

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	YTD	QTD	YTD	QTD	QTD
	12/31/17	12/31/17	09/30/17	09/30/17	06/30/17	06/30/17	03/31/17
<b>Adjusted Net Income (Loss)</b>							
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)
<b>Net income (loss), as adjusted</b>	<b>\$ (24)</b>	<b>\$ (93)</b>	<b>\$ 69</b>	<b>\$ 64</b>	<b>\$ 5</b>	<b>\$ 1</b>	<b>\$ 4</b>

**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)
<b>Diluted earnings (loss) per share, as adjusted</b>	<b>\$ (0.06)</b>	<b>\$ (0.24)</b>	<b>\$ 0.18</b>	<b>\$ 0.16</b>	<b>\$ 0.01</b>	<b>\$ -</b>	<b>\$ 0.01</b>

	YTD	QTD	YTD	QTD	YTD	QTD	QTD
	12/31/16	12/31/16	09/30/16	09/30/16	06/30/16	06/30/16	03/31/16
<b>Adjusted Net Income</b>							
Net income attributable to controlling interest, as reported	\$ 778	\$ 243	\$ 535	\$ 218	\$ 317	\$ 82	\$ 235
Litigation matters	(28)	(28)	-	-	-	-	-
Restructuring charges	26	11	15	4	11	7	4
Loss on impairment of assets	91	66	25	11	14	12	2
Gain on disposal of assets, net	(13)	(5)	(8)	(3)	(5)	(4)	(1)
Gain on retirement of debt	(148)	-	(148)	(110)	(38)	(38)	-
(Income) loss from discontinued operations	-	-	-	-	-	(1)	1
Discrete tax items and other, net	(50)	(26)	(24)	(32)	8	7	1
<b>Net income, as adjusted</b>	<b>\$ 656</b>	<b>\$ 261</b>	<b>\$ 395</b>	<b>\$ 88</b>	<b>\$ 307</b>	<b>\$ 65</b>	<b>\$ 242</b>

**Adjusted Diluted Earnings Per Share:**

Diluted earnings per share, as reported	\$ 2.08	\$ 0.64	\$ 1.44	\$ 0.59	\$ 0.86	\$ 0.22	\$ 0.64
Litigation matters	(0.08)	(0.07)	-	-	-	-	-
Restructuring charges	0.07	0.03	0.04	0.01	0.03	0.02	0.01
Loss on impairment of assets	0.25	0.16	0.06	0.03	0.04	0.03	-
Gain on disposal of assets, net	(0.04)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	-
Gain on retirement of debt	(0.40)	-	(0.40)	(0.30)	(0.11)	(0.11)	-
(Income) loss from discontinued operations	-	-	-	-	-	-	-
Discrete tax items and other, net	(0.12)	(0.06)	(0.06)	(0.08)	0.02	0.02	-
<b>Diluted earnings per share, as adjusted</b>	<b>\$ 1.76</b>	<b>\$ 0.69</b>	<b>\$ 1.06</b>	<b>\$ 0.24</b>	<b>\$ 0.83</b>	<b>\$ 0.17</b>	<b>\$ 0.65</b>



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<b>Adjusted Net Income</b>							
<b>Net income (loss) attributable to controlling interest, as reported</b>	\$ 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)
<b>Net income, as adjusted</b>	<u>\$ 1,777</u>	<u>\$ 622</u>	<u>\$ 1,155</u>	<u>\$ 348</u>	<u>\$ 807</u>	<u>\$ 405</u>	<u>\$ 402</u>
<b>Adjusted Diluted Earnings Per Share:</b>							
<b>Diluted earnings (loss) per share, as reported</b>	\$ 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)	(0.08)	(0.12)	(0.12)	(0.02)	-	(0.02)
<b>Diluted earnings per share, as adjusted</b>	<u>\$ 4.85</u>	<u>\$ 1.69</u>	<u>\$ 3.16</u>	<u>\$ 0.96</u>	<u>\$ 2.22</u>	<u>\$ 1.11</u>	<u>\$ 1.10</u>