

SCHLUMBERGER LIMITED

Reconciliation of Cash Flow from Operations and Free Cash Flow

(Stated in millions)

	2010	2011	2012	2013	2014	2015
Revenue	\$26,280	\$36,579	\$41,731	\$45,266	\$48,580	\$35,475
Cash flow from operations	\$5,654	\$6,054	\$6,915	\$10,690	\$11,195	\$8,805
Capital expenditures	(2,912)	(4,004)	(4,694)	(3,943)	(3,976)	(2,410)
SPM investments	(145)	(174)	(372)	(902)	(740)	(953)
Multiclient seismic data capitalized	(326)	(289)	(351)	(394)	(321)	(486)
Free cash flow	\$2,271	\$1,587	\$1,498	\$5,451	\$6,158	\$4,956
Cash flow from operations margin ⁽¹⁾	21.5%	16.6%	16.6%	23.6%	23.0%	24.8%
Free cash flow margin ⁽²⁾	8.6%	4.3%	3.6%	12.0%	12.7%	14.0%

“Free cash flow” represents cash flow from operations less capital expenditures, SPM investments and multiclient seismic data costs capitalized. Management believes that free cash flow is an important liquidity measure for the company and that it is useful to investors and management as a measure of the ability of our business to generate cash. Once business needs and obligations are met, this cash can be used to reinvest in the company for future growth or to return to shareholders through dividend payments or share repurchases. Free cash flow does not represent the residual cash flow available for discretionary expenditure. Free cash flow is a non-GAAP financial measure that should be considered in addition to, not as substitute for, or superior to, cash flow from operations.

⁽¹⁾ Represents cash flow from operations divided by revenue

⁽²⁾ Represents free cash flow divided by revenue