



Transocean Ltd. and subsidiaries
Non-GAAP Financial Measures and Reconciliations
Adjusted Contract Drilling Revenues
Earnings Before Interest, Taxes, Depreciation and Amortization and Related Margins
(in millions, except percentages)

	YTD <u>06/30/19</u>	QTD <u>06/30/19</u>	YTD <u>03/31/19</u>
Contract drilling revenues	\$ 1,512	\$ 758	\$ 754
Contract intangible amortization	92	47	45
Adjusted Contract Drilling Revenues	<u>\$ 1,604</u>	<u>\$ 805</u>	<u>\$ 799</u>
Net loss	\$ (377)	\$ (206)	\$ (171)
Interest expense, net of interest income	312	156	156
Income tax expense (benefit)	29	37	(8)
Depreciation and amortization	436	219	217
Contract intangible amortization	92	47	45
EBITDA	<u>492</u>	<u>253</u>	<u>239</u>
Acquisition and restructuring costs	1	1	-
Loss on impairment of assets	1	1	-
(Gain) loss on disposal of assets, net	1	2	(1)
Gain on bargain purchase	(11)	(9)	(2)
Loss on retirement of debt	27	9	18
Adjusted EBITDA	<u>\$ 511</u>	<u>\$ 257</u>	<u>\$ 254</u>
EBITDA margin	31 %	31 %	30 %
Adjusted EBITDA margin	32 %	32 %	32 %

	YTD <u>12/31/18</u>	QTD <u>12/31/18</u>	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>
Contract drilling revenues	\$ 3,018	\$ 748	\$ 2,270	\$ 816	\$ 1,454	\$ 790	\$ 664
Contract intangible amortization	112	34	78	29	49	30	19
Contract drilling revenues before amortization	3,130	782	2,348	845	1,503	820	683
Drilling contract termination fees	(124)	(12)	(112)	(37)	(75)	(37)	(38)
Adjusted Contract Drilling Revenues	<u>\$ 3,006</u>	<u>\$ 770</u>	<u>\$ 2,236</u>	<u>\$ 808</u>	<u>\$ 1,428</u>	<u>\$ 783</u>	<u>\$ 645</u>
Net loss	\$ (2,003)	\$ (243)	\$ (1,760)	\$ (409)	\$ (1,351)	\$ (1,139)	\$ (212)
Interest expense, net of interest income	567	148	419	149	270	135	135
Income tax expense (benefit)	228	110	118	(30)	148	85	63
Depreciation expense	818	204	614	201	413	211	202
Contract intangible amortization	112	34	78	29	49	30	19
EBITDA	<u>(278)</u>	<u>253</u>	<u>(531)</u>	<u>(60)</u>	<u>(471)</u>	<u>(678)</u>	<u>207</u>
Acquisition and restructuring costs	34	12	22	4	18	11	7
Loss on impairment of goodwill and other assets	1,464	18	1,446	432	1,014	1,014	-
Gain on bargain purchase	(10)	(10)	-	-	-	-	-
(Gain) loss on disposal of assets, net	(7)	(1)	(6)	1	(7)	(1)	(6)
Loss on retirement of debt	3	-	3	1	2	2	-
	<u>1,206</u>	<u>272</u>	<u>934</u>	<u>378</u>	<u>556</u>	<u>348</u>	<u>208</u>
Drilling contract termination fees	(124)	(12)	(112)	(37)	(75)	(37)	(38)
Adjusted EBITDA	<u>\$ 1,082</u>	<u>\$ 260</u>	<u>\$ 822</u>	<u>\$ 341</u>	<u>\$ 481</u>	<u>\$ 311</u>	<u>\$ 170</u>
EBITDA margin	(9) %	32 %	(23) %	(7) %	(31) %	(83) %	30 %
Adjusted EBITDA margin	36 %	34 %	37 %	42 %	34 %	40 %	26 %

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	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
Contract drilling revenues	\$ 2,973	\$ 629	\$ 2,344	\$ 808	\$ 1,536	\$ 751	\$ 785
Drilling contract termination fees	(201)	(25)	(176)	(99)	(77)	(40)	(37)
Adjusted Contract Drilling Revenues	\$ 2,772	\$ 604	\$ 2,168	\$ 709	\$ 1,459	\$ 711	\$ 748
Net income (loss)	\$ (3,097)	\$ (102)	\$ (2,995)	\$ (1,411)	\$ (1,584)	\$ (1,679)	\$ 95
Interest expense, net of interest income	448	114	334	91	243	122	121
Income tax expense (benefit)	94	(9)	103	180	(77)	(37)	(40)
Depreciation expense	832	184	648	197	451	219	232
EBITDA	(1,723)	187	(1,910)	(943)	(967)	(1,375)	408
Litigation matters	(8)	(2)	(6)	-	(6)	2	(8)
Acquisition and restructuring costs	7	1	6	4	2	2	-
Loss on impairment of assets	1,498	-	1,498	1,385	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	-
	<u>1,419</u>	<u>186</u>	<u>1,233</u>	<u>448</u>	<u>785</u>	<u>387</u>	<u>398</u>
Drilling contract termination fees	(201)	(25)	(176)	(99)	(77)	(40)	(37)
Adjusted EBITDA	\$ 1,218	\$ 161	\$ 1,057	\$ 349	\$ 708	\$ 347	\$ 361
EBITDA margin	(58) %	30 %	(81) %	(117) %	(63) %	(183) %	52 %
Adjusted EBITDA margin	44 %	27 %	49 %	49 %	49 %	49 %	48 %