

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

	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
Income tax expense (benefit)	107	(15)	122	6	116	18	98
Interest expense, net of interest income	389	108	281	104	177	94	83
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%
	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)
Income tax expense (benefit)	120	53	67	(36)	103	34	69
Interest expense, net of interest income	410	82	328	104	224	114	110
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	(3)	-	(3)	(3)	-	(1)	1
Adjusted EBITDA	3,484	1,005	2,479	678	1,801	852	949
Drilling contract termination fees	(433)	(367)	(66)	-	(66)	(66)	-
Adjusted Normalized EBITDA	\$ 3,051	\$ 638	\$ 2,413	\$ 678	\$ 1,735	\$ 786	\$ 949
EBITDA margin	32%	52%	26%	42%	19%	39%	-
Adjusted EBITDA margin	47%	54%	45%	42%	46%	45%	46%
Adjusted Normalized EBITDA margin	44%	43%	44%	42%	45%	43%	46%

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.