



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

	YTD <u>09/30/18</u>	QTD <u>09/30/18</u>	YTD <u>06/30/18</u>	QTD <u>06/30/18</u>	YTD <u>03/31/18</u>
Adjusted Net Income (Loss)					
Net income (loss) attributable to controlling interest, as reported	\$ (1,754)	\$ (409)	\$ (1,345)	\$ (1,135)	\$ (210)
Acquisition and restructuring costs	22	4	18	11	7
Loss on impairment of goodwill and other assets	1,446	432	1,014	1,014	-
(Gain) loss on disposal of assets, net	(6)	1	(7)	(1)	(6)
Loss on retirement of debt	3	1	2	2	-
Discrete tax items and other, net	91	1	90	91	(1)
Net income (loss), as adjusted	<u>\$ (198)</u>	<u>\$ 30</u>	<u>\$ (228)</u>	<u>\$ (18)</u>	<u>\$ (210)</u>
Adjusted Diluted Earnings (Loss) Per Share:					
Diluted loss per share, as reported	\$ (3.86)	\$ (0.88)	\$ (2.99)	\$ (2.46)	\$ (0.48)
Acquisition and restructuring costs	0.05	0.01	0.05	0.03	0.02
Loss on impairment of goodwill and other assets	3.18	0.93	2.26	2.19	-
Gain on disposal of assets, net	(0.02)	-	(0.02)	-	(0.02)
Loss on retirement of debt	0.01	-	-	-	-
Discrete tax items and other, net	0.20	-	0.20	0.20	-
Diluted earnings (loss) per share, as adjusted	<u>\$ (0.44)</u>	<u>\$ 0.06</u>	<u>\$ (0.50)</u>	<u>\$ (0.04)</u>	<u>\$ (0.48)</u>

	YTD <u>12/31/17</u>	QTD <u>12/31/17</u>	YTD <u>09/30/17</u>	QTD <u>09/30/17</u>	YTD <u>06/30/17</u>	QTD <u>06/30/17</u>	YTD <u>03/31/17</u>
Adjusted Net Income (Loss)							
Net income (loss) attributable to controlling interest, as reported	\$ (3,127)	\$ (111)	\$ (3,016)	\$ (1,417)	\$ (1,599)	\$ (1,690)	\$ 91
Litigation matters	(8)	(1)	(7)	-	(7)	1	(8)
Acquisition and restructuring costs	6	1	5	3	2	2	-
Loss on impairment of assets	1,497	(2)	1,499	1,386	113	113	-
(Gain) loss on disposal of assets, net	1,590	(6)	1,596	1	1,595	1,597	(2)
Loss on retirement of debt	55	6	49	1	48	48	-
Discrete tax items and other, net	(37)	20	(57)	90	(147)	(70)	(77)
Net income (loss), as adjusted	<u>\$ (24)</u>	<u>\$ (93)</u>	<u>\$ 69</u>	<u>\$ 64</u>	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 4</u>
Adjusted Diluted Earnings (Loss) Per Share:							
Diluted earnings (loss) per share, as reported	\$ (8.00)	\$ (0.28)	\$ (7.72)	\$ (3.62)	\$ (4.09)	\$ (4.32)	\$ 0.23
Litigation matters	(0.02)	-	(0.02)	-	(0.02)	-	(0.02)
Acquisition and restructuring costs	0.01	-	0.01	0.01	-	-	-
Loss on impairment of assets	3.84	-	3.84	3.54	0.29	0.29	-
(Gain) loss on disposal of assets, net	4.07	(0.01)	4.08	-	4.08	4.08	-
Loss on retirement of debt	0.14	0.01	0.12	-	0.12	0.12	-
Discrete tax items and other, net	(0.10)	0.04	(0.13)	0.23	(0.37)	(0.17)	(0.20)
Diluted earnings (loss) per share, as adjusted	<u>\$ (0.06)</u>	<u>\$ (0.24)</u>	<u>\$ 0.18</u>	<u>\$ 0.16</u>	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 0.01</u>



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	YTD	QTD	YTD	QTD	YTD	QTD	YTD
	12/31/16	12/31/16	09/30/16	09/30/16	06/30/16	06/30/16	03/31/16
Adjusted Net Income							
Net income attributable to controlling interest, as reported	\$ 778	\$ 243	\$ 535	\$ 218	\$ 317	\$ 82	\$ 235
Litigation matters	(28)	(28)	-	-	-	-	-
Restructuring costs	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
Litigation matters	(0.08)	(0.07)	-	-	-	-	-
Restructuring costs	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>