

We report our financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, Weatherford's management believes that certain non-GAAP financial measures and ratios (as defined under the SEC's Regulation G) may provide users of this financial information, additional meaningful comparisons between current results and results of prior periods. The non-GAAP amounts shown below should not be considered as substitutes for operating income, provision for income taxes, net income or other data prepared and reported in accordance with GAAP, but should be viewed in addition to the Company's reported results prepared in accordance with GAAP.

Weatherford International plc
Reconciliation of GAAP to Non-GAAP Financial Measures

(Unaudited)

(In Millions, Except Per Share Amounts)

	Three Months Ended			Six Months Ended	
	6/30/2015	3/31/2015	6/30/2014	6/30/2015	6/30/2014
Operating Income:					
GAAP Operating Income (Loss)	\$ (464)	\$ 50	\$ 25	\$ (414)	\$ 155
Restructuring, Exited Businesses and Severance	72	41	86	113	170
Impairments, Divestiture Related and Other Charges ^(a)	223	18	286	241	312
Legacy Contracts and Other	69	9	2	78	48
Litigation Charges	112	—	—	112	—
Total Non-GAAP Adjustments	476	68	374	544	530
Non-GAAP Operating Income	<u>\$ 12</u>	<u>\$ 118</u>	<u>\$ 399</u>	<u>\$ 130</u>	<u>\$ 685</u>
Income (Loss) Before Income Taxes:					
GAAP Loss Before Income Taxes	\$ (615)	\$ (107)	\$ (122)	\$ (722)	\$ (127)
Operating Income Adjustments	476	68	374	544	530
Foreign Exchange Related Charges	16	26	—	42	—
Non-GAAP Income (Loss) Before Income Taxes	<u>\$ (123)</u>	<u>\$ (13)</u>	<u>\$ 252</u>	<u>\$ (136)</u>	<u>\$ 403</u>
Provision (Benefit) for Income Taxes:					
GAAP Benefit (Provision) for Income Taxes	\$ 132	\$ —	\$ (11)	\$ 132	\$ (38)
Tax Effect on Non-GAAP Adjustments	(80)	(9)	(43)	(89)	(59)
Non-GAAP Benefit (Provision) for Income Taxes	<u>\$ 52</u>	<u>\$ (9)</u>	<u>\$ (54)</u>	<u>\$ 43</u>	<u>\$ (97)</u>
Net Income (Loss) Attributable to Weatherford:					
GAAP Net Loss	\$ (489)	\$ (118)	\$ (145)	\$ (607)	\$ (186)
Total Charges, net of tax	412	85	331	497	471
Non-GAAP Net Income (Loss)	<u>\$ (77)</u>	<u>\$ (33)</u>	<u>\$ 186</u>	<u>\$ (110)</u>	<u>\$ 285</u>
Diluted Earnings (Loss) Per Share Attributable to Weatherford:					
GAAP Diluted Loss per Share	\$ (0.63)	\$ (0.15)	\$ (0.19)	\$ (0.78)	\$ (0.24)
Total Charges, net of tax	0.53	0.11	0.43	0.64	0.60
Non-GAAP Diluted Earnings (Loss) per Share	<u>\$ (0.10)</u>	<u>\$ (0.04)</u>	<u>\$ 0.24</u>	<u>\$ (0.14)</u>	<u>\$ 0.36</u>
GAAP Effective Tax Rate ^(b)	21%	— %	(10)%	18%	(30)%
Non-GAAP Effective Tax Rate ^(c)	42%	(73)%	22 %	31%	24 %

(a) Impairments, Divestiture Related and Other Charges of \$223 million in the three months ended June 30, 2015 primarily include adjustments related to (i) the impairment of pressure pumping assets and related charges in the United States, (ii) the impairment of an equity method investment, (iii) professional fees, and true-ups related to our 2014 divestiture activity.

(b) GAAP Effective Tax Rate is the GAAP provision for income taxes divided by GAAP income before income taxes.

(c) Non-GAAP Effective Tax Rate is the Non-GAAP provision for income taxes divided by Non-GAAP income before income taxes and calculated in thousands.

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Weatherford International plc

Selected Cash Flow Data

(Unaudited)

(In Millions)

	Three Months Ended			Six Months Ended	
	6/30/2015	3/31/2015	6/30/2014	6/30/2015	6/30/2014
Net Cash Provided by (Used in) Operating Activities	\$ 291	\$ (42)	\$ 435	\$ 249	\$ 29
Less: Capital Expenditures for Property, Plant and Equipment	(187)	(224)	(376)	(411)	(662)
Free Cash Flow	<u>\$ 104</u>	<u>\$ (266)</u>	<u>\$ 59</u>	<u>\$ (162)</u>	<u>\$ (633)</u>

Free Cash Flow: Free cash flow is defined as net cash provided by or used in operating activities less capital expenditures. Free cash flow is an important indicator of how much cash is generated or used by our normal business operations, including capital expenditures. Management uses free cash flow as a measure of progress on its capital efficiency and cash flow initiatives.