

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 12/31/15		QTD 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 Add back (subtract):	\$	791	\$	611	\$	180	\$	321	\$	(141)	\$	342	\$	(483)
Litigation matters		(735)		-		(735)		-		(735)		(735)		-
Restructuring charges		40		22		18		2		16		11		5
Loss on impairment of assets		1,713		29		1,684		13		1,671		797		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		(35)		(27)		(8)	_	(8)	_	-		(1)		1
Net income, as adjusted	\$	1,737	\$	615	\$	1,122	\$	316	\$	806	\$	408	\$	398
Adjusted Diluted Earnings Per Share:										(2.22)				(1.00)
Diluted earnings (loss) per share, as reported Add back (subtract):	\$	2.16	\$	1.66	\$	0.49	\$	0.88	\$	(0.39)	\$	0.93	\$	(1.33)
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		4.67		0.08		4.61		0.03		4.60		2.18		2.41
Gain on disposal of assets, net		(0.02)		(0.01)		(0.02)		-		(0.02)		(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		-		-		-		-		-		-		0.01
Discrete tax items and other, net		(0.10)		(0.07)		(0.02)		(0.02)		-		-		-
Diluted earnings per share, as adjusted	\$	4.74	\$	1.68	\$	3.06	\$	0.87	\$	2.21	\$	1.11	\$	1.10
		YTD 12/31/14			YTD 09/30/14		QTD 09/30/14		YTD 06/30/14		QTD 06/30/14			
				QTD 2/31/14										QTD :/31/14
Adjusted Net Income				QTD 2/31/14										QTD :/31/14
Adjusted Net Income Net income (loss) attributable to controlling interest, as reported Add back (subtract):	12	2/31/14	12	2/31/14	09	9/30/14	0	9/30/14	06	5/30/14	06	/30/14	03	/31/14
Net income (loss) attributable to controlling interest, as reported	12	2/31/14	12	2/31/14	09	9/30/14	0	9/30/14	06	5/30/14	06	/30/14	03	/31/14
Net income (loss) attributable to controlling interest, as reported Add back (subtract):	12	(1,913)	12	2/31/14	09	9/30/14 (1,174)	0	(2,217)	06	1,043	06	/30/14	03	456
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters	12	(1,913)	12	(739) -	09	(1,174) (12)	0	9/30/14 (2,217) (14)	06	1,043 2	06	/ 30/14 587	03	456 2
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges	12	(1,913) (12) 9	12	(739) - 1	09	(1,174) (12) (12)	0	9/30/14 (2,217) (14) 3	06	1,043 2 5	06	/ 30/14 587	03	456 2 1
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets	12	(1,913) (12) 9 3,826	12	(739) - 1 1,140	09	(1,174) (12) 8 2,686	0	9/30/14 (2,217) (14) 3 2,621	06	1,043 2 5 65	06	587 - 4	03	456 2 1
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net	12	(1,913) (12) 9 3,826 (2)	12	(739) - 1 1,140 (4)	09	(1,174) (12) 8 2,686 2	0	9/30/14 (2,217) (14) 3 2,621	06	1,043 2 5 65 (1)	06	587 - 4 - (1)	03	456 2 1 65
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt	12	(1,913) (12) 9 3,826 (2) 13	12	(739) - 1 1,140 (4)	09	9/30/14 (1,174) (12) 8 2,686 2 5	0	9/30/14 (2,217) (14) 3 2,621	06	1,043 2 5 65 (1) 5	06	587 - 4 - (1)	03	456 2 1 65 -
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations	12	(1,913) (1,913) (12) 9 3,826 (2) 13 10	12	(739) - 1 1,140 (4) 8	09	9/30/14 (1,174) (12) 8 2,686 2 5 10	0	(2,217) (14) 3 2,621 3 -	06	1,043 2 5 65 (1) 5	06	587 - 4 - (1) 4 -	03	456 2 1 65 - 1 10
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations	12	(1,913) (12) 9 3,826 (2) 13 10	12	(739) - 1 1,140 (4) 8 - 4	09	(1,174) (12) 8 2,686 2 5 10 6	0	(2,217) (14) 3 2,621 3 - 1	06	1,043 2 5 65 (1) 5 10 5	06	587 - 4 - (1) 4 - 7	03	456 2 1 65 - 1 10 (2)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share:	12	(1,913) (12) 9 3,826 (2) 13 10 10 (138) 1,803	\$	(739) - 1,140 (4) 8 - 4 (66) 344	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459	\$	9/30/14 (2,217) (14) 3 2,621 3 - 1 (45) 352	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107	\$	587 - 4 - (1) 4 - 7 (14)	\$	456 2 1 65 - 1 10 (2) (13)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported	12	(1,913) (12) 9 3,826 (2) 13 10 10 (138)	\$	(739) . 1 1,140 (4) 8 . 4 (66)	\$	(1,174) (12) 8 2,686 2 5 10 6 (72)	\$	(2,217) (14) 3 2,621 3 - 1 (45)	\$	1,043 2 5 65 (1) 5 10 5 (27)	\$	587 - 4 - (1) 4 - 7 (14)	\$	456 2 1 65 - 1 10 (2) (13)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract):	\$	(1,913) (12) 9 3,826 (2) 13 10 10 (138) 1,803	\$	(739) - 1,140 (4) 8 - 4 (66) 344	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459	\$	9/30/14 (2,217) (14) 3 2,621 3 - 1 (45) 352	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107	\$	587 - 4 - (1) 4 - 7 (14) 587	\$	456 2 1 65 - 1 0 (2) (13) 520
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters	\$	(1,913) (12) 9 3,826 (2) 13 10 (138) 1,803 (5.29) (0.03)	\$	(739) - 1,140 (4) 8 - 4 (66) 344	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459 (3.24) (0.03)	\$	9/30/14 (2,217) (14) 3 2,621 3 - 1 (45) 352 (6.12)	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107	\$	587 - 4 - (1) 4 - 7 (14) 587	\$	456 2 1 65 - 1 10 (2) (13) 520
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges	\$	(1,913) (12) 9 3,826 (2) 13 10 (138) 1,803 (5.29) (0.03) 0.02	\$	(739) - 1,140 (4) 8 - 4 (66) 344 (2.04)	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459 (3.24) (0.03) 0.02	\$	9/30/14 (2,217) (14) 3 2,621 3 - 1 (45) 352 (6.12) (0.04) 0.01	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107 2.86 0.01 0.01	\$	587 - 4 - (1) 4 - 7 (14) 587	\$	456 2 1 65 - 1 10 (2) (13) 520 1.25 0.01 -
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets	\$	(1,913) (12) 9 3,826 (2) 13 10 (138) 1,803 (5.29) (0.03) 0.02 10.53	\$	(2.04) (739) (739) (739) (1,140 (4) 8 (66) 344	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459 (3,24) (0.03) 0.02 7,39	\$	9/30/14 (2,217) (14) 3 2,621 3 - - (45) 352 (6.12) (0.04) 0.01 7.22	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107 2.86 0.01 0.01 0.19	\$	587 - 4 - (1) 4 - 7 (14) 587	\$	456 2 1 65 - 1 0 (2) (13) 520
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net	\$	(1,913) (12) 9 3,826 (2) 13 10 (138) 1,803 (5.29) (0.03) 0.02 10.53 (0.01)	\$	(2.04) (739) (739) (739) (1,140 (4) 8 (466) 344	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459 (3,24) (0.03) 0.02 7,39 0.01	\$	9/30/14 (2,217) (14) 3 2,621 3 - 1 (45) 352 (6.12) (0.04) 0.01	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107 2.86 0.01 0.01 0.19	\$	587 - 4 - (1) 4 - 7 (14) 587 1.61 - 0.01	\$	456 2 1 65 - 1 10 (2) (13) 520 1.25 0.01 -
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt	\$	(1,913) (12) 9 3,826 (2) 13 10 (138) 1,803 (5.29) (0.03) 0.02 10.53 (0.01) 0.04	\$	(739) - 1,140 (4) 8 - 4 (66) 344 (2.04) - 3.15 (0.01) 0.02	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459 (3,24) (0,03) 0,02 7,39 0,01 0,01	\$	9/30/14 (2,217) (14) 3 2,621 3 - - (45) 352 (6.12) (0.04) 0.01 7.22	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107 2.86 0.01 0.01 0.19 -	\$	587 - 4 - (1) 4 - 7 (14) 587	\$	/31/14 456 2 1 65 - 1 10 (2) (13) 520 1.25 0.01 - 0.19 -
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations	\$	(1,913) (12) 9 3,826 (2) 13 10 (138) 1,803 (5.29) (0.03) 0.02 10.53 (0.01) 0.04 0.03	\$	(2.04) (2.04) (2.04) (2.001) (2.002)	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459 (3,24) (0,03) 0,02 7,39 0,01 0,01 0,03	\$	9/30/14 (2,217) (14) 3 2,621 3 - 1 (45) 352 (6.12) (0.04) 0.01 7.22 0.01	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107 2.86 0.01 0.01 0.19 - 0.01 0.03	\$	730/14 587 - 4 - (1) 4 - 7 (14) 587 1.61 - 0.01 - 0.01	\$	/31/14 456 2 1 65 - 1 10 (2) (13) 520 1.25 0.01 - 0.19 - 0.03
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations	\$	(1,913) (12) 9 3,826 (2) 13 10 10 (138) 1,803 (5.29) (0.03) 0.02 10.53 (0.01) 0.04 0.03 0.03	\$	(2.04) (2.04) (2.04) (2.001) (2.001)	\$	(1.174) (12) 8 2.686 2 5 10 6 (72) 1.459 (3.24) (0.03) 0.02 7.39 0.01 0.01 0.03 0.02	\$	9/30/14 (2,217) (14) 3 2,621 3 - 1 (45) 352 (6.12) (0.04) 0.01 7.22 0.01 - - - - - - - - - - - - -	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107 2.86 0.01 0.01 0.19 - 0.01 0.03 0.01	\$	730/14 587 - 4 - (1) 4 - 7 (14) 587 1.61 - 0.01 - 0.01 0.02	\$	/31/14 456 2 1 65 - 1 10 (2) (13) 520 1.25 0.01 - 0.19 - 0.03 (0.01)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations Loss (income) from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of goodwill and other assets (Gain) loss on disposal of assets, net Loss on retirement of debt Loss on disposal of assets in discontinued operations	\$	(1,913) (12) 9 3,826 (2) 13 10 (138) 1,803 (5.29) (0.03) 0.02 10.53 (0.01) 0.04 0.03	\$	(2.04) (2.04) (2.04) (2.001) (2.002)	\$	(1,174) (12) 8 2,686 2 5 10 6 (72) 1,459 (3,24) (0,03) 0,02 7,39 0,01 0,01 0,03	\$	9/30/14 (2,217) (14) 3 2,621 3 - 1 (45) 352 (6.12) (0.04) 0.01 7.22 0.01	\$	1,043 2 5 65 (1) 5 10 5 (27) 1,107 2.86 0.01 0.01 0.19 - 0.01 0.03	\$	730/14 587 - 4 - (1) 4 - 7 (14) 587 1.61 - 0.01 - 0.01	\$	/31/14 456 2 1 65 - 1 10 (2) (13) 520 1.25 0.01 - 0.19 - 0.03



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 12/31/13		QTD 12/31/13		YTD 09/30/13		QTD 09/30/13		YTD 06/30/13		QTD 06/30/13		QTD 03/31/13	
Adjusted Net Income															
Net income attributable to controlling interest, as reported	\$	1,407	\$	233	\$	1,174	\$	546	\$	628	\$	307	\$	321	
Add back (subtract):															
Litigation matters		78		11		67		19		48		-		48	
Restructuring charges		30		8		22		15		7		7		-	
Loss on impairment of assets		64		27		37		-		37		37		-	
Gain on disposal of assets, net		(22)		-		(22)		(22)		-		-		-	
Loss on retirement of debt		2		-		2		-		2		1		1	
Loss on financial instruments		19		-		19		-		19		19		-	
Loss on impairment of assets in discontinued operations		14		-		14		14		-		-		-	
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	\$	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	
Restructuring charges		0.08		0.02		0.06		0.04		0.02		0.02		-	
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		-		-		-	
Gain on disposal of assets in discontinued operations		(0.15)		(0.01)		(0.14)		(0.09)		(0.05)		(0.01)		(0.04)	
Loss (income) from discontinued operations		0.09		(0.03)		0.11		0.02		0.09		0.04		0.05	
Discrete tax items and other, net		(0.22)		(0.01)		(0.21)		(0.14)		(0.06)		0.04		(0.09)	
Diluted earnings per share, as adjusted	\$	4.09	\$	0.71	\$	3.38	\$	1.36	\$	2.02	\$	1.08	\$	0.93	