Transocean

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Transocean Ltd. and subsidiaries

Non-GAAP Financial Measures and Reconciliations

Earnings Before Interest, Taxes and Depreciation and Related Margins

(in US$ millions, except percentages)

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	YTD 09/30/17	QTD 09/30/17	YTD 06/30/17	QTD 06/30/17	QTD 03/31/17
Operating revenues	$ 2,344	$ 808	$ 1,536	$ 751	$ 785
Drilling contract termination fees	(176)	(99)	(77)	(40)	(37)
Adjusted Normalized Revenues	$ 2,168	$ 709	$ 1,459	$ 711	$ 748
Net income (loss)	$ (2,995)	$ (1,411)	$ (1,584)	$ (1,679)	$ 95
Interest expense, net of interest income	334	91	243	122	121
Income tax expense (benefit)	103	180	(77)	(37)	(40)
Depreciation expense	648	197	451	219	232
EBITDA	(1,910)	(943)	(967)	(1,375)	408
Litigation matters	(6)	-	(6)	2	(8)
Restructuring charges	2	-	2	2	-
Acquisition costs	4	4	-	-	-
Loss on impairment of assets	1,498	1,385	113	113	-
(Gain) loss on disposal of assets, net	1,596	1	1,595	1,597	(2)
Loss on retirement of debt	49	1	48	48	-
Adjusted EBITDA	1,233	448	785	387	398
Drilling contract termination fees	(176)	(99)	(77)	(40)	(37)
Adjusted Normalized EBITDA	$ 1,057	$ 349	$ 708	$ 347	$ 361
EBITDA margin	(81) %	(117) %	(63) %	(183) %	52 %
Adjusted EBITDA margin	53 %	55 %	51 %	52 %	51 %
Adjusted Normalized EBITDA margin	49 %	49 %	49 %	49 %	48 %

	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
Operating 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	$ 3,765	$ 805	$ 2,960	$ 897	$ 2,063	$ 931	$ 1,132
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	2,216	576	1,640	571	1,069	430	639
Restructuring charges	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	2,146	619	1,527	473	1,054	407	647
Drilling contract termination fees	(396)	(169)	(227)	(9)	(218)	(9)	(209)
Adjusted Normalized EBITDA	$ 1,750	$ 450	$ 1,300	$ 464	$ 836	$ 398	$ 438
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%

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(in US$ millions, except percentages)

	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
Operating revenues	$ 7,386	$ 1,851	$ 5,535	$ 1,608	$ 3,927	$ 1,884	$ 2,043
Drilling contract termination fees	(433)	(367)	(66)	-	(66)	(66)	-
Adjusted Normalized Revenues	$ 6,953	$ 1,484	$ 5,469	$ 1,608	$ 3,861	$ 1,818	$ 2,043
Net income (loss)	$ 897	$ 622	$ 275	$ 395	$ (120)	$ 341	$ (461)
Interest expense, net of interest income	410	82	328	104	224	114	110
Income tax expense (benefit)	120	53	67	(36)	103	34	69
Depreciation expense	963	213	750	210	540	249	291
EBITDA	2,390	970	1,420	673	747	738	9
Restructuring charges	47	27	20	3	17	12	5
Litigation matters	(788)	-	(788)	-	(788)	(788)	-
Loss on impairment of assets	1,875	31	1,844	13	1,831	895	936
Gain on disposal of assets, net	(14)	(7)	(7)	(1)	(6)	(4)	(2)
Gain on retirement of debt	(23)	(16)	(7)	(7)	-	-	-
(Income) loss from discontinued operations, net of tax	(2)	-	(2)	(3)	1	(1)	2
Adjusted EBITDA	3,485	1,005	2,480	678	1,802	852	950
Drilling contract termination fees	(433)	(367)	(66)	-	(66)	(66)	-
Adjusted Normalized EBITDA	$ 3,052	$ 638	$ 2,414	$ 678	$ 1,736	$ 786	$ 950
EBITDA margin	32%	52%	26%	42%	19%	39%	-
Adjusted EBITDA margin	47%	54%	45%	42%	46%	45%	47%
Adjusted Normalized EBITDA margin	44%	43%	44%	42%	45%	43%	47%