

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 <u>06/30/17</u>	QTD <u>06/30/17</u>	QTD <u>03/31/17</u>
Adjusted Net Income			
Net income (loss) attributable to controlling interest, as reported	\$ (1,599)	\$ (1,690)	\$ 91
Add back (subtract):			
Litigation matters	(7)	1	(8)
Restructuring charges	2	2	-
Loss on impairment of assets	113	113	-
(Gain) loss on disposal of assets, net	1,595	1,597	(2)
Loss on retirement of debt	48	48	-
Discrete tax items and other, net	(147)	(70)	(77)
Net income, as adjusted	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 4</u>
Adjusted Diluted Earnings Per Share:			
Diluted earnings (loss) per share, as reported	\$ (4.09)	\$ (4.32)	\$ 0.23
Add back (subtract):			
Litigation matters	(0.02)	-	(0.02)
Restructuring charges	-	-	-
Loss on impairment of assets	0.29	0.29	-
Loss on disposal of assets, net	4.08	4.08	-
Loss on retirement of debt	0.12	0.12	-
Discrete tax items and other, net	(0.37)	(0.17)	(0.20)
Diluted earnings per share, as adjusted	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 0.01</u>

	YTD <u>12/31/16</u>	QTD <u>12/31/16</u>	YTD <u>09/30/16</u>	QTD <u>09/30/16</u>	YTD <u>06/30/16</u>	QTD <u>06/30/16</u>	QTD <u>03/31/16</u>
Adjusted Net Income							
Net income attributable to controlling interest, as reported	\$ 778	\$ 243	\$ 535	\$ 218	\$ 317	\$ 82	\$ 235
Add back (subtract):							
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
Net income, as adjusted	<u>\$ 656</u>	<u>\$ 261</u>	<u>\$ 395</u>	<u>\$ 88</u>	<u>\$ 307</u>	<u>\$ 65</u>	<u>\$ 242</u>
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
Add back (subtract):							
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	-
Diluted earnings per share, as adjusted	<u>\$ 1.76</u>	<u>\$ 0.69</u>	<u>\$ 1.06</u>	<u>\$ 0.24</u>	<u>\$ 0.83</u>	<u>\$ 0.17</u>	<u>\$ 0.65</u>

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	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	\$ 865	\$ 616	\$ 249	\$ 386	\$ (137)	\$ 335	\$ (472)
Add back (subtract):							
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	<u>\$ 1,777</u>	<u>\$ 622</u>	<u>\$ 1,155</u>	<u>\$ 348</u>	<u>\$ 807</u>	<u>\$ 405</u>	<u>\$ 402</u>
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)
Add back (subtract):							
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)
Diluted earnings per share, as adjusted	<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>