

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 09/30/19	QTD 09/30/19	YTD 06/30/19	QTD 06/30/19	YTD 03/31/19
Adjusted Net Loss							
Net loss attributable to controlling interest, as reported			\$ (1,204)	\$ (825)	\$ (379)	\$ (208)	\$ (171)
Acquisition and restructuring costs			1	-	1	1	-
Gain on bargain purchase			(11)	-	(11)	(9)	(2)
Loss on impairment of assets			584	583	1	1	-
(Gain) loss on disposal of assets, net			7	6	1	2	(1)
Loss on retirement of debt			39	12	27	9	18
Discrete tax items and other, net			(40)	(10)	(30)	(5)	(25)
Net loss, as adjusted			\$ (624)	\$ (234)	\$ (390)	\$ (209)	\$ (181)
Adjusted Diluted Loss Per Share:							
Diluted loss per share, as reported			\$ (1.97)	\$ (1.35)	\$ (0.62)	\$ (0.34)	\$ (0.28)
Acquisition and restructuring costs			- ()	-	-	- (1)	-
Gain on bargain purchase			(0.02)	-	(0.02)	(0.01)	-
Loss on impairment of assets			0.97	0.96	-	-	-
(Gain) loss on disposal of assets, net			0.01	0.01	-	-	-
Loss on retirement of debt			0.06	0.02	0.05	0.01	0.03
Discrete tax items and other, net			(0.07)	(0.02)	(0.05)	<u> </u>	(0.05)
Diluted loss per share, as adjusted			\$ (1.02)	\$ (0.38)	\$ (0.64)	\$ (0.34)	\$ (0.30)
	YTD 12/30/18	QTD 12/30/18	YTD 09/30/18	QTD 09/30/18	YTD 06/30/18	QTD 06/30/18	YTD 03/31/18
Adjusted Net Income (Loss)	YTD 12/30/18	QTD 12/30/18	YTD 09/30/18	QTD 09/30/18	YTD 06/30/18	QTD 06/30/18	YTD 03/31/18
Adjusted Net Income (Loss) Net loss attributable to controlling interest, as reported	12/30/18	12/30/18	09/30/18	09/30/18	06/30/18	06/30/18	03/31/18
Net loss attributable to controlling interest, as reported	12/30/18	12/30/18		09/30/18			03/31/18
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs	12/30/18 \$ (1,996)	12/30/18 \$ (242) 12	<u>09/30/18</u> \$ (1,754)	09/30/18 \$ (409)	06/30/18 \$ (1,345)	06/30/18 \$ (1,135)	03/31/18 \$ (210)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase	12/30/18 \$ (1,996) 34	12/30/18 \$ (242)	<u>09/30/18</u> \$ (1,754)	09/30/18 \$ (409)	06/30/18 \$ (1,345)	06/30/18 \$ (1,135)	03/31/18 \$ (210)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs	\$ (1,996) 34 (10) 1,464	\$ (242) 12 (10) 18	\$ (1,754) 22 - 1,446	\$ (409) 4	\$ (1,345) 18 - 1,014	\$ (1,135) 11 - 1,014	\$ (210) 7 - -
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets	\$ (1,996) 34 (10)	\$ (242) 12 (10)	\$ (1,754) 22	\$ (409) 4 - 432	\$ (1,345) 18	\$ (1,135) 11 - 1,014 (1)	03/31/18 \$ (210)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net	\$ (1,996) 34 (10) 1,464 (7) 3	\$ (242) 12 (10) 18	\$ (1,754) 22 - 1,446 (6)	\$ (409) 4 - 432	\$ (1,345) 18 - 1,014 (7)	\$ (1,135) 11 - 1,014	\$ (210) 7 - (6)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt	\$ (1,996) 34 (10) 1,464 (7)	\$ (242) 12 (10) 18 (1)	\$ (1,754) 22 - 1,446 (6) 3	\$ (409) 4 - 432	\$ (1,345) 18 - 1,014 (7) 2	\$ (1,135) 11 - 1,014 (1) 2	\$ (210) 7 - -
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted	\$ (1,996) 34 (10) 1,464 (7) 3 143	\$ (242) 12 (10) 18 (1) - 52	\$ (1,754) 22 - 1,446 (6) 3 91	\$ (409) 4 - 432 1 1 1	\$ (1,345) 18 - 1,014 (7) 2 90	\$ (1,135) 11 - 1,014 (1) 2 91	\$ (210) 7 - - (6) - (1)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net	\$ (1,996) 34 (10) 1,464 (7) 3 143	\$ (242) 12 (10) 18 (1) - 52	\$ (1,754) 22 - 1,446 (6) 3 91	\$ (409) 4 - 432 1 1 1	\$ (1,345) 18 - 1,014 (7) 2 90	\$ (1,135) 11 - 1,014 (1) 2 91	\$ (210) 7 - - (6) - (1)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share:	\$ (1,996) 34 (10) 1,464 (7) 3 143 \$ (369)	\$ (242) 12 (10) 18 (1) - 52 \$ (171)	\$ (1,754) 22 - 1,446 (6) 3 91 \$ (198)	\$ (409) 4 - 432 1 1 1 \$ 30	\$ (1,345) 18 - 1,014 (7) 2 90 \$ (228)	\$ (1,135) 11 - 1,014 (1) 2 91 \$ (18)	\$ (210) 7 - (6) - (1) \$ (210)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted loss per share, as reported Acquisition and restructuring costs	\$ (1,996) 34 (10) 1,464 (7) 3 143 \$ (369) \$ (4.27) 0.07	\$ (242) 12 (10) 18 (1) - 52 \$ (171) \$ (0.48) 0.02	\$ (1,754) 22 - 1,446 (6) 3 91 \$ (198) \$ (3.86)	\$ (409) 4 - 432 1 1 1 \$ 30	\$ (1,345) 18 - 1,014 (7) 2 90 \$ (228)	\$ (1,135) 11 - 1,014 (1) 2 91 \$ (18)	\$ (210) 7 - (6) - (1) \$ (210)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted loss per share, as reported Acquisition and restructuring costs Gain on bargain purchase	\$ (1,996) 34 (10) 1,464 (7) 3 143 \$ (369)	\$ (242) 12 (10) 18 (1) - 52 \$ (171)	\$ (1,754) 22 - 1,446 (6) 3 91 \$ (198) \$ (3.86) 0.05	\$ (409) 4 - 432 1 1 1 \$ 30	\$ (1,345) 18 - 1,014 (7) 2 90 \$ (228)	\$ (1,135) 11 - 1,014 (1) 2 91 \$ (18)	\$ (210) 7 - (6) - (1) \$ (210)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted loss per share, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets	\$ (1,996) 34 (10) 1,464 (7) 3 143 \$ (369) \$ (4.27) 0.07 (0.02) 3.13	\$ (242) 12 (10) 18 (1) - 52 \$ (171) \$ (0.48) 0.02 (0.02)	\$ (1,754) 22 - 1,446 (6) 3 91 \$ (198) \$ (3.86) 0.05 - 3.18	\$ (409) 4 - 432 1 1 \$ 30 \$ (0.88) 0.01 -	\$ (1,345) 18 - 1,014 (7) 2 90 \$ (228) \$ (2.99) 0.05 - 2.26	\$ (1,135) 11 - 1,014 (1) 2 91 \$ (18) \$ (2,46) 0.03 -	\$ (210) 7 - (6) - (1) \$ (210) \$ (0.48) 0.02 -
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted loss per share, as reported Acquisition and restructuring costs Gain on bargain purchase	\$ (1,996) 34 (10) 1,464 (7) 3 143 \$ (369) \$ (4.27) 0.07 (0.02)	\$ (242) 12 (10) 18 (1) - 52 \$ (171) \$ (0.48) 0.02 (0.02) 0.03	\$ (1,754) 22 - 1,446 (6) 3 91 \$ (198) \$ (3.86) 0.05 -	\$ (409) 4 - 432 1 1 \$ 30 \$ (0.88) 0.01 - 0.93	\$ (1,345) 18 - 1,014 (7) 2 90 \$ (228) \$ (2.99) 0.05 -	\$ (1,135) 11 - 1,014 (1) 2 91 \$ (18) \$ (2.46) 0.03 - 2.19	\$ (210) 7 - (6) - (1) \$ (210)
Net loss attributable to controlling interest, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted loss per share, as reported Acquisition and restructuring costs Gain on bargain purchase Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net	\$ (1,996) 34 (10) 1,464 (7) 3 143 \$ (369) \$ (4.27) 0.07 (0.02) 3.13 (0.01)	\$ (242) 12 (10) 18 (1) - 52 \$ (171) \$ (0.48) 0.02 (0.02) 0.03	\$ (1,754) 22 - 1,446 (6) 3 91 \$ (198) \$ (3.86) 0.05 - 3.18 (0.02)	\$ (409) 4 - 432 1 1 \$ 30 \$ (0.88) 0.01 - 0.93	\$ (1,345) 18 - 1,014 (7) 2 90 \$ (228) \$ (2.99) 0.05 - 2.26	\$ (1,135) 11 - 1,014 (1) 2 91 \$ (18) \$ (2.46) 0.03 - 2.19	\$ (210) 7 - (6) - (1) \$ (210) \$ (0.48) 0.02 -



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 /30/17		YTD 5/30/17	QTD 06/30/17		YTD 03/31/17		
Adjusted Net Income (Loss)															
Net income (loss) attributable to controlling interest, as reported	\$ (3,1	27)	\$	(111)	\$	(3,016)	\$	(1,417)	\$	(1,599)	\$	(1,690)	\$	91	
Litigation matters	(8)		(1)		(7)		-		(7)			1		(8)	
Acquisition and restructuring costs	6		1		5		3		2		2			-	
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)	
Acquisition and restructuring 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	