

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 12/30/18	QTD 12/30/18	YTD 09/30/18	QTD	YTD	QTD	YTD 03/31/18
Adjusted Net Income (Loss)	12/30/18	12/30/18	09/30/18	09/30/18	06/30/18	06/30/18	03/31/18
Net loss attributable to controlling interest, as reported	\$ (1,996)	\$ (242)	\$ (1,754)	\$ (409)	\$ (1,345)	\$ (1,135)	\$ (210)
Acquisition and restructuring costs	\$ (1,990) 34	ه (242) 12	\$ (1,754) 22	\$ (409) 4	ه (۱,۵4 <i>۵)</i> 18	\$ (1,133) 11	\$ (210) 7
Bargain purchase gain	(10)	(10)	22	4	10	11	,
Loss on impairment of goodwill and other assets	1,464	18	1,446	432	1,014	1,014	-
(Gain) loss on disposal of assets, net	(7)	(1)	(6)	1	(7)	(1)	(6)
Loss on retirement of debt	3	(1)	3	1	2	2	(0)
Discrete tax items and other, net	143	- 52	91	1	90	91	(1)
Net income (loss), as adjusted	\$ (369)	\$ (171)	\$ (198)	\$ 30	\$ (228)	\$ (18)	\$ (210)
Net income (1033), as adjusted	\$ (307)	\$ (171)	\$ (170)	\$ 30	\$ (220)	\$ (10)	\$ (210)
Adjusted Diluted Earnings (Loss) Per Share:							
Diluted loss per share, as reported	\$ (4.27)	\$ (0.48)	\$ (3.86)	\$ (0.88)	\$ (2.99)	\$ (2.46)	\$ (0.48)
Acquisition and restructuring costs	0.07	0.02	0.05	0.01	0.05	0.03	0.02
Bargain purchase gain	(0.02)	(0.02)	-	-	-	-	-
Loss on impairment of goodwill and other assets	3.13	0.03	3.18	0.93	2.26	2.19	-
Gain on disposal of assets, net	(0.01)	-	(0.02)	-	(0.02)	-	(0.02)
Loss on retirement of debt	0.01	-	0.01	-	-	-	-
Discrete tax items and other, net	0.30	0.11	0.20		0.20	0.20	
Diluted earnings (loss) per share, as adjusted	\$ (0.79)	\$ (0.34)	\$ (0.44)	\$ 0.06	\$ (0.50)	\$ (0.04)	\$ (0.48)
	YTD	QTD	YTD	QTD	YTD	QTD	YTD
	YTD 12/31/17	QTD 12/31/17	YTD 09/30/17	QTD 09/30/17	YTD 06/30/17	QTD 06/30/17	YTD 03/31/17
Adjusted Net Income (Loss)							
Adjusted Net Income (Loss) Net income (loss) attributable to controlling interest, as reported							
	12/31/17	12/31/17	09/30/17	09/30/17	06/30/17	06/30/17	03/31/17
Net income (loss) attributable to controlling interest, as reported	12/31/17 \$ (3,127)	12/31/17 \$ (111)	<u>09/30/17</u> \$ (3,016)	09/30/17	06/30/17 \$ (1,599)	06/30/17 \$ (1,690)	03/31/17 \$ 91
Net income (loss) attributable to controlling interest, as reported Litigation matters	12/31/17 \$ (3,127) (8)	\$ (111) (1)	\$ (3,016) (7)	09/30/17 \$ (1,417)	\$ (1,599) (7)	\$ (1,690) 1	03/31/17 \$ 91
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs	\$ (3,127) (8) 6	\$ (111) (1) 1	\$ (3,016) (7) 5	\$ (1,417) - 3	\$ (1,599) (7) 2	\$ (1,690) 1 2	03/31/17 \$ 91
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets	\$ (3,127) (8) 6 1,497	\$ (111) (1) 1 (2)	\$ (3,016) (7) 5 1,499	\$ (1,417) - 3 1,386	\$ (1,599) (7) 2 113	\$ (1,690) 1 2 113	91 (8)
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net	\$ (3,127) (8) 6 1,497 1,590 55 (37)	\$ (111) (1) 1 (2) (6) 6 20	99/30/17 \$ (3,016) (7) 5 1,499 1,596 49 (57)	\$ (1,417) - 3 1,386 1 90	\$ (1,599) (7) 2 113 1,595	\$ (1,690) 1 2 113 1,597	91 (8)
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt	\$ (3,127) (8) 6 1,497 1,590 55	\$ (111) (1) 1 (2) (6) 6	\$ (3,016) (7) 5 1,499 1,596 49	\$ (1,417) - 3 1,386 1	\$ (1,599) (7) 2 113 1,595 48	\$ (1,690) 1 2 113 1,597 48	\$ 91 (8) - (2)
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted	\$ (3,127) (8) 6 1,497 1,590 55 (37)	\$ (111) (1) 1 (2) (6) 6 20	99/30/17 \$ (3,016) (7) 5 1,499 1,596 49 (57)	\$ (1,417) - 3 1,386 1 90	06/30/17 \$ (1,599) (7) 2 113 1,595 48 (147)	\$ (1,690) 1 2 113 1,597 48 (70)	\$ 91 (8) - (2) - (77)
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share:	\$ (3,127) (8) 6 1,497 1,590 55 (37)	\$ (111) (1) (1) (2) (6) 6 20 \$ (93)	99/30/17 \$ (3,016) (7) 5 1,499 1,596 49 (57) \$ 69	\$ (1,417) - 3 1,386 1 90 \$ 64	06/30/17 \$ (1,599) (7) 2 113 1,595 48 (147)	\$ (1,690) 1 2 113 1,597 48 (70)	\$ 91 (8) - (2) - (77)
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted earnings (loss) per share, as reported	\$ (3,127) (8) 6 1,497 1,590 55 (37) \$ (24)	\$ (111) (1) 1 (2) (6) 6 20 \$ (93)	99/30/17 \$ (3,016) (7) 5 1,499 1,596 49 (57) \$ 69	\$ (1,417) 3 1,386 - 1 90 \$ 64	\$ (1,599) (7) 2 113 1,595 48 (147) \$ 5	\$ (1,690) 1 2 113 1,597 48 (70) \$ 1	\$ 91 (8) - (2) - (77) \$ 4
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted earnings (loss) per share, as reported Litigation matters	\$ (3,127) (8) 6 1,497 1,590 55 (37) \$ (24)	\$ (111) (1) (1) (2) (6) 6 20 \$ (93)	99/30/17 \$ (3,016) (7) 5 1,499 1,596 49 (57) \$ 69	\$ (1,417) - 3 1,386 1 90 \$ 64	\$ (1,599) (7) 2 113 1,595 48 (147) \$ 5	\$ (1,690) 1 2 113 1,597 48 (70) \$ 1	\$ 91 (8) - (2) - (77) \$ 4
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted earnings (loss) per share, as reported Litigation matters Acquisition and restructuring costs	\$ (3,127) (8) 6 1,497 1,590 55 (37) \$ (24) \$ (8.00) (0.02)	\$ (111) (1) (1) (2) (6) 6 20 \$ (93)	\$ (3,016) (7) 5 1,499 1,596 49 (57) \$ 69 \$ (7.72) (0.02)	\$ (1,417) \$ (1,417) - 3 1,386 1 1 90 \$ 64	\$ (1,599) (7) 2 113 1,595 48 (147) \$ 5	\$ (1,690) 1 2 113 1,597 48 (70) \$ 1	\$ 91 (8) - (2) - (77) \$ 4
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted earnings (loss) per share, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets	\$ (3,127) (8) 6 1,497 1,590 55 (37) \$ (24) \$ (8.00) (0.02) 0.01	\$ (111) (1) 1 (2) (6) 6 20 \$ (93) \$ (0.28)	\$ (3,016) (7) 5 1,499 1,596 49 (57) \$ 69 \$ (7.72) (0.02) 0.01	\$ (1,417) \$ (1,417) - 3 1,386 1 1 90 \$ 64 \$ (3.62) - 0.01	\$ (1,599) (7) 2 113 1,595 48 (147) \$ 5 \$ (4.09) (0.02)	\$ (1,690) 1 2 113 1,597 48 (70) \$ 1 \$ (4.32)	\$ 91 (8) - (2) - (77) \$ 4
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted earnings (loss) per share, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net	\$ (3,127) (8) 6 1,497 1,590 55 (37) \$ (24) \$ (8.00) (0.02) 0.01 3.84 4.07	\$ (111) (1) 1 (2) (6) 6 20 \$ (93) \$ (0.28) - (0.01)	\$ (3,016) (7) 5 1,499 1,596 49 (57) \$ 69 \$ (7.72) (0.02) 0.01 3.84 4.08	\$ (1,417)	\$ (1,599) (7) 2 113 1,595 48 (147) \$ 5 \$ (4.09) (0.02) - 0.29 4.08	\$ (1,690) 1 2 113 1,597 48 (70) \$ 1 \$ (4.32) - 0.29 4.08	\$ 91 (8) - (2) - (77) \$ 4
Net income (loss) attributable to controlling interest, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets (Gain) loss on disposal of assets, net Loss on retirement of debt Discrete tax items and other, net Net income (loss), as adjusted Adjusted Diluted Earnings (Loss) Per Share: Diluted earnings (loss) per share, as reported Litigation matters Acquisition and restructuring costs Loss on impairment of assets	\$ (3,127) (8) 6 1,497 1,590 55 (37) \$ (24) \$ (8.00) (0.02) 0.01 3.84	\$ (111) (1) 1 (2) (6) 6 20 \$ (93) \$ (0.28)	\$ (3,016) (7) 5 1,499 1,596 49 (57) \$ 69 \$ (7.72) (0.02) 0.01 3.84	\$ (1,417)	\$ (1,599) (7) 2 113 1,595 48 (147) \$ 5 \$ (4.09) (0.02) - 0.29	\$ (1,690) 1 2 113 1,597 48 (70) \$ 1 \$ (4.32) - 0.29	\$ 91 (8) - (2) - (77) \$ 4



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 12/31/16		QTD 12/31/16		YTD 09/30/16		QTD 09/30/16		YTD 06/30/16		QTD 06/30/16		YTD 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	\$ 656	\$	261	\$	395	\$	88	\$	307	\$	65	\$	242	
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)		(80.0)		0.02		0.02		_	
Diluted earnings per share, as adjusted	\$ 1.76	\$	0.69	\$	1.06	\$	0.24	\$	0.83	\$	0.17	\$	0.65	