



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

	YTD <u>06/30/18</u>	QTD <u>06/30/18</u>	YTD <u>03/31/18</u>
Contract drilling revenues	\$ 1,454	\$ 790	\$ 664
Drilling contract termination fees	(75)	(37)	(38)
Contract intangible amortization	49	30	19
Adjusted Normalized Revenues	<u>\$ 1,428</u>	<u>\$ 783</u>	<u>\$ 645</u>
Net loss	\$ (1,351)	\$ (1,139)	\$ (212)
Interest expense, net of interest income	270	135	135
Income tax expense	148	85	63
Depreciation expense	413	211	202
Contract intangible amortization	49	30	19
EBITDA	<u>(471)</u>	<u>(678)</u>	<u>207</u>
Acquisition and restructuring costs	18	11	7
Loss on impairment of goodwill and other assets	1,014	1,014	-
Gain on disposal of assets, net	(7)	(1)	(6)
Loss on retirement of debt	2	2	-
Adjusted EBITDA	<u>556</u>	<u>348</u>	<u>208</u>
Drilling contract termination fees	(75)	(37)	(38)
Adjusted Normalized EBITDA	<u>\$ 481</u>	<u>\$ 311</u>	<u>\$ 170</u>
EBITDA margin	(32) %	(86) %	31 %
Adjusted EBITDA margin	38 %	44 %	31 %
Adjusted Normalized EBITDA margin	34 %	40 %	26 %

	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>
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 Normalized Revenues	<u>\$ 2,772</u>	<u>\$ 604</u>	<u>\$ 2,168</u>	<u>\$ 709</u>	<u>\$ 1,459</u>	<u>\$ 711</u>	<u>\$ 748</u>
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	<u>(1,723)</u>	<u>187</u>	<u>(1,910)</u>	<u>(943)</u>	<u>(967)</u>	<u>(1,375)</u>	<u>408</u>
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	-
Adjusted EBITDA	<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 Normalized EBITDA	<u>\$ 1,218</u>	<u>\$ 161</u>	<u>\$ 1,057</u>	<u>\$ 349</u>	<u>\$ 708</u>	<u>\$ 347</u>	<u>\$ 361</u>
EBITDA margin	(58) %	30 %	(81) %	(117) %	(63) %	(183) %	52 %
Adjusted EBITDA margin	48 %	30 %	53 %	55 %	51 %	52 %	51 %
Adjusted Normalized EBITDA margin	44 %	27 %	49 %	49 %	49 %	49 %	48 %



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	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
Contract drilling revenues	\$ 4,161	\$ 974	\$ 3,187	\$ 906	\$ 2,281	\$ 940	\$ 1,341
Drilling contract termination fees	(396)	(169)	(227)	(9)	(218)	(9)	(209)
Adjusted Normalized Revenues	<u>\$ 3,765</u>	<u>\$ 805</u>	<u>\$ 2,960</u>	<u>\$ 897</u>	<u>\$ 2,063</u>	<u>\$ 931</u>	<u>\$ 1,132</u>
Net income	\$ 827	\$ 257	\$ 570	\$ 236	\$ 334	\$ 93	\$ 241
Interest expense, net of interest income	389	108	281	104	177	94	83
Income tax expense (benefit)	107	(15)	122	6	116	18	98
Depreciation expense	893	226	667	225	442	225	217
EBITDA	<u>2,216</u>	<u>576</u>	<u>1,640</u>	<u>571</u>	<u>1,069</u>	<u>430</u>	<u>639</u>
Acquisition and restructuring costs	28	11	17	4	13	8	5
Litigation matters	(30)	(30)	-	-	-	-	-
Loss on impairment of assets	93	67	26	11	15	12	3
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, net of tax	-	-	-	-	-	(1)	1
Adjusted EBITDA	<u>2,146</u>	<u>619</u>	<u>1,527</u>	<u>473</u>	<u>1,054</u>	<u>407</u>	<u>647</u>
Drilling contract termination fees	(396)	(169)	(227)	(9)	(218)	(9)	(209)
Adjusted Normalized EBITDA	<u>\$ 1,750</u>	<u>\$ 450</u>	<u>\$ 1,300</u>	<u>\$ 464</u>	<u>\$ 836</u>	<u>\$ 398</u>	<u>\$ 438</u>
EBITDA margin	53%	59%	51%	63%	47%	46%	48%
Adjusted EBITDA margin	52%	64%	48%	52%	46%	43%	48%
Adjusted Normalized EBITDA margin	46%	56%	44%	52%	41%	43%	39%