

## Transocean Ltd. and subsidiaries

## Non-GAAP Financial Measures and Reconciliations

# Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share

(in millions, except per share data)

	YTD 12/31/17	QTD 12/31/17	YTD 09/30/17	QTD 09/30/17	YTD 06/30/17	QTD 06/30/17	QTD 03/31/17			
Adjusted Net Income (Loss)										
Net income (loss) attributable to controlling interest, as reported	\$ (3,127)	\$ (111)	\$ (3,016)	\$ (1,417)	\$ (1,599)	\$ (1,690)	\$ 91			
Litigation matters	(8)	(1)	(7)	-	(7)	1	(8)			
Restructuring charges	2	1	1	(1)	2	2	-			
Acquisition costs	4	-	4	4	-	-	-			
Loss on impairment of assets	1,497	(2)	1,499	1,386	113	113	-			
(Gain) loss on disposal of assets, net	1,590	(6)	1,596	1	1,595	1,597	(2)			
Loss on retirement of debt	55	6	49	1	48	48	-			
Discrete tax items and other, net	(37)	20	(57)	90	(147)	(70)	(77)			
Net income (loss), as adjusted	\$ (24)	\$ (93)	\$ 69	\$ 64	\$ 5	\$ 1	\$ 4			
Adjusted Diluted Earnings (Loss) Per Share:										
Diluted earnings (loss) per share, as reported	\$ (8.00)	\$ (0.28)	\$ (7.72)	\$ (3.62)	\$ (4.09)	\$ (4.32)	\$ 0.23			
Litigation matters	(0.02)	-	(0.02)	-	(0.02)	-	(0.02)			
Restructuring charges	-	-	-	-	-	-	-			
Acquisition costs	0.01	-	0.01	0.01	-	-	-			
Loss on impairment of assets	3.84	-	3.84	3.54	0.29	0.29	-			
(Gain) loss on disposal of assets, net	4.07	(0.01)	4.08	-	4.08	4.08	-			
Loss on retirement of debt	0.14	0.01	0.12	-	0.12	0.12	-			
Discrete tax items and other, net	(0.10)	0.04	(0.13)	0.23	(0.37)	(0.17)	(0.20)			
Diluted earnings (loss) per share, as adjusted	\$ (0.06)	\$ (0.24)	\$ 0.18	\$ 0.16	\$ 0.01	\$ -	\$ 0.01			
	YTD	QTD	YTD	QTD	YTD	QTD	QTD			
	YTD 12/31/16	QTD 12/31/16	YTD 09/30/16	QTD 09/30/16	YTD 06/30/16	QTD 06/30/16	QTD 03/31/16			
Adjusted Net Income	12/31/16	12/31/16	09/30/16	09/30/16	06/30/16	06/30/16	03/31/16			
Net income attributable to controlling interest, as reported	12/31/16 \$ 778	12/31/16 \$ 243								
Net income attributable to controlling interest, as reported Litigation matters	12/31/16 \$ 778 (28)	12/31/16 \$ 243 (28)	\$ 535 -	99/30/16 \$ 218	\$ 317 -	\$ 82 -	\$ 235 -			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges	\$ 778 (28) 26	\$ 243 (28) 11	\$ 535 - 15	\$ 218 - 4	\$ 317 - 11	\$ 82 - 7	\$ 235 - 4			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets	\$ 778 (28) 26 91	\$ 243 (28) 11 66	\$ 535 - 15 25	99/30/16 \$ 218 - 4 11	\$ 317 - 11 14	\$ 82 - 7 12	\$ 235 - 4 2			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net	\$ 778 (28) 26 91 (13)	\$ 243 (28) 11	99/30/16 \$ 535 - 15 25 (8)	99/30/16 \$ 218 - 4 11 (3)	\$ 317 - 11 14 (5)	\$ 82 - 7 12 (4)	\$ 235 - 4			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	\$ 778 (28) 26 91 (13) (148)	\$ 243 (28) 11 66	\$ 535 - 15 25	99/30/16 \$ 218 - 4 11	\$ 317 - 11 14	\$ 82 - 7 12 (4) (38)	03/31/16 \$ 235 - 4 2 (1)			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations	\$ 778 (28) 26 91 (13) (148)	\$ 243 (28) 11 66 (5)	99/30/16 \$ 535 - 15 25 (8) (148)	99/30/16 \$ 218 - 4 11 (3) (110)	\$ 317 - 11 14 (5) (38)	\$ 82 . 7 12 (4) (38) (1)	\$ 235 - 4 2 (1) - 1			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net	\$ 778 (28) 26 91 (13) (148) - (50)	\$ 243 (28) 11 66 (5) - (26)	99/30/16 \$ 535 - 15 25 (8) (148) - (24)	99/30/16 \$ 218 - 4 11 (3) (110) - (32)	\$ 317 - 11 14 (5) (38) - 8	\$ 82 . 7 12 (4) (38) (1) 7	\$ 235 - 4 2 (1) - 1			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations	\$ 778 (28) 26 91 (13) (148)	\$ 243 (28) 11 66 (5)	99/30/16 \$ 535 - 15 25 (8) (148)	99/30/16 \$ 218 - 4 11 (3) (110)	\$ 317 - 11 14 (5) (38)	\$ 82 . 7 12 (4) (38) (1)	\$ 235 - 4 2 (1) - 1			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net	\$ 778 (28) 26 91 (13) (148) - (50)	\$ 243 (28) 11 66 (5) - (26)	99/30/16 \$ 535 - 15 25 (8) (148) - (24)	99/30/16 \$ 218 - 4 11 (3) (110) - (32)	\$ 317 - 11 14 (5) (38) - 8	\$ 82 . 7 12 (4) (38) (1) 7	\$ 235 - 4 2 (1) - 1			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted	\$ 778 (28) 26 91 (13) (148) - (50)	\$ 243 (28) 11 66 (5) - (26)	99/30/16 \$ 535 - 15 25 (8) (148) - (24)	99/30/16 \$ 218 - 4 11 (3) (110) - (32)	\$ 317 - 11 14 (5) (38) - 8	\$ 82 . 7 12 (4) (38) (1) 7	\$ 235 - 4 2 (1) - 1			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted  Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Litigation matters	\$ 778 (28) 26 91 (13) (148) - (50) \$ 656	\$ 243 (28) 11 66 (5) - (26) \$ 261 \$ 0.64 (0.07)	\$ 535 - 15 25 (8) (148) - (24) \$ 395 \$ 1.44	\$ 218 - 4 11 (3) (110) - (32) \$ 88  \$ 0.59 -	\$ 317 - 11 14 (5) (38) - 8 \$ 307	\$ 82 - 7 12 (4) (38) (1) 7 \$ 65	\$ 235 - 4 2 (1) - 1 1 1 \$ 242			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted  Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Litigation matters Restructuring charges	\$ 778 (28) 26 91 (13) (148) - (50) \$ 656 \$ 2.08 (0.08) 0.07	\$ 243 (28) 11 66 (5) - (26) \$ 261 \$ 0.64 (0.07) 0.03	\$ 535 - 15 25 (8) (148) - (24) \$ 395 \$ 1.44 - 0.04	\$ 218  4 11 (3) (110) - (32) \$ 88  \$ 0.59 - 0.01	\$ 317 - 11 14 (5) (38) - 8 \$ 307 \$ 0.86 - 0.03	\$ 82 7 12 (4) (38) (1) 7 \$ 65  \$ 0.22 - 0.02	\$ 235 4 2 (1) - 1 1 1 \$ 242			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted  Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Litigation matters Restructuring charges Loss on impairment of assets	\$ 778 (28) 26 91 (13) (148) - (50) \$ 656	\$ 243 (28) 11 66 (5) - (26) \$ 261 \$ 0.64 (0.07)	\$ 535 - 15 25 (8) (148) - (24) \$ 395 \$ 1.44	\$ 218 - 4 11 (3) (110) - (32) \$ 88  \$ 0.59 -	\$ 317 - 11 14 (5) (38) - 8 \$ 307	\$ 82 - 7 12 (4) (38) (1) 7 \$ 65	\$ 235 4 2 (1) - 1 1 1 \$ 242 \$ 0.64			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted  Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net	\$ 778 (28) 26 91 (13) (148) - (50) \$ 656 \$ 2.08 (0.08) 0.07	\$ 243 (28) 11 66 (5) - (26) \$ 261 \$ 0.64 (0.07) 0.03	\$ 535 - 15 25 (8) (148) - (24) \$ 395 \$ 1.44 - 0.04	\$ 218  4 11 (3) (110) - (32) \$ 88  \$ 0.59 - 0.01	\$ 317 - 11 14 (5) (38) - 8 \$ 307 \$ 0.86 - 0.03	\$ 82 7 12 (4) (38) (1) 7 \$ 65  \$ 0.22 - 0.02	\$ 235 4 2 (1) - 1 1 1 \$ 242 \$ 0.64			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted  Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Litigation matters Restructuring charges Loss on impairment of assets	\$ 778 (28) 26 91 (13) (148) - (50) \$ 656 \$ 2.08 (0.08) 0.07 0.25	\$ 243 (28) 11 66 (5) - (26) \$ 261 \$ 0.64 (0.07) 0.03 0.16	\$ 535 . 15 .25 (8) (148) . (24) \$ 395 \$ 1.44 	\$ 218  4 11 (3) (110)  (32)  \$ 88  \$ 0.59  - 0.01 0.03	\$ 317 - 11 14 (5) (38) - 8 \$ 307 \$ 0.86 - 0.03 0.04	\$ 82 - 7 12 (4) (38) (1) 7 \$ 65  \$ 0.22 - 0.02 0.03	\$ 235 4 2 (1) - 1 1 1 \$ 242 \$ 0.64			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted  Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations	\$ 778 (28) 26 91 (13) (148) - (50) \$ 656 \$ 2.08 (0.08) 0.07 0.25 (0.04)	\$ 243 (28) 11 66 (5) - (26) \$ 261 \$ 0.64 (0.07) 0.03 0.16	\$ 535 - 15 25 (8) (148) - (24) \$ 395 \$ 1.44 - 0.04 0.06 (0.02)	\$ 218  4 11 (3) (110)  - (32) \$ 88  \$ 0.59  - 0.01 0.03 (0.01)	\$ 317 - 11 14 (5) (38) - 8 \$ 307 \$ 0.86 - 0.03 0.04 (0.01)	\$ 82  . 7 12 (4) (38) (1) 7 \$ 65  \$ 0.22 . 0.02 0.03 (0.01)	\$ 235 4 2 (1) - 1 1 1 \$ 242 \$ 0.64			
Net income attributable to controlling interest, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted  Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	\$ 778 (28) 26 91 (13) (148) - (50) \$ 656 \$ 2.08 (0.08) 0.07 0.25 (0.04) (0.40)	\$ 243 (28) 11 66 (5) - (26) \$ 261 \$ 0.64 (0.07) 0.03 0.16	\$ 535 - 15 25 (8) (148) - (24) \$ 395 \$ 1.44 - 0.04 0.06 (0.02)	\$ 218  4 11 (3) (110)  - (32) \$ 88  \$ 0.59  - 0.01 0.03 (0.01)	\$ 317 - 11 14 (5) (38) - 8 \$ 307 \$ 0.86 - 0.03 0.04 (0.01)	\$ 82  . 7 12 (4) (38) (1) 7 \$ 65  \$ 0.22 . 0.02 0.03 (0.01)	\$ 235 4 2 (1) - 1 1 1 \$ 242 \$ 0.64			



## Transocean Ltd. and subsidiaries

# Non-GAAP Financial Measures and Reconciliations

# Adjusted Net Income (Loss) and Adjusted Diluted Earnings (Loss) Per Share

(in millions, except per share data)

	YTD QTD 12/31/15 12/31/15		YTD 09/30/15		QTD 09/30/15		YTD 06/30/15		QTD 06/30/15		QTD 03/31/15		
Adjusted Net Income													
Net income (loss) attributable to controlling interest, as reported	\$	865	\$ 616	\$	249	\$	386	\$	(137)	\$	335	\$	(472)
Litigation matters		(735)	-		(735)		-		(735)		(735)		-
Restructuring charges		40	22		18		2		16		11		5
Loss on impairment of assets		1,719	30		1,689		14		1,675		801		874
Gain on disposal of assets, net		(12)	(5)		(7)		(1)		(6)		(5)		(1)
Gain on retirement of debt		(23)	(16)		(7)		(7)		-		-		-
Gain on disposal of assets in discontinued operations		(1)	-		(1)		(1)		-		-		-
(Income) loss from discontinued operations		(1)	1		(2)		(3)		1		(1)		2
Discrete tax items and other, net		(75)	(26)		(49)		(42)		(7)		(1)		(6)
Net income, as adjusted	\$	1,777	\$ 622	\$	1,155	\$	348	\$	807	\$	405	\$	402
Adjusted Diluted Earnings Per Share:													
Diluted earnings (loss) per share, as reported	\$	2.36	\$ 1.68	\$	0.68	\$	1.06	\$	(0.38)	\$	0.91	\$	(1.30)
Litigation matters		(2.02)	-		(2.02)		-		(2.02)		(2.02)		-
Restructuring charges		0.11	0.06		0.04		-		0.04		0.03		0.01
Loss on impairment of assets		4.69	0.08		4.62		0.04		4.61		2.20		2.41
Gain on disposal of assets, net		(0.02)	(0.01)		(0.02)		-		(0.01)		(0.01)		-
Gain on retirement of debt		(0.06)	(0.04)		(0.02)		(0.02)		-		-		-
Gain on disposal of assets in discontinued operations		-	-		-		-		-		-		-
(Income) loss from discontinued operations		-	-		-		-		-		-		-
Discrete tax items and other, net		(0.21)	(80.0)		(0.12)		(0.12)		(0.02)		-		(0.02)
Diluted earnings per share, as adjusted	\$	4.85	\$ 1.69	\$	3.16	\$	0.96	\$	2.22	\$	1.11	\$	1.10