



Transocean Inc. and Subsidiaries

Non-GAAP Financial Measures and Reconciliations

Adjusted Operating Income, Adjusted Net Income and Diluted Earnings Per Share

(in US\$ millions, except per share data)

	For the Three Months Ended		For the Years Ended	
	3/31/07	3/31/06	12/31/06	12/31/05
Adjusted Operating Income				
Operating income as reported	\$ 657	\$ 284	\$ 1,641	\$ 720
Add back (subtract):				
† Gain from sale of assets	(23)	(65)	(410)	(33)
Operating income as adjusted	\$ 634	\$ 219	\$ 1,231	\$ 687
Adjusted Net Income				
Net income as reported	\$ 553	\$ 206	\$ 1,385	\$ 716
Add back (subtract):				
After-tax gain from TODCO stock sales	-	-	-	(165)
After-tax loss on retirement of debt	-	-	-	7
After-tax gain from sale of assets	(20)	(43)	(386)	(28)
Income from TODCO Tax Sharing Agreement, with no tax effect	-	-	(51)	(11)
Net income as adjusted	\$ 533	\$ 163	\$ 948	\$ 519
Adjusted Earnings Per Share				
Net income as reported	\$ 1.84	\$ 0.61	\$ 4.28	\$ 2.13
Add back (subtract):				
After-tax gain from TODCO stock sales	-	-	-	(0.49)
After-tax loss on retirement of debt	-	-	-	0.02
After-tax gain from sale of assets	(0.07)	(0.12)	(1.19)	(0.08)
Income from TODCO Tax Sharing Agreement, with no tax effect	-	-	(0.16)	(0.03)
Net income as adjusted	\$ 1.77	\$ 0.49	\$ 2.93	\$ 1.55