



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 12/31/16	QTD 12/31/16	YTD 09/30/16	QTD 09/30/16	YTD 06/30/16	QTD 06/30/16	QTD 03/31/16
<b>Adjusted Net Income</b>							
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
<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>
<b>Adjusted Diluted Earnings Per Share:</b>							
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	-
<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>

  

	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
<b>Adjusted Net Income</b>							
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)
<b>Net income, as adjusted</b>	<b>\$ 1,777</b>	<b>\$ 622</b>	<b>\$ 1,155</b>	<b>\$ 348</b>	<b>\$ 807</b>	<b>\$ 405</b>	<b>\$ 402</b>
<b>Adjusted Diluted Earnings Per Share:</b>							
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)
<b>Diluted earnings per share, as adjusted</b>	<b>\$ 4.85</b>	<b>\$ 1.69</b>	<b>\$ 3.16</b>	<b>\$ 0.96</b>	<b>\$ 2.22</b>	<b>\$ 1.11</b>	<b>\$ 1.10</b>

In December 2016, we identified errors in our previously reported consolidated financial statements related to the measurement of deferred taxes. As a result, we have revised our previously reported amounts presented above. Please see our annual report on Form 10-K for the year ended December 31, 2016.