

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 12/31/14	QTD 12/31/14	YTD 09/30/14	QTD 09/30/14	YTD 06/30/14	QTD 06/30/14	QTD 03/31/14
Adjusted Net Income							
Net income (loss) attributable to controlling interest, as reported	\$ (1,913)	\$ (739)	\$ (1,174)	\$ (2,217)	\$ 1,043	\$ 587	\$ 456
Add back (subtract):							
Litigation matters	(12)	-	(12)	(14)	2	-	2
One-time termination benefits	9	1	8	3	5	4	1
Loss on impairment of goodwill and other assets	3,826	1,140	2,686	2,621	65	-	65
(Gain) loss on disposal of assets, net	(2)	(4)	2	3	(1)	(1)	-
Loss on retirement of debt	13	8	5	-	5	4	1
Loss on disposal of assets in discontinued operations	10	-	10	-	10	-	10
Loss (income) from discontinued operations	10	4	6	1	5	7	(2)
Discrete tax items and other, net	(138)	(66)	(72)	(45)	(27)	(14)	(13)
Net income, as adjusted	<u>\$ 1,803</u>	<u>\$ 344</u>	<u>\$ 1,459</u>	<u>\$ 352</u>	<u>\$ 1,107</u>	<u>\$ 587</u>	<u>\$ 520</u>

Adjusted Diluted Earnings Per Share:							
Diluted earnings (loss) per share, as reported	\$ (5.29)	\$ (2.04)	\$ (3.24)	\$ (6.12)	\$ 2.86	\$ 1.61	\$ 1.25
Add back (subtract):							
Litigation matters	(0.03)	-	(0.03)	(0.04)	0.01	-	0.01
One-time termination benefits	0.02	-	0.02	0.01	0.01	0.01	-
Loss on impairment of goodwill and other assets	10.53	3.15	7.39	7.22	0.19	-	0.19
(Gain) loss on disposal of assets, net	(0.01)	(0.01)	0.01	0.01	-	-	-
Loss on retirement of debt	0.04	0.02	0.01	-	0.01	0.01	-
Loss on disposal of assets in discontinued operations	0.03	-	0.03	-	0.03	-	0.03
Loss (income) from discontinued operations	0.03	0.01	0.02	-	0.01	0.02	(0.01)
Discrete tax items and other, net	(0.38)	(0.18)	(0.21)	(0.12)	(0.08)	(0.04)	(0.04)
Diluted earnings per share, as adjusted	<u>\$ 4.94</u>	<u>\$ 0.95</u>	<u>\$ 4.00</u>	<u>\$ 0.96</u>	<u>\$ 3.04</u>	<u>\$ 1.61</u>	<u>\$ 1.43</u>

	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
One-time termination benefits	27	5	22	15	7	7	-
Loss on early lease termination	3	3	-	-	-	-	-
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	<u>\$ 1,488</u>	<u>\$ 260</u>	<u>\$ 1,228</u>	<u>\$ 495</u>	<u>\$ 733</u>	<u>\$ 394</u>	<u>\$ 339</u>

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 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	<u>\$ 4.09</u>	<u>\$ 0.71</u>	<u>\$ 3.38</u>	<u>\$ 1.36</u>	<u>\$ 2.02</u>	<u>\$ 1.08</u>	<u>\$ 0.93</u>

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	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							
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	<u>\$ 1,419</u>	<u>\$ 336</u>	<u>\$ 1,083</u>	<u>\$ 498</u>	<u>\$ 585</u>	<u>\$ 320</u>	<u>\$ 265</u>
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	<u>\$ 3.96</u>	<u>\$ 0.91</u>	<u>\$ 3.03</u>	<u>\$ 1.37</u>	<u>\$ 1.65</u>	<u>\$ 0.90</u>	<u>\$ 0.75</u>