a 35% flat tax on every dollar of income with no deductions and no exemptions. This often results in a higher tax payment by the executive than they would pay in their home country absent the international assignment, so the tax benefit we provide is less than the full tax equalization method employed by many companies in our industry.

Retirement Plans

Discontinued Supplemental Executive Retirement Plan

Historically, we maintained the SERP. No new participants have been admitted to the SERP since 2006. The original plan was frozen in 2008, and the successor plan was frozen in 2010, following which no additional benefits have accrued to the participants, other than de minimis interest accruals on cash balances.

The only remaining participant in the SERP is Dr. Duroc-Danner. In 2010, Dr. Duroc-Danner elected to convert his fully vested cash balance in the SERP into approximately 4.4 million notional share units. He will receive these units upon leaving the Company or no later than January 1, 2017, and the value of these units will increase or decrease in direct correlation to the change in our share price. This provides a strong linkage to our share price performance.

Suspended Deferred Compensation Plan

We historically maintained the EDC for our executive officers and certain senior managers and key employees. We suspended the EDC in 2008 such that no new participants may join the plan, participants may not make compensation deferrals to the plan, and we do not make credits under the plan on behalf of participants.

All participants in the plan are fully vested in their plan balances. Shares sufficient to cover all participant accounts are maintained in a trust. The Company does not expect to incur any further liability on distribution of participant accounts. All shares and/or cash amounts under the EDC will be distributed upon the respective participants' leaving the Company or no later than January 1, 2017. Generally, distributions will be made in registered shares; however, if our previously announced redomestication from Switzerland to Ireland is approved by shareholders, the Company will make distributions in cash pursuant to an amendment to the EDC made in order to comply with Irish law. The redomestication will not, however, affect the timing or amount of distributions.

During 2012, the Compensation Committee elected to terminate this plan and make a partial distribution pursuant to it, resulting in the taxable distribution to participants of fully vested balances as of December 31, 2004. The Compensation Committee took this action to minimize the ongoing administrative burden of this suspended plan and in anticipation of higher 2013 personal income tax rates for most participants.

Other Generally Available Benefits

Our executive officers are eligible for additional Company-wide benefits on the same basis as other full-time employees. These include a 401(k) plan or other pension plan depending on their jurisdiction, as well as health, medical and welfare programs. We also pay life insurance premiums on their behalf.

There were no loans granted to active or former members of the Board or senior management in fiscal year 2013, and as of December 31, 2013, there were no such loans outstanding.

Employment Agreements

Executive Employment Agreements

All of our current executive officers have entered into substantially the same form of employment agreement (the "Executive Employment Agreement") except that Mr. Shivram's agreement does not contain a "good reason" termination event for relocation and certain provisions were added to address potential changes in applicable law. Under the terms of the Executive Employment Agreement, if the Company terminates an executive's employment for any reason other than cause, if the executive terminates his employment for good reason or if the employment is terminated as a result of the executive's death or disability, the executive will be entitled to receive (i) an amount equal to three (or one in the case of death, disability or the Company's non-renewal of the agreement) multiplied by the sum of the annual base salary received by the executive as of the date of termination plus the target level annual bonus that would be payable in the current fiscal year, and (ii) any accrued salary or bonus (pro-rated to the date of termination). In addition, under these circumstances, all dental and health benefits and all other welfare benefits will be maintained for one to three years after termination provided the executive makes his required contribution. We are required to pay legal fees and expenses incurred by the executive in any disputes regarding the Executive Employment Agreement, so long as the executive undertakes to reimburse the Company for such amounts paid if the executive is determined to have acted in bad faith in connection with the dispute.

Benefits potentially payable to our executive officers under the Executive Employment Agreement are described in greater detail under "Potential Payments upon Termination or Change of Control" beginning on page 137.

Severance Benefits

The severance benefits under the Executive Employment Agreement are not augmented by a change of control and are "double-trigger" arrangements.

The Compensation Committee has determined that offering severance benefits (which may be payable in the event of a qualifying termination of employment prior to or following a change of control) is beneficial in recruiting and retaining executives and also encourages the retention of our officers during the pendency of a potential change of control transaction or other organizational changes within the Company. Our severance benefits and protections are intended to provide for the payment of severance benefits to the executive officers in the event their employment with the Company is involuntarily terminated without cause (including in case of death or disability) or they resign for good reason and to encourage the executive officers to continue employment in the event of a potential "change of control." The Compensation Committee believes that these benefits serve to enhance shareholder value and align our officers' interests with those of our shareholders. While the Executive Employment Agreement provides for severance benefits, the benefits provided by these agreements are generally more limited compared to prior agreements.

Shareholder Rights

Restrictions on Voting Rights and Representation

According to Article 17 of our Articles of Association, each share has the right to one vote. Generally, there are no restrictions on voting our shares other than as set forth in Articles 7 and 9 of our Articles of Association.

Article 7 of our Articles of Association generally provides that a person recorded in our share register shall notify the share registrar of any change in address. Until such notification shall have occurred, all written communication from the Company to persons recorded in our share register shall be deemed to have validly been made if sent to the address recorded in the share register. Article 7 also provides that an acquirer of our shares shall be recorded upon request in the share register as a shareholder with voting rights; provided, however, that any such acquirer expressly declares to have acquired the shares in its own name and for its own account, save that the Board may record nominees who hold our shares in their own name, but for the account of third parties, as shareholders of record in the share register of the Company. Beneficial owners of our shares who hold shares through a nominee exercise the shareholders' rights through the intermediation of such nominee. After hearing the registered shareholder concerned, the Board may cancel the registration of such shareholder as a shareholder with voting rights in the share register with retroactive effect as of the date of registration, if such registration was made based on false or misleading information. The relevant shareholder shall be informed promptly of the cancellation.

Article 9 of our Articles of Association generally provides that the Company shall only accept one representative per share. Additionally, voting rights and appurtenant rights associated therewith may be exercised in relation to the Company by a shareholder, usufructuary of shares or nominee only to the extent that such Person is recorded in the share register with the right to exercise his voting rights.

Shares held in treasury do not carry any rights to vote at shareholders' meetings, but are entitled to the economic benefits, including dividends, preferential subscription rights in the event of share capital increases and advance subscription rights, generally applicable to the shares. For your reference, our Articles of Association can be found at: *http://www.weatherford.com/ECMWEB/groups/web/documents/weatherfordcorp/wftcorp_articles_assoc.pdf.*

Resolutions and Statutory Quorums

Pursuant to our Articles of Association, the shareholders generally pass resolutions upon the relative majority of the votes cast at the general meeting of shareholders (not counting broker non-votes, abstentions and blank or invalid ballots and withdrawn votes), unless otherwise provided by law (including stock exchange regulations) or our Articles of Association.

In accordance with the Swiss Code of Obligations ("Swiss COO"), our Articles of Association require the affirmative vote of at least (a) two-thirds of the voting rights and (b) the absolute majority of the par value of the registered shares, each as represented (in person or by proxy) at a general meeting, to approve the following matters:

- the amendment to or the modification of the purpose of the Company;
- the creation or cancellation of shares with privileged voting rights;
- the restriction on the transferability of shares and the cancellation of such restriction in relation thereto;
- the restriction on the exercise of the right to vote and the cancellation of such restriction;
- an authorized or conditional increase in the nominal share capital;
- an increase in the share capital through (i) the conversion of capital surplus, (ii) a contribution in kind or an acquisition of assets, or (iii) a grant of special privileges;
- the limitation or withdrawal of preferential subscription rights or advance subscription rights;
- a change in the place of incorporation of the Company;
- the conversion of registered shares into bearer shares and vice versa;
- the dissolution of the Company; and
- the removal of a member of the Board.

Pursuant to our Articles of Association, the presence of shareholders, in person or by proxy, holding at least two-thirds of the registered shares recorded in our share register and generally entitled to vote at a meeting is a quorum required for the transaction of the following business:

- the adoption of a resolution with respect to the removal of a serving director; and
- the adoption of a resolution to amend the following provisions of the Articles:
  - Article 21 — which sets forth the quorum at a general meeting required for certain matters,
  - Articles 18 and 20 — which set forth the level of shareholder approval required for certain matters,
  - Article 22 — which sets forth the number of directors,
  - Article 23 — which sets forth the term of office of a director, and
  - Article 24 — which sets forth the organization and remuneration of the Board.

The presence of shareholders, in person or by proxy, holding at least one-third of the registered shares recorded in our share register and generally entitled to vote at a meeting is a quorum required for the transaction of any other business. Under the Swiss COO, the Board has no authority to waive quorum requirements set forth in the Articles of Association. For your reference, our Articles of Association can be found at: *http://www.weatherford.com/ECMWEB/groups/web/documents/weatherfordcorp/wftcorp_articles_assoc.pdf.*

Agenda

Under our Articles of Association, any shareholder satisfying the requirements of Article 699 of the Swiss COO may request that an item be included on the agenda of a general meeting of shareholders. An inclusion of an item on the agenda must be requested in writing at least 60 and no more than 90 calendar days prior to the scheduled and announced date of the next Annual General Meeting of shareholders. The request must specify the relevant agenda items and proposals, together with evidence of the required shareholdings recorded in the share register, as well as any other information as would be required to be included in a proxy statement pursuant to the rules and regulations of the SEC. For your reference, our Articles of Association can be found at: *http://www.weatherford.com/ECMWEB/groups/web/documents/weatherfordcorp/wftcorp_articles_assoc.pdf*.

Shareholder proposals to be included in the proxy materials related to our proxy statement prepared pursuant to SEC rules for an annual general meeting must comply with Rule 14a-8 of the Exchange Act to be considered for inclusion in the proxy statement for that meeting. For any matters submitted outside the process of Rule 14a-8, a request for inclusion of an item on the agenda or a nominee must satisfy the requirements set out in the above paragraph.

Any shareholder proposal, whether or not to be included in our proxy materials, must be sent to our Secretary at 4-6 Rue Jean-François Bartholoni, 1204 Geneva, Switzerland.

No resolution may be passed at an Annual General Meeting of shareholders concerning an agenda item in relation to which due notice was not given. Proposals made during a general meeting of shareholders to (i) convene an extraordinary general meeting or (ii) initiate a special investigation in accordance with Article 697a of the Swiss COO are not subject to the due notice requirement set forth herein.

No prior notice is required to bring proposals related to items already on the agenda or for the discussion of matters on which no vote is to be taken.

Inscription into Share Register

A share register of our registered shareholders is maintained by American Stock Transfer & Trust Company, LLC, which acts as transfer agent and registrar of the Company. Each shareholder recorded in the share register as of the record date for the meeting is entitled to participate at the General Meeting of Shareholders and in any vote taken. The Board is to issue the particulars of the right to representation and participation at the General Meeting of Shareholders in procedural rules.

Swiss Takeover and Change of Control Matters

Duty to Make an Offer

Pursuant to the applicable provisions of the Swiss Federal Act on Stock Exchanges and Securities Trading (the “SESTA”), any person that acquires shares of a listed Swiss company, whether directly or indirectly or acting in concert with third parties, which shares, when taken together with any other shares of such company held by such person (or such third parties), exceed the threshold $33^1/_3$% of the voting rights (whether exercisable or not) of such company, must make a takeover bid to acquire all the other listed shares of such company. A company’s Articles of Association may either eliminate this provision of the SESTA or may raise the relevant threshold to 49% (“opting-out” or “opting-up,” respectively). Our Articles of Association do not contain an opting-out or opting-up provision. For your reference, our Articles of Association can be found at: *http://www.weatherford.com/ECMWEB/groups/web/documents/weatherfordcorp/wftcorp_articles_assoc.pdf*.

A waiver of the mandatory bid rules may be granted by the Swiss Takeover Board or the Swiss Federal Market Supervisory Authority FINMA under certain circumstances. If no waiver is granted, the mandatory takeover bid must be made pursuant to the procedural rules set forth in the SESTA and the implementing ordinances thereunder.

There is no obligation to make a takeover bid under the SESTA if the voting rights in question are acquired as a result of a gift, succession or partition of an estate, a transfer based upon matrimonial property law, or execution proceedings.

Change of Control Clauses

The equity plans and related grant and award agreements in which members of our Board and executive management participate generally provide for the vesting of relevant grants and awards and acceleration of certain benefits upon a change of control. For certain outstanding option awards, our Board has the discretion upon a change of control whether to accelerate the vesting of the outstanding award, or require the award to be substituted or otherwise adjusted.

Potential Payments Upon Termination or Change of Control

The following summarizes the potential payments to our executive officers upon termination or change of control.

Executive Employment Agreements

Under the terms of the Executive Employment Agreements with Dr. Duroc-Danner and Messrs. Mehta and Shivram (and with Mr. Gee, who left the Company effective February 28, 2014), if their employment is terminated, whether as a result of death, “disability,” “good reason,” “cause” or otherwise (each term as defined in the Executive Employment Agreements), the executive officer (or his estate) will generally be entitled to receive the following compensation:

- any unpaid salary and accrued vacation earned through the date of termination of employment (the “Earned Unpaid Salary”);
- all benefits to which the executive is entitled or vested (or becomes entitled or vested as a result of termination) under the terms of all employee benefit and compensation plans, agreements, arrangements, programs, policies, practices, contracts or agreements in which the executive was a participant at the time of termination (the “Benefits Payment”);
- an amount equal to the annual bonus amount that would be payable in the year of termination (pro-rated to the date of termination) based on actual performance for the fiscal year;
- an amount equal to the sum of the base salary at the time of termination added to the target bonus amount (that would be payable in the year of termination), multiplied by three in the event of a termination by us other than for cause or by the executive for good reason (other than non-renewal, as defined below) and multiplied by one in the case of a termination due to death, disability or for a termination for good reason due to the Company’s non-renewal of the agreement (the “Salary and Bonus Payment”);
- any benefits payable under our retirement plans as of the date of termination (the “Retirement Plan Payment”);
- all dental and health benefits under any plans that are provided to the executive and his or her family prior to termination would be maintained after termination for a period of one to three years or such longer period as the plans may require, provided the executive makes his required contribution and that such benefits are secondary to any benefits offered by another employer (the “Healthcare Benefit”); and
- up to a maximum of USD 35,000 for outplacement services for the executive, the provider of which would be selected and paid directly by us (the “Outplacement Benefit”) for a period not extending beyond the last day of the second taxable year following the taxable year in which the executive’s termination occurs.

Under the Executive Employment Agreements, we will make required payments (other than the pro-rata bonus payment for the year of termination, which will be paid at the time bonus payments for that year would normally be paid) within 30 days after the date of the participant’s section 409A separation from service with the Company. However, if the participant is a section 409A specified employee, these payments will be made on the date that is six months following date of such separation from service with such payments (along with the Retirement Plan Payment) bearing interest at the prime rate per annum as of the date of termination.

The Executive Employment Agreements provide that if the employee is a participant in our now frozen retirement plan (which applies only to Dr. Duroc-Danner), he will be entitled to a “gross up payment” that is limited solely to the payments of penalties, excise or other taxes incurred by him pursuant to Section 457A of the Code with respect to accrued benefits under our retirement plans. The Company does not believe that Section 457A would impose any such penalties, excise or other taxes. The Executive Employment Agreements expressly exclude gross-ups previously provided under those retirement plans. The Executive Employment Agreements do not provide for any other type of “gross-up payments.”

Under the Executive Employment Agreements:

(i) "cause" is defined as the willful and continued failure to substantially perform the executive's duties with the Company (other than failure resulting from incapacity due to mental or physical illness or anticipated failure after the executive has provided a notice to termination for good reason) after written demand is made by the Board, or the willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company.

(ii) "disability" is defined as the absence of the executive from his duties on a substantial basis for 120 calendar days as a result of incapacity due to mental or physical illness. If we determine that the executive is disabled, the executive has 30 days from the date of our notice to the executive of intent to terminate employment by reason of disability to return to full-time performance of his duties. The executive may terminate his employment for disability if a physician selected by the executive determines that a disability has occurred.

(iii) "good reason" generally means the occurrence of any of the following:

- the assignment to the executive of any position, authorities, duties or responsibilities that are materially inconsistent with the executive's position, authorities, duties or responsibilities as provided in the Executive Employment Agreement or any other action that results in a material diminution of the executive's position, authorities, duties or responsibilities;
- a relocation of the executive (a provision not included in Mr. Shivram's agreement);
- a material breach by the Company of the Executive Employment Agreement;
- the Company's giving of notice that the Executive Employment Agreement term will not be extended ("non-renewal"); or
- the failure by the Company to require any successor to perform the Executive Employment Agreement between the executive and the Company.

After a change of control or other transaction in which our registered shares cease to be publicly traded, "good reason" also will be deemed to exist if the executive is assigned to any position, authority, duties or responsibilities that are not at the ultimate parent company of the surviving entity.

(iv) "change of control" is generally deemed to occur if:

- any person acquires 20% or more of our registered shares;
- at least two-thirds of the members of the current Board cease to be directors other than in specified circumstances;
- upon the consummation of a merger or similar transaction other than (1) a transaction in which the shareholders beneficially owning the registered shares outstanding immediately prior to the transaction represent at least two-thirds of the voting power immediately after the transaction, (2) a transaction in which no person owns 20% or more of the outstanding registered shares or voting power of the surviving entity, and (3) a transaction in which at least two-thirds of the members of the surviving entity are current members of the Board at the time the transaction was approved; or
- approval or adoption by the Board or our shareholders of a plan or proposal which could result directly or indirectly in the liquidation, transfer, sale or other disposal of all or substantially all of the Company's assets or a dissolution of the Company.

The Executive Employment Agreements contain a confidentiality provision. In no event, however, will an asserted violation of the confidentiality provision constitute a basis for deferring or withholding any amounts otherwise payable to the executive under the Executive Employment Agreement.

Similarly, the Executive Employment Agreements contain non-competition and non-solicitation provisions which are generally applicable for one year from when the executive ceases to be employed. The non-competition restrictions do not apply if the executive terminates employment for any reason within one year following a change of control. Additionally, if the executive voluntarily terminates employment other than for good reason, the non-competition restrictions shall apply only if (i) the Company notifies the executive of its intent to enforce the non-competition provisions within 15 days following the executive's separation from service and (ii) the Company pays the executive a lump sum amount equal to the sum of the annual base salary received by the executive as of the date of termination and the executive's target annual bonus for the fiscal year during which the termination occurs.

We are required to pay legal fees and expenses incurred by the executive in any disputes regarding his employment agreement, so long as the executive undertakes to reimburse the Company for such amounts paid if the executive is determined to have acted in bad faith in connection with the dispute.

There are no additional rights granted to executives under the Executive Employment Agreements as a result of a change of control, other than providing that an executive can terminate his Executive Employment Agreement in connection with a change of control for a material diminution of the executive's position, authority, duties or responsibilities (which will constitute good reason). Further, the Executive Employment Agreements provide that the Company will require any successor to all or substantially all of the Company's business and/or Company's assets to expressly assume and agree to perform the Executive Employment Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement at or prior to the effectiveness of any such succession will entitle the executive officer to compensation from the Company in the same amount and on the same terms as the executive would be entitled if the executive were to terminate employment for good reason after a change of control, except that, (i) for purposes of implementing the foregoing, the date on which any such succession becomes effective will be deemed the date of termination and (ii) the Company will be given the opportunity to cure the foregoing.

Payments to Former Executive Officers

The following paragraphs summarize separation compensation paid to former members of the Company's executive management team.

Peter T. Fontana, formerly the Executive Vice President and Chief Operating Officer of the Company, ceased to be an employee on December 13, 2013. In connection with his rights under his Executive Employment Agreement, the Company paid Mr. Fontana accrued vacation of £213,869, a pro-rated 2013 bonus calculated at a target level of £609,381, and an additional amount of £1,281,984 (representing one times the sum of base salary plus annual bonus calculated at a target level), plus a lump sum of £356,804. Further, in settlement of long-term equity-based incentive awards, Mr. Fontana received a gross distribution of 1,031,148 shares of the Company's stock with respect to RSUs and PUs.

John H. Briscoe, formerly the Senior Vice President and Chief Financial Officer of the Company, ceased to be an employee on September 11, 2013. In connection with his rights under his Executive Employment Agreement, the Company paid Mr. Briscoe accrued vacation of $104,996, a pro-rated 2013 bonus calculated at a target level of $455,947, and an additional amount of $4,149,600 (representing three times the sum of base salary plus annual bonus calculated at a target level), plus interest on certain deferred portions estimated at $74,840. Further, in settlement of long-term equity-based incentive awards, Mr. Briscoe received a gross distribution of 203,811 shares of the Company's stock with respect to RSUs and an additional 288,992 shares with respect to PUs. At the election of Mr. Briscoe, shares were withheld to satisfy the minimum tax withholding requirements. The Company agreed to provide Mr. Briscoe with outplacement services, at a cost of up to $35,000. Mr. Briscoe agreed to provide consulting services to the Company for a period of up to six months after his separation, for which the Company agreed to pay him $11,526 per month.

Nicholas W. Gee, formerly the Executive Vice President - Strategy and Development and Chief Safety Officer of the Company, ceased to be an employee on February 28, 2014. In connection with his rights under his Executive Employment Agreement, the Company paid Mr. Gee accrued vacation of CHF 51,408, CHF 21,134 in lieu of certain insurance benefits, a pro-rated 2014 bonus calculated at a target level of CHF 95,881 and an additional amount of CHF 3,645,336 (representing three times the sum of base salary plus annual bonus calculated at a target level). Further, in settlement of long-term equity-based incentive awards, Mr. Gee received a gross distribution of 440,084 shares of the Company's stock with respect to RSUs and PUs. At the election of Mr. Gee, shares were withheld to satisfy his hypothetical tax obligation. In accordance with the Company's tax procedure for international assignees, the Company will be responsible for Mr. Gee's tax liability beyond the hypothetical taxes deducted from his cash and equity compensation and will incur the costs related to the preparation of his tax returns. In addition, the Company agreed to provide Mr. Gee with outplacement services, at a cost of up to $35,000, and Mr. Gee agreed to provide consulting services to the Company after his separation for a transitional period that is currently being negotiated.

Auditing Body

Date of Assumption and Term of Office of Lead Auditor

Our independent registered public accounting firm and our statutory auditor are appointed and elected, respectively, each year by our shareholders at our annual general meeting. At the 2013 Annual General Meeting, our shareholders ratified the Audit Committee's appointment of KPMG LLP as our independent registered public accounting firm for the year ended December 31, 2013 and elected KPMG AG as Weatherford's Swiss statutory auditor for the year ended December 31, 2013. Martin Rohrbach has been the lead auditor at KPMG. The lead auditor will be rotated every seven years in accordance with Swiss law.

Audit Fees and Additional Fees

The following table presents fees for professional audit services rendered by KPMG and KPMG AG for the audit of the Company's annual consolidated financial statements and statutory financial statements for the year ended December 31, 2013, and fees billed for other services rendered by KPMG and KPMG AG during that period. All fees were approved by the Audit Committee pursuant to its pre-approval policy.

		2013
Audit fees(1)	$	16,789,000
Audit-related fees(2)		90,000
Tax fees(3)		813,000
All other fees(4)		350,000
TOTAL	**$**	**18,042,000**

(1) Audit fees consist of professional services rendered for the audit of the Company's annual financial statements, the audit of the effectiveness of the Company's internal controls over financial reporting and the reviews of the Company's quarterly financial statements. This category also includes fees for issuance of comfort letters, consents, assistance with and review of documents filed with the SEC, statutory audit fees, work performed by tax professionals in connection with the audit and quarterly reviews and accounting consultations and research work necessary to comply with the standards of the Public Company Accounting Oversight Board (U.S.). Fees are presented in the period to which they relate versus the period in which they were billed.

(2) Audit-related fees include consultations concerning financial accounting and reporting matters not required by statute or regulation.

(3) Tax fees consist of non-U.S. tax compliance, planning and U.S./non-U.S. tax-related consultation.

(4) Other services performed include certain other advisory services and do not include any fees for financial information systems design and implementation.

Informational Instruments Pertaining to External Audit

The Audit Committee has established a pre-approval policy for all audit and non-audit services to be provided by the independent auditor. During 2013, no audit or non-audit services performed by the independent auditor were subject to waiver of the pre-approval policy.

There are two types of pre-approval. "General" pre-approval is based on pre-determined types of services. "Specific" pre-approval is required for certain types of services or if a service is expected to exceed budgeted amounts. "Specific" pre-approval must be obtained through direct communications with the Audit Committee or the Chairman of the Audit Committee, to whom the Audit Committee has delegated pre-approval authority. The Chairman must report any pre-approved decisions to the Audit Committee at its next scheduled meeting.

The Audit Committee has designated the Company's Vice President of Audit Services to monitor and report on the performance of all services provided by our independent auditor and to determine whether such services are in compliance with the pre-approval policy. The Vice President of Audit Services periodically reports to the Audit Committee regarding the results of his or her monitoring.

During the year ended December 31, 2013, the Audit Committee met with our auditors six times.

Information Policy

Weatherford publishes an annual report each year that provides information on Weatherford and its consolidated subsidiaries' results and operations, as required by Swiss law and U.S. securities laws (which requirements this Annual Report satisfies). In addition to this Annual Report and as required by U.S. securities laws, Weatherford prepares an annual report on Form 10-K each year and quarterly reports on Forms 10-Q, each of which are filed with the SEC. Weatherford discloses annual and quarterly financial results in accordance with U.S. GAAP. In addition, Weatherford files periodic reports on Forms 8-K that are filed with or furnished to the SEC and issues notices and press releases from time to time as required by applicable law or pursuant to its corporate policies. Copies of these materials are available on our website at *www.weatherford.com.* Any record shareholder may obtain a copy of these documents free of charge by contacting our U.S. Investor Relations Department in writing at 2000 St. James Place, Houston, Texas 77056 or by telephone at +1 (713) 836 4000. Copies of any exhibits to the Company's Form 10-K also are available upon written request subject to a charge for copying and mailing. If you have any other questions about us, please contact our U.S. Investor Relations Department at the address or phone number above or visit our website. You can access our push/pull information system at *http://www.weatherford.com/AboutWeatherford/InvestorRelations/* by clicking on "RSS Feed" and "Email Alert." Investors may email *investor.relations@weatherford.com* to request publicly available information.

Corporate Information

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Stock Data

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Symbol: WFT
SIX Swiss Stock Exchange
Symbol: WFT
NYSE Euronext Paris
Symbol: WFT

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2013 Swiss Auditor

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Switzerland

Legal Counsel

Baker & McKenzie

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Financial Information

Financial analysts and shareholders seeking information about Weatherford International Ltd. should contact our U.S. Investor Relations department at 2000 St. James Place, Houston, TX 77056, USA. Our telephone number at that location is +1 713 836 4000.

We will provide to any shareholder a copy of our annual report, without charge, upon written request. Financial information may also be obtained by visiting our website at http://www.weatherford.com.

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