

Transocean Ltd. and subsidiaries Non-GAAP Financial Measures and Reconciliations Adjusted Net Income and Adjusted Diluted Earnings Per Share (in US\$ millions, except per share data)

Loss (income) from discontinued operations 32 (9) 41 9 32 15 17 Discrete tax items and other, net (82) (5) (77) (55) (22) 11 (33 Net income, as adjusted \$ 1,488 \$ 260 \$ 1,228 \$ 495 \$ 733 \$ 394 \$ 339 Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported \$ 3.87 \$ 0.64 \$ 3.23 \$ 1.50 \$ 1.73 \$ 0.84 \$ 0.88 Add back (subtract): Use of time termination benefits 0.21 0.03 0.19 0.05 0.13 - 0.13 One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on early lease termination 0.01 0.01 -		YTD 09/30/14		QTD 09/30/14		YTD 06/30/14		QTD 06/30/14		QTD 03/31/14					
Marcha (Subtanct) Company Comp	•				4										
Consideration bounds		\$	(1,174)	\$	(2,217)	\$	1,043	\$	587	\$	456				
Page			(12)		(14)		2				2				
Continue no impairment of goodhal and other assets 2,866 2,867 3 0 0 0 0 0 0 0 0 0	9														
Control Description of dispersion of assets net															
Discrete tax items and other, net 10 0 0 0 0 0 0 0 0									(1)		-				
Discrete fact interes and other, net 1,22 4,65 5,107 1,21 1,22 1,	Loss on retirement of debt		5		-		5		4		1				
Net income, as adjusted seminary net of 1,699 3525 3520 3107 3520 3	Loss on disposal of assets in discontinued operations		10		-		10		-		10				
Adjusted Diluted Earnings Per Share:	Loss (income) from discontinued operations		6		1		5		7		(2)				
Ditable Diffused Earnings Per Share:	Discrete tax items and other, net														
March decamings (poss) per share, as reported \$ (3.24) \$ (6.12) \$ 2.86 \$ 1.61 \$ 1.25 \$ \$ \$ \$ \$ \$ \$ \$ \$	Net income, as adjusted	\$	1,459	\$	352	\$	1,107	\$	587	\$	520				
Add back (subtract):	Adjusted Diluted Earnings Per Share:														
Display Disp	Diluted earnings (loss) per share, as reported	\$	(3.24)	\$	(6.12)	\$	2.86	\$	1.61	\$	1.25				
Common C	Add back (subtract):														
Cost on impairment of goodwill and other assets 7.39 7.22 0.19 0.19 0.19 0.10 0.01 0.01 0.01 0.01 0.01 0.01 0.01 0.01 0.00	Litigation matters								-		0.01				
Common and proposal of assets in discontinued operations 0.01 0.01 0.01 0.01 0.01 0.01 0.00									0.01		-				
Loss on retirement of debt 0.01 0.01 0.01 0.00									-		0.19				
Loss on disposal of assets in discontinued operations 0.03 0.03 0.02 0.071	•								-		-				
Loss (income) from disconlinued operations 0.02 0.02 0.03 0.03 0.04 0.05					-				0.01						
Discrete tax items and other, net 0.21 0.12 0.08 0.08 0.04 0.05	·				-				0.02						
Name	•				- (0.12)										
Adjusted Net Income YTID 12/31/13 OTTD 09/30/13 OT	·	\$		\$		\$		\$		\$					
Adjusted Net Income Rel Income altributable to controlling interest, as reported \$ 1,407 \$ 233 \$ 1,174 \$ 546 \$ 628 \$ 307 \$ 321 Add back (subtract): Liligation matters 78 11 67 19 48 - 48 One-time termination benefits 27 5 22 15 7 7 - Loss on early lease termination 3 3 - - 37 37 -															
Net income altributable to controlling interest, as reported \$ 1,407 \$ 233 \$ 1,174 \$ 546 \$ 628 \$ 307 \$ 321 Add back (subtract):	A Product Not be come	12	2/31/13	12	2/31/13	09	9/30/13	09	/30/13	06	/30/13	06/	30/13	03/	/31/13
Add back (subtract): Itiligation matters 78 11 67 19 48 - 48 One-time termination benefits 27 5 22 15 7 7 - Loss on early lease termination 3 3 -		¢	1 407	¢	າາາ	¢	1 17/	¢	E 14	¢	420	¢	207	¢	221
Litigation matters 78 11 67 19 48 - 48 One-time termination benefits 27 5 22 15 7 7 - Loss on early lease termination 3 3 -		Ф	1,407	Þ	233	Φ	1,174	Φ	340	Þ	020	Ф	307	Φ	321
One-time termination benefits 27 5 22 15 7 7 - Loss on early lease termination 3 3 - <td></td> <td></td> <td>78</td> <td></td> <td>11</td> <td></td> <td>67</td> <td></td> <td>19</td> <td></td> <td>48</td> <td></td> <td>_</td> <td></td> <td>48</td>			78		11		67		19		48		_		48
Loss on impairment of assets 64 27 37 - 37 37 - Gain on disposal of assets, net (22) - (22) - (22) -	ů												7		-
Gain on disposal of assets, net (22) - (22) - 2 -	Loss on early lease termination		3		3		-		-		-		-		-
Loss on retirement of debt 2 - 2 - 1 1 Loss on financial instruments 19 - 19 - 19 19 - - 19 -	Loss on impairment of assets		64		27		37		-		37		37		-
Loss on financial instruments 19 - 19 - 19 19 19 - Loss on impairment of assets in discontinued operations 14 - 14 14 14 -	Gain on disposal of assets, net		(22)		-		(22)		(22)		-		-		-
Loss on impairment of assets in discontinued operations	Loss on retirement of debt				-		2		-						1
Gain on disposal of assets in discontinued operations (54) (5) (49) (31) (18) (3) (15) Loss (income) from discontinued operations 32 (9) 41 9 32 15 17 Discrete tax items and other, net (82) (5) (77) (55) (22) 11 (33) Net income, as adjusted 1,488 260 1,228 495 5733 394 339 Adjusted Diluted Earnings Per Share: Diluted earnings Per Share: Diluted earnings Per Share, as reported 3.87 0.64 3.23 1.50 1.73 0.84 0.88 Add back (subtract): Litigation matters 0.21 0.03 0.19 0.05 0.13 - 0.13 One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on impairment of assets 0.17 0.07 0.10 - - - - -					-				-		19		19		-
Loss (income) from discontinued operations 32 (9) 41 9 32 15 17 Discrete tax items and other, net (82) (5) (77) (55) (22) 11 (33 Net income, as adjusted \$ 1,488 \$ 260 \$ 1,228 \$ 495 \$ 733 \$ 394 \$ 339 Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported \$ 3.87 \$ 0.64 \$ 3.23 \$ 1.50 \$ 1.73 \$ 0.84 \$ 0.88 Add back (subtract): Use of third termination benefits 0.21 0.03 0.19 0.05 0.13 - 0.13 One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on early lease termination 0.01 0.01 - <td>·</td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td>-</td>	·				-						-				-
Discrete tax items and other, net (82) (5) (77) (55) (22) 11 (33)	·						. ,								(15)
Net income, as adjusted \$ 1,488 \$ 260 \$ 1,228 \$ 495 \$ 733 \$ 394 \$ 339 Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported \$ 3.87 \$ 0.64 \$ 3.23 \$ 1.50 \$ 1.73 \$ 0.84 \$ 0.88 Add back (subtract): Litigation matters 0.21 0.03 0.19 0.05 0.13 - 0.13 One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on early lease termination 0.01 0.01 - - - - - - Loss on impairment of assets 0.17 0.07 0.10 - 0.10 0.10 - Gain on disposal of assets, net (0.06) - (0.06) (0.06) - - - - Loss on financial instruments 0.05 - 0.01 - 0.01 - - - - Loss on impairment of assets in discontinued operations 0.0	•								-						
Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported \$ 3.87 \$ 0.64 \$ 3.23 \$ 1.50 \$ 1.73 \$ 0.84 \$ 0.88 Add back (subtract): Litigation matters 0.21 0.03 0.19 0.05 0.13 - 0.13 One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on early lease termination 0.01 0.01 - - - - - - - Loss on impairment of assets 0.17 0.07 0.10 - 0.10 0.10 - Gain on disposal of assets, net (0.06) - (0.06) (0.06) - 0.01 - - - - Loss on retirement of debt 0.01 - 0.01 - 0.01 - - - - - - Loss on financial instruments 0.05 - 0.05 - 0.05 0.05 - -		2		\$		\$		2		\$		•		\$	
Diluted earnings per share, as reported \$ 3.87 \$ 0.64 \$ 3.23 \$ 1.50 \$ 1.73 \$ 0.84 \$ 0.88 Add back (subtract): Litigation matters 0.21 0.03 0.19 0.05 0.13 - 0.13 One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on early lease termination 0.01 0.01 - <	Net income, as adjusted	ų.	1,400	Ÿ	200	Ψ	1,220	Ψ	473	Ψ	733	Ψ	374	Ψ	337
Add back (subtract): Litigation matters 0.21 0.03 0.19 0.05 0.13 - 0.13 One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on early lease termination 0.01 0.01 - - - - - - - Loss on impairment of assets 0.17 0.07 0.10 - 0.10 0.10 - Gain on disposal of assets, net (0.06) - (0.06) (0.06) - - - - Loss on retirement of debt 0.01 - 0.01 - 0.01 - - - - - Loss on financial instruments 0.05 - 0.05 - 0.05 0.05 - - - - - Loss on impairment of assets in discontinued operations 0.04 - 0.04 0.04 0.04 - - - - -	•														
Litigation matters 0.21 0.03 0.19 0.05 0.13 - 0.13 One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on early lease termination 0.01 0.01 -	• • • • • • • • • • • • • • • • • • • •	\$	3.87	\$	0.64	\$	3.23	\$	1.50	\$	1.73	\$	0.84	\$	0.88
One-time termination benefits 0.07 0.01 0.06 0.04 0.02 0.02 - Loss on early lease termination 0.01 0.01 - </td <td>, ,</td> <td></td> <td>0.04</td> <td></td> <td>0.00</td> <td></td> <td>0.40</td> <td></td> <td>0.05</td> <td></td> <td>0.40</td> <td></td> <td></td> <td></td> <td>0.40</td>	, ,		0.04		0.00		0.40		0.05		0.40				0.40
Loss on early lease termination 0.01 0.01 -	•														0.13
Loss on impairment of assets 0.17 0.07 0.10 - 0.10 0.10 - Gain on disposal of assets, net (0.06) - (0.06) (0.06) - - - - Loss on retirement of debt 0.01 - 0.01 - 0.01 - 0.01 - <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>0.04</td><td></td><td></td><td></td><td>0.02</td><td></td><td>-</td></td<>									0.04				0.02		-
Gain on disposal of assets, net (0.06) - (0.06) - </td <td>*</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td>0.10</td> <td></td> <td>-</td>	*								-				0.10		-
Loss on retirement of debt 0.01 - 0.01 - 0.01 - - - - - - 0.05 - 0.05 - 0.05 - 0.05 - 0.05 - <t< td=""><td>•</td><td></td><td></td><td></td><td>0.07</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>0.10</td><td></td><td>-</td></t<>	•				0.07								0.10		-
Loss on financial instruments 0.05 - 0.05 - 0.05 0.05 - 0.	•		. ,		_		. ,						_		_
Loss on impairment of assets in discontinued operations 0.04 - 0.04 0.04					-								0.05		_
·					-				0.04		-		-		-
Gain on disposal of assets in discontinued operations (0.13) (0.01) (0.14) (0.09) (0.00) (0.01) (0.01)	Gain on disposal of assets in discontinued operations		(0.15)		(0.01)		(0.14)		(0.09)		(0.05)		(0.01)		(0.04)
	·				. ,								, ,		0.05
	Discrete tax items and other, net														(0.09)
Diluted earnings per share, as adjusted \$ 4.09 \$ 0.71 \$ 3.38 \$ 1.36 \$ 2.02 \$ 1.08 \$ 0.93	Diluted earnings per share, as adjusted	\$	4.09	\$	0.71	\$	3.38	\$	1.36	\$	2.02	\$	1.08	\$	0.93



Transocean Ltd. and subsidiaries Non-GAAP Financial Measures and Reconciliations Adjusted Net Income and Adjusted Diluted Earnings Per Share

(in US\$ millions, except per share data)
YTD QTD YTD

	(in US\$ millions, except per snare data)														
	YTD 12/31/12		QTD 12/31/12		YTD 09/30/12		QTD 09/30/12		YTD 06/30/12		QTD 06/30/12		QTD		
													03/31/12		
Adjusted Net Income		4								4					
Net income (loss) attributable to controlling interest, as reported	\$	(219)	\$	456	\$	(675)	\$	(381)	\$	(294)	\$	(304)	\$	10	
Add back (subtract):															
Litigation matters		756		-		756		6		750		750		-	
Loss on impairment of goodwill and other assets		135		-		135		-		135		17		118	
Gain on disposal of assets, net		(48)		-		(48)		(48)		-		-		-	
Gain on retirement of debt		(2)		-		(2)		(2)		-		-		-	
Loss on redeemed noncontrolling interest		25		-		25		-		25		14		11	
Loss on impairment of assets in discontinued operations		961		2		959		881		78		(5)		83	
(Gain) loss on disposal of assets in discontinued operations		(69)		(1)		(68)		2		(70)		(72)		2	
Loss (income) from discontinued operations		135		(20)		155		25		130		61		69	
Discrete tax items and other, net		(255)		(101)		(154)		15		(169)		(141)		(28)	
Net income, as adjusted	\$	1,419	\$	336	\$	1,083	\$	498	\$	585	\$	320	\$	265	
Adjusted Diluted Earnings Per Share:															
Diluted earnings (loss) per share, as reported	\$	(0.62)	\$	1.26	\$	(1.90)	\$	(1.06)	\$	(0.84)	\$	(0.86)	\$	0.03	
Add back (subtract):															
Litigation matters		2.11		-		2.12		0.02		2.12		2.12		-	
Loss on impairment of goodwill and other assets		0.38		-		0.38		-		0.38		0.05		0.33	
Gain on disposal of assets, net		(0.13)		-		(0.13)		(0.13)		-		-		-	
Gain on retirement of debt		(0.01)		-		(0.01)		(0.01)		-		-		-	
Loss on redeemed noncontrolling interest		0.07		-		0.07				0.07		0.04		0.03	
Loss on impairment of assets in discontinued operations		2.70		-		2.70		2.44		0.23		(0.01)		0.23	
(Gain) loss on disposal of assets in discontinued operations		(0.19)		-		(0.19)		0.01		(0.20)		(0.21)		0.01	
Loss (income) from discontinued operations		0.38		(0.07)		0.43		0.07		0.37		0.17		0.20	
Discrete tax items and other, net		(0.73)		(0.28)		(0.44)		0.03		(0.48)		(0.40)		(0.08)	
Diluted earnings per share, as adjusted	\$	3.96	\$	0.91	\$	3.03	\$	1.37	\$	1.65	\$	0.90	\$	0.75	
* '	_														