

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
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	\$ 656	\$ 261	\$ 395	\$ 88	\$ 307	\$ 65	\$ 242
Adirected Dilected Formings Day Chaus							
Adjusted Diluted Earnings Per Share:	¢ 2.00	¢ 0/4	† 1 4 4	¢ 0.50	¢ 00/	e 0.22	¢ 0/4
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	0.08)	0.07)	0.04	0.01	0.03	0.02	0.01
Loss on impairment of assets	0.07	0.03	0.04	0.01	0.03	0.02	0.01
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)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	-
(Income) loss from discontinued operations	(0.40)	-	(0.40)	(0.30)	(0.11)	(0.11)	-
Discrete tax items and other, net	(0.12)	(0.06)	(0.06)	(0.08)	0.02	0.02	-
Diluted earnings per share, as adjusted	\$ 1.76	\$ 0.69	\$ 1.06	\$ 0.24	\$ 0.83	\$ 0.17	\$ 0.65
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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	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	12/31/15	12/31/15	09/30/15	09/30/15	06/30/15	06/30/15	03/31/15
Net income (loss) attributable to controlling interest, as reported				09/30/15			
Net income (loss) attributable to controlling interest, as reported Add back (subtract):	12/31/15 \$ 865	12/31/15	09/30/15 \$ 249	09/30/15	06/30/15 \$ (137)	\$ 335	03/31/15
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters	12/31/15	12/31/15	09/30/15	09/30/15	06/30/15	06/30/15	03/31/15
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges	\$ 865 (735)	\$ 616	\$ 249 (735)	\$ 386	\$ (137) (735) 16	\$ 335 (735)	03/31/15 \$ (472)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets	\$ 865 (735) 40 1,719	\$ 616 - 22 30	09/30/15 \$ 249 (735) 18 1,689	99/30/15 \$ 386 - 2 14	\$ (137) (735) 16 1,675	\$ 335 (735) 11 801	03/31/15 \$ (472) - 5 874
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges	\$ 865 (735) 40 1,719 (12)	\$ 616 - 22 30 (5)	\$ 249 (735) 18 1,689 (7)	99/30/15 \$ 386 - 2 14 (1)	\$ (137) (735) 16	\$ 335 (735)	03/31/15 \$ (472) - 5
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	\$ 865 (735) 40 1,719 (12) (23)	\$ 616 - 22 30	\$ 249 (735) 18 1,689 (7) (7)	99/30/15 \$ 386 - 2 14 (1) (7)	\$ (137) (735) 16 1,675	\$ 335 (735) 11 801	03/31/15 \$ (472) - 5 874
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Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations	\$ 865 (735) 40 1,719 (12) (23)	12/31/15 \$ 616 - 22 30 (5) (16)	\$ 249 (735) 18 1,689 (7) (7)	99/30/15 \$ 386 - 2 14 (1) (7)	\$ (137) \$ (735) 16 1,675 (6) -	\$ 335 (735) 11 801	03/31/15 \$ (472) - 5 874 (1) -
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations	\$ 865 (735) 40 1,719 (12) (23) (1) (1)	\$ 616 - 22 30 (5) (16)	\$ 249 (735) 18 1,689 (7) (7) (1) (2)	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3)	\$ (137) \$ (735) 16 1,675 (6) - 1	\$ 335 (735) 11 801 (5) - (1)	03/31/15 \$ (472) - 5 874 (1) - 2
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations Discrete tax items and other, net	\$ 865 (735) 40 1,719 (12) (23) (1) (1) (75)	\$ 616 - 22 30 (5) (16) - 1 (26)	\$ 249 (735) 18 1,689 (7) (7) (1) (2) (49)	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3) (42)	\$ (137) \$ (735) 16 1,675 (6) - 1 (7)	\$ 335 (735) 11 801 (5) - (1) (1)	03/31/15 \$ (472) - 5 874 (1) - 2 (6)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations Discrete tax items and other, net	\$ 865 (735) 40 1,719 (12) (23) (1) (1) (75)	12/31/15 \$ 616 - 22 30 (5) (16) - 1 (26) \$ 622	\$ 249 (735) 18 1,689 (7) (7) (1) (2) (49)	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3) (42)	\$ (137) \$ (735) 16 1,675 (6) - 1 (7)	\$ 335 (735) 11 801 (5) - (1) (1)	03/31/15 \$ (472) - 5 874 (1) - 2 (6)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported	\$ 865 (735) 40 1,719 (12) (23) (1) (1) (75)	\$ 616 - 22 30 (5) (16) - 1 (26)	\$ 249 (735) 18 1,689 (7) (7) (1) (2) (49)	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3) (42)	\$ (137) \$ (735) 16 1,675 (6) - 1 (7)	\$ 335 (735) 11 801 (5) - (1) (1)	03/31/15 \$ (472) - 5 874 (1) - 2 (6)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share:	\$ 865 (735) 40 1,719 (12) (23) (1) (1) (75) \$ 1,777	12/31/15 \$ 616 - 22 30 (5) (16) - 1 (26) \$ 622	99/30/15 \$ 249 (735) 18 1,689 (7) (7) (1) (2) (49) \$ 1,155	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3) (42) \$ 348	\$ (137) (735) 16 1,675 (6) - 1 (7) \$ 807	\$ 335 (735) 11 801 (5) - (1) (1) \$ 405	\$ (472) - 5 874 (1) - 2 (6) \$ 402
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters	\$ 865 (735) 40 1,719 (12) (23) (1) (1) (75) \$ 1,777	12/31/15 \$ 616 - 22 30 (5) (16) - 1 (26) \$ 622	99/30/15 \$ 249 (735) 18 1,689 (7) (7) (1) (2) (49) \$ 1,155	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3) (42) \$ 348	\$ (137) (735) 16 1,675 (6) - 1 (7) \$ 807	\$ 335 (735) 11 801 (5) - (1) (1) \$ 405	\$ (472) - 5 874 (1) - 2 (6) \$ 402
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Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	\$ 865 (735) 40 1,719 (12) (23) (1) (75) \$ 1,777 \$ 2.36 (2.02) 0.11 4.69	\$ 616 - 22 30 (5) (16) - 1 (26) \$ 622 \$ 1.68	99/30/15 \$ 249 (735) 18 1,689 (7) (7) (1) (2) (49) \$ 1,155 \$ 0.68 (2.02) 0.04 4.62	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3) (42) \$ 348 \$ 1.06	\$ (137) (735) 16 1,675 (6) - (7) \$ 807 \$ (0.38) (2.02) 0.04 4.61	\$ 335 (735) 11 801 (5) - (1) (1) \$ 405 \$ 0.91 (2.02) 0.03 2.20	\$ (472) - 5 874 (1) - 2 (6) \$ 402 \$ (1.30)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations	\$ 865 (735) 40 1,719 (12) (23) (1) (75) \$ 1,777 \$ 2.36 (2.02) 0.11 4.69 (0.02)	\$ 616 - 22 30 (5) (16) - 1 (26) \$ 622 \$ 1.68 - 0.06 0.08 (0.01)	\$ 249 (735) 18 1,689 (7) (7) (1) (2) (49) \$ 1,155 \$ 0.68 (2.02) 0.04 4.62 (0.02)	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3) (42) \$ 348 \$ 1.06 - 0.04	\$ (137) (735) 16 1,675 (6) - (7) \$ 807 \$ (0.38) (2.02) 0.04 4.61	\$ 335 (735) 11 801 (5) - (1) (1) \$ 405 \$ 0.91 (2.02) 0.03 2.20	\$ (472) - 5 874 (1) - 2 (6) \$ 402 \$ (1.30)
Net income (loss) attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings (loss) per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt Gain on disposal of assets in discontinued operations (Income) loss from discontinued operations	\$ 865 (735) 40 1,719 (12) (23) (1) (75) \$ 1,777 \$ 2.36 (2.02) 0.11 4.69 (0.02)	12/31/15 \$ 616 - 22 30 (5) (16) - 1 (26) \$ 622 \$ 1.68 - 0.06 0.08 (0.01) (0.04)	\$ 249 (735) 18 1,689 (7) (7) (1) (2) (49) \$ 1,155 \$ 0.68 (2.02) 0.04 4.62 (0.02)	99/30/15 \$ 386 - 2 14 (1) (7) (1) (3) (42) \$ 348 \$ 1.06 - 0.04	\$ (137) \$ (735) 16 1,675 (6) - 1 (7) \$ 807 \$ (0.38) (2.02) 0.04 4.61 (0.01) -	\$ 335 (735) 11 801 (5) - (1) (1) \$ 405 \$ 0.91 (2.02) 0.03 2.20	03/31/15 \$ (472) - 5 874 (1) 2 (6) \$ 402 \$ (1.30) - 0.01
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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.