

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 6, 2014**

# Era Group Inc.

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(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-35701

(Commission File Number)

72-1455213

(I.R.S. Employer Identification No.)

818 Town & Country Blvd., Suite 200, Houston, Texas

(Address of principal executive offices)

77024

(Zip Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 2.02 Results of Operations and Financial Condition**

On May 6, 2014, Era Group Inc. (“Era Group”) issued a press release setting forth its first quarter 2014 earnings. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

The information furnished pursuant to Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

## **Item 7.01 Regulation FD Disclosure**

On May 7, 2014, Era Group will make a presentation about its first quarter 2014 earnings as noted in the press release described in Item 2.02 above. A copy of the presentation slides are attached hereto as Exhibit 99.2. Additionally, Era Group has posted the presentation on its website at [www.eragroupinc.com](http://www.eragroupinc.com).

The information furnished pursuant to Item 7.01, including Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

## **Item 9.01 Financial Statements and Exhibits**

99.1 Press Release of Era Group Inc., dated May 6, 2014.

99.2 Presentation Slides

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Era Group Inc.

*May 6, 2014*

By: /s/ Christopher S. Bradshaw

*Name: Christopher S. Bradshaw*

*Title: Executive Vice President and Chief Financial Officer*

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## Exhibit Index

Exhibit No.	Description
99.1	Press Release of Era Group Inc., dated May 6, 2014.
99.2	Presentation Slides



## PRESS RELEASE

### ERA GROUP INC. REPORTS FIRST QUARTER 2014 RESULTS

- Q1 2014 revenues increased 17% compared to Q1 2013 due to strong results from our U.S. Gulf of Mexico operations
- Operating income and EBITDA increased by 88% and 21%, respectively, excluding the impact of gains on asset dispositions, which outpaced revenue growth due to margin expansion

Houston, Texas  
May 6, 2014

**FOR IMMEDIATE RELEASE** — Era Group Inc. (NYSE: ERA) today reported net income for its first quarter ended March 31, 2014 of \$4.4 million on operating revenues of \$79.4 million compared to net income of \$6.7 million on operating revenues of \$67.7 million in the prior year first quarter. The decline in net income is due to a \$7.9 million decrease in gains on asset dispositions compared to the prior year quarter.

Operating income for the current quarter was \$10.1 million compared to \$14.6 million in the prior year quarter. Earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$21.8 million in the current quarter compared to \$26.4 million in the prior year quarter. The current quarter results included \$2.9 million in gains on asset dispositions compared to \$10.8 million of gains in the first quarter of 2013.

"Operating revenues increased 17% to set a new record for the first quarter thanks to strong performance from our U.S. Gulf of Mexico operations," said Sten Gustafson, Chief Executive Officer of Era Group Inc. "Our customers continue to be very active in the deepwater Gulf of Mexico, adding new drilling rigs for exploration activities and transitioning successful drilling projects into their longer-term development and production phases."

"EBITDA excluding gains on asset dispositions outpaced revenue growth, increasing 21% over the prior year quarter as we benefited from margin expansion."

#### First Quarter Results

Operating revenues in the first quarter ended March 31, 2014 increased \$11.7 million over the prior year quarter primarily due to strong results from our U.S. Gulf of Mexico operations related to an increase in fleet count, higher rates and the resumption of operations of the EC225 heavy helicopters. These increases were partially offset by a decrease in dry-leasing revenues due to fewer helicopters on dry-leases compared to the prior year quarter and a decrease in revenues in Alaska as the prior year quarter benefited from short-term work related to a drillship running aground.

Operating expenses were \$6.5 million higher in the current quarter. Repairs and maintenance expenses were \$4.2 million higher primarily due to the timing of repairs and an increase in power-by-hour expense related to the resumption of the EC225 helicopter operations. Personnel costs increased \$1.0 million due to higher headcount related to increased activity and pay scale and benefit adjustments related to a competitive labor market. Fuel expense increased due to the EC225 helicopters returning to service and increased fuel sales at the FBO, and other expenses increased due to placing a third search and rescue ("SAR") helicopter in service.

Administrative and general expenses were \$2.2 million higher in the current quarter. Compensation and employee costs were \$1.8 million higher primarily due to an increase in personnel, annual pay adjustments and share-based compensation related to changes in senior management and annual incentive equity awards. Professional services fees increased \$0.3 million due to audit and tax advisory fees.

Depreciation expense decreased \$0.4 million primarily due to helicopters and related equipment sold since the prior year quarter.

Gains on asset dispositions were \$7.9 million less than in the prior year quarter. During the current quarter, we sold two helicopters for a gain of \$2.9 million. In the prior year quarter, we sold or otherwise disposed of six helicopters and related equipment for a gain of \$10.8 million.

Interest expense decreased \$1.0 million primarily due to increased capitalized interest related to additional deposits on helicopter orders.

Income tax expense decreased \$1.1 million due to lower pre-tax income in the current year quarter resulting from the decrease in gains on asset dispositions.

### **Sequential Quarter Results**

First quarter 2014 operating revenues increased \$3.4 million compared to the fourth quarter of 2013, primarily due to strong results from our U.S. Gulf of Mexico operations partially offset by lower revenues from dry-leasing activities and from oil and gas operations in Alaska. First quarter net income increased \$2.7 million. Operating income and EBITDA for the first quarter increased by \$0.5 million and \$1.8 million, respectively. The improvements in operating income and EBITDA were due to a \$2.4 million increase in gains on asset dispositions compared to the fourth quarter of 2013. In addition to the increased gains on asset dispositions, net income also benefited from a \$0.6 million decrease in interest expense, a \$0.5 million decrease in income tax expense, and a \$1.4 million increase in earnings from equity investments.

### **Equipment Acquisitions**

During the quarter ended March 31, 2014, the Company's capital expenditures were \$18.8 million, which consisted primarily of deposits on future helicopter deliveries. The Company records helicopter acquisitions in property and equipment and places helicopters in service once all completion work has been finalized and the helicopters are ready for use. The Company accepted delivery of two new AW139 medium helicopters in January 2014, and placed both of them into service in late February. In addition, the Company accepted delivery of one new AW139 helicopter in March 2014, which will be placed into service in the second quarter of 2014.

### **Capital Commitments**

The Company's unfunded capital commitments as of March 31, 2014 consisted primarily of orders for helicopters and totaled \$326.3 million, of which \$83.4 million is payable during 2014 with the balance payable through 2017. The Company also had \$2.3 million of deposits paid on options not yet exercised. The Company may terminate \$147.4 million of its total commitments (inclusive of deposits paid on options not yet exercised) without further liability other than liquidated damages of \$9.7 million in the aggregate.

Included in these capital commitments are agreements to purchase ten AW189 heavy helicopters, four S92 heavy helicopters, one AW139 medium helicopter, and five AW169 light twin helicopters. The AW189 helicopters are scheduled to be delivered beginning in late 2014 through 2017. The S92 helicopters are scheduled to be delivered in 2016 and 2017. The AW139 helicopter is scheduled to be delivered in mid-year 2014. Delivery dates for the AW169 helicopters have yet to be determined. In addition, we had outstanding options to purchase up to an additional ten AW189 helicopters, five S92 helicopters and four AW139 helicopters. If these options are exercised, the helicopters would be scheduled for delivery beginning in 2015 through 2018.

### **Liquidity Update**

As of March 31, 2014, the Company had \$25.3 million in cash balances and escrow deposits and remaining availability under its senior secured revolving credit facility of \$244.3 million.

#### **EC225 Settlement**

In April 2014, the Company entered into a settlement agreement with Airbus Helicopters (formerly Eurocopter), a division of Airbus Group (formerly European Aeronautic Defense and Space Company), with respect to the extended suspension of operations of the EC225 heavy helicopters in 2012 and 2013. The settlement agreement provides for certain service and product credit discounts, including credits that will be available to the Company for a period of four years to be applied against support services available from Airbus Helicopters covering spare parts, repair and overhaul, service bulletins, technical assistance or any other services available from Airbus Helicopters. The Company expects to be able to apply such service credits over the following six to ten quarters and such application will impact the Company's statements of operations as a reduction in operating expenses if and as the credits are utilized.

#### **Conference Call**

Management will conduct a conference call starting at 10:00 a.m. ET (9:00 a.m. CT) on Wednesday, May 7, 2014, to review the results for the first quarter ended March 31, 2014. The conference call can be accessed as follows:

All callers will need to reference the access code 34597766

*Within the U.S.:*

Operator Assisted Toll-Free Dial-In Number: (866) 607-0535

*Outside the U.S.:*

Operator Assisted International Dial-In Number: (832) 445-1827

*Replay*

A telephone replay will be available through May 21, 2014 and may be accessed by calling (855) 859-2056 for domestic callers or (404) 537-3406 for international callers. An audio replay will also be available on the Company's website at [www.eragroupinc.com](http://www.eragroupinc.com) shortly after the call and will be accessible for approximately 90 days.

#### **About Era Group**

Era Group is one of the largest helicopter operators in the world and the longest serving helicopter transport operator in the U.S. In addition to servicing its U.S. customers, Era Group also provides helicopters and related services to third-party helicopter operators and customers in other countries, including Brazil, India, Norway, Spain, Sweden, the United Kingdom and Uruguay. Era Group's helicopters are primarily used to transport personnel to, from and between offshore installations, drilling rigs and platforms.

*This release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements concerning management's expectations, strategic objectives, business prospects, anticipated performance and financial condition and other similar matters involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements discussed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others, the Company's dependence on, and the cyclical nature of, the offshore oil and gas industry; the Company's dependence on oil and gas exploration and development activity in the areas where the Company operates; fluctuations in worldwide prices of and demand for oil and natural gas; the ability to successfully expand into other geographic and helicopter service markets; the impact of increased U.S. and foreign government regulation and legislation, including potential government implemented moratoriums on drilling activities; inherent risks in operating helicopters; the failure to maintain an acceptable safety record; the grounding of all or a portion of our fleet for extended periods of time or indefinitely; reduction or cancellation of services for government agencies; reliance on a small number of helicopter manufacturers and suppliers; political*

*instability, governmental action, war, acts of terrorism and changes in the economic condition in any foreign country where the Company does business, which may result in expropriation, nationalization, confiscation or deprivation of our assets or result in claims of a force majeure situation; declines in the global economy and financial markets; foreign currency exposure and exchange controls; credit risk exposure; the ongoing need to replace aging helicopters; the Company's reliance on the secondary used helicopter market to dispose of older helicopters; the Company's reliance on a small number of customers; allocation of risk between the Company and its customers; liability, legal fees and costs in connection with providing emergency response services; risks associated with the Company's debt structure; operational and financial difficulties of the Company's joint ventures and partners; conflict with the other owners of the Company's non-wholly owned subsidiaries and other equity investees; adverse results of legal proceedings; adverse weather conditions and seasonality; adequacy of insurance coverage; the attraction and retention of qualified personnel; restrictions on the amount of foreign ownership of the Company's common stock; the effect of the Spin-off, including the ability of the Company to recognize the expected benefits from the Spin-off and the Company's dependence on SEACOR's performance under various agreements; and various other matters and factors, many of which are beyond the Company's control. In addition, these statements constitute Era Group's cautionary statements under the Private Securities Litigation Reform Act of 1995. It is not possible to predict or identify all such factors. Consequently, the foregoing should not be considered a complete discussion of all potential risks or uncertainties. The words "estimate," "project," "intend," "believe," "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made. Era Group disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in Era Group's expectations or any change in events, conditions or circumstances on which the forward-looking statement is based. The forward-looking statements in this release should be evaluated together with the many uncertainties that affect the Company's businesses, particularly those mentioned under "Risk Factors" in Era Group's Annual Report on Form 10-K for the year ended December 31, 2013, in Era Group's subsequent Quarterly Reports on Form 10-Q and in Era Group's periodic reporting on Form 8-K (if any), which are incorporated by reference.*

For additional information concerning Era Group, contact Christopher Bradshaw at (281) 606-4871 or visit Era Group's website at [www.eragroupinc.com](http://www.eragroupinc.com).



**ERA GROUP INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts, unaudited)

	Three Months Ended March 31,	
	2014	2013
Operating Revenues	\$ 79,443	\$ 67,727
Costs and Expenses:		
Operating	49,640	43,116
Administrative and general	11,334	9,134
Depreciation	11,287	11,661
	72,261	63,911
Gains on Asset Dispositions, Net	2,891	10,801
Operating Income	10,073	14,617
Other Income (Expense):		
Interest income	145	147
Interest expense	(3,753)	(4,732)
SEACOR management fees	—	(168)
Derivative losses, net	(30)	(3)
Foreign currency losses, net	(57)	(259)
Other, net	—	3
	(3,695)	(5,012)
Income Before Income Tax Expense and Equity In Earnings (Losses) of 50% or Less Owned Companies	6,378	9,605
Income Tax Expense	2,503	3,578
Income Before Equity in Earnings (Losses) of 50% or Less Owned Companies	3,875	6,027
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	499	562
Net Income	4,374	6,589
Net Loss Attributable to Noncontrolling Interest in Subsidiary	71	105
Net Income Attributable to Era Group Inc.	4,445	6,694
Accretion of Redemption Value on Series A Preferred Stock	—	721
Net Income Attributable to Common Shares	\$ 4,445	\$ 5,973
Basic Earnings Per Common Share	\$ 0.22	\$ 0.28
Diluted Earnings Per Common Share	\$ 0.22	\$ 0.28
EBITDA	\$ 21,772	\$ 26,413
Adjusted EBITDA	\$ 21,772	\$ 26,581
Adjusted EBITDA Excluding Gains	\$ 18,881	\$ 15,780

**ERA GROUP INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts, unaudited)

	Three Months Ended				
	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
Operating Revenues	\$ 79,443	\$ 75,998	\$ 80,997	\$ 74,237	\$ 67,727
Costs and Expenses:					
Operating	49,640	45,213	51,338	46,945	43,116
Administrative and general	11,334	10,562	9,683	9,545	9,134
Depreciation	11,287	11,129	11,340	11,431	11,661
	72,261	66,904	72,361	67,921	63,911
Gains on Asset Dispositions, Net	2,891	464	2,560	4,476	10,801
Operating Income	10,073	9,558	11,196	10,792	14,617
Other Income (Expense):					
Interest income	145	139	155	150	147
Interest expense	(3,753)	(4,311)	(4,394)	(4,613)	(4,732)
SEACOR management fees	—	—	—	—	(168)
Derivative (losses) gains, net	(30)	(26)	(96)	21	(3)
Foreign currency gains (losses), net	(57)	233	409	315	(259)
Other, net	—	—	7	9	3
	(3,695)	(3,965)	(3,919)	(4,118)	(5,012)
Income Before Income Tax Expense and Equity In Earnings (Losses) of 50% or Less Owned Companies	6,378	5,593	7,277	6,674	9,605
Income Tax Expense	2,503	3,036	2,715	2,398	3,578
Income Before Equity in Earnings (Losses) of 50% or Less Owned Companies	3,875	2,557	4,562	4,276	6,027
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	499	(880)	526	674	562
Net Income	4,374	1,677	5,088	4,950	6,589
Net Loss Attributable to Noncontrolling Interest in Subsidiary	71	75	116	105	105
Net Income Attributable to Era Group Inc.	4,445	1,752	5,204	5,055	6,694
Accretion of Redemption Value on Series A Preferred Stock	—	—	—	—	721
Net Income Attributable to Common Shares	\$ 4,445	\$ 1,752	\$ 5,204	\$ 5,055	\$ 5,973
Basic Earnings Per Common Share	\$ 0.22	\$ 0.09	\$ 0.26	\$ 0.25	\$ 0.28
Diluted Earnings Per Common Share	\$ 0.22	\$ 0.09	\$ 0.25	\$ 0.25	\$ 0.28
EBITDA	\$ 21,772	\$ 20,014	\$ 23,382	\$ 23,242	\$ 26,413
Adjusted EBITDA	\$ 21,772	\$ 20,014	\$ 25,427	\$ 23,242	\$ 26,581
Adjusted EBITDA Excluding Gains	\$ 18,881	\$ 19,550	\$ 22,867	\$ 18,766	\$ 15,780

**ERA GROUP INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, unaudited)

	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 22,290	\$ 31,335	\$ 22,517	\$ 27,345	\$ 25,032
Receivables:					
Trade, net of allowance for doubtful accounts	47,780	38,137	48,435	40,645	41,044
Other	4,824	4,374	2,961	14,607	16,133
Inventories, net	26,780	26,853	26,692	26,223	26,696
Prepaid expenses and other	3,292	2,167	1,278	2,854	2,715
Deferred income taxes	2,138	2,347	3,642	3,642	3,642
Escrow deposits	3,048	—	9,900	16,010	—
Total current assets	110,152	105,213	115,425	131,326	115,262
Property and Equipment	1,084,199	1,066,958	1,014,907	1,012,661	1,021,453
Accumulated depreciation	(273,754)	(263,306)	(255,299)	(251,613)	(246,498)
Net property and equipment	810,445	803,652	759,608	761,048	774,955
Investments, at Equity, and Advances to 50% or Less Owned Companies	35,433	34,986	36,113	35,529	34,705
Goodwill	352	352	352	352	352
Other Assets	16,074	14,380	16,071	17,300	17,830
Total Assets	\$ 972,456	\$ 958,583	\$ 927,569	\$ 945,555	\$ 943,104
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
Current Liabilities:					
Accounts payable and accrued expenses	\$ 13,639	\$ 13,293	\$ 16,796	\$ 15,796	\$ 13,396
Accrued wages and benefits	9,583	8,792	8,937	6,976	7,662
Accrued interest	4,624	772	4,625	770	5,213
Accrued income taxes	781	613	—	—	—
Derivatives	529	621	—	—	—
Current portion of long-term debt	2,787	2,787	2,787	2,787	2,787
Other current liabilities	4,171	3,267	6,894	5,253	4,309
Total current liabilities	36,114	30,145	40,039	31,582	33,367
Deferred Income Taxes	211,479	209,574	208,483	204,487	203,343
Long-Term Debt	278,755	279,391	240,029	275,667	276,307
Deferred Gains and Other Liabilities	3,476	3,412	5,343	5,947	8,164
Total liabilities	529,824	522,522	493,894	517,683	521,181
Equity:					
Era Group Inc. Stockholders' Equity:					
Common stock	203	202	202	202	201
Additional paid-in capital	423,728	421,310	420,650	420,056	419,036
Retained earnings	19,125	14,680	12,928	7,724	2,669
Treasury shares, at cost	(334)	(113)	(94)	(63)	—
Accumulated other comprehensive income (loss), net of tax	175	176	108	(44)	(85)
	442,897	436,255	433,794	427,875	421,821
Noncontrolling interest in subsidiary	(265)	(194)	(119)	(3)	102
Total equity	442,632	436,061	433,675	427,872	421,923
Total Liabilities and Stockholders' Equity	\$ 972,456	\$ 958,583	\$ 927,569	\$ 945,555	\$ 943,104

Our management uses EBITDA and Adjusted EBITDA to assess the performance and operating results of our business. EBITDA is defined as Earnings before Interest (includes interest income and interest expense), Taxes, Depreciation and Amortization. Adjusted EBITDA is defined as EBITDA further adjusted for SEACOR Management Fees and certain other items that occur during the reported period. We include EBITDA and Adjusted EBITDA to provide investors with a supplemental measure of our operating performance. Neither EBITDA nor Adjusted EBITDA is a recognized term under generally accepted accounting principles in the U.S. ("GAAP"). Accordingly, they should not be used as an indicator of, or an alternative to, net income as a measure of operating performance. In addition, EBITDA and Adjusted EBITDA are not intended to be measures of free cash flow available for management's discretionary use, as they do not consider certain cash requirements, such as debt service requirements. Because the definitions of EBITDA and Adjusted EBITDA (or similar measures) may vary among companies and industries, they may not be comparable to other similarly titled measures used by other companies.

The following table provides a reconciliation of Net Income, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA.

	Three Months Ended				
	Mar. 31, 2014	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
	(in thousands)				
Net Income	\$ 4,374	\$ 1,677	\$ 5,088	\$ 4,950	\$ 6,589
Depreciation	11,287	11,129	11,340	11,431	11,661
Interest Income	(145)	(139)	(155)	(150)	(147)
Interest Expense	3,753	4,311	4,394	4,613	4,732
Income Tax Expense	2,503	3,036	2,715	2,398	3,578
EBITDA	\$ 21,772	\$ 20,014	\$ 23,382	\$ 23,242	\$ 26,413
SEACOR Management Fees	—	—	—	—	168
Special Items <sup>(1)</sup>	—	—	2,045	—	—
Adjusted EBITDA	\$ 21,772	\$ 20,014	\$ 25,427	\$ 23,242	\$ 26,581
Gains on Asset Dispositions, Net ("Gains")	(2,891)	(464)	(2,560)	(4,476)	(10,801)
Adjusted EBITDA Excluding Gains	\$ 18,881	\$ 19,550	\$ 22,867	\$ 18,766	\$ 15,780

(1) Special items include the following:

- A one-time charge of \$2.0 million related to operating leases on certain helicopters configured for air medical services for the three months ended September 30, 2013.

**ERA GROUP INC.**  
**FLEET COUNTS <sup>(1)</sup>**  
**(unaudited)**

	Mar. 31, 2014 <sup>(2)</sup>	Dec. 31, 2013	Sep. 30, 2013	Jun. 30, 2013	Mar. 31, 2013
<b>Heavy:</b>					
EC225	9	9	9	9	9
<b>Medium:</b>					
AW139	37	35	36	35	35
B212	10	11	11	11	11
B412	6	6	6	6	6
S76 A/A++	2	3	3	6	6
S76 C+/C++	6	6	6	7	9
	61	61	62	65	67
<b>Light—twin engine:</b>					
A109	9	9	9	9	9
BK-117	3	3	6	6	6
EC135	20	20	20	20	20
EC145	4	4	4	3	3
	36	36	39	38	38
<b>Light—single engine:</b>					
A119	24	24	24	24	24
AS350	35	35	35	35	35
	59	59	59	59	59
<b>Total Helicopters</b>	<b>165</b>	<b>165</b>	<b>169</b>	<b>171</b>	<b>173</b>

(1) Includes all owned, joint ventured, leased-in and managed helicopters.

(2) Excludes on AW139 helicopter that was fully paid for and delivered in March 2014 but not yet operational as of March 31, 2014.



GROUP INC.

## Q1 2014 Earnings Presentation



May 7, 2014



## Q1 2014 Earnings Call Agenda

- |                            |   |
|----------------------------|---|
| I. Introduction            | Chris Bradshaw, EVP and CFO             |
| II. Operational Highlights | Sten Gustafson, Chief Executive Officer |
| III. Financial Review      | Chris Bradshaw, EVP and CFO             |
| IV. Closing Remarks        | Sten Gustafson, Chief Executive Officer |
| V. Questions & Answers     |   |





## Cautionary Statement Regarding Forward Looking Statements

This presentation contains "forward-looking statements." Forward-looking statements give the Company's current expectations or forecasts of future events. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "project," or "continue," or other similar words. These statements reflect management's current views with respect to future events and are subject to risks and uncertainties, both known and unknown. The Company's actual results may vary materially from those anticipated in forward-looking statements. The Company cautions investors not to place undue reliance on any forward-looking statements.

Such risks, uncertainties and other important factors include, among others, the Company's dependence on, and the cyclical nature of, the offshore oil and gas industry; the Company's dependence on oil and gas exploration and development activity in the areas where the Company operates; fluctuations in worldwide prices of and demand for oil and natural gas; the ability to successfully expand into other geographic and helicopter service markets; the impact of increased U.S. and foreign government regulation and legislation, including potential government implemented moratoriums on drilling activities; inherent risks in operating helicopters; the failure to maintain an acceptable safety record; the grounding of all or a portion of our fleet for extended periods of time or indefinitely; reduction or cancellation of services for government agencies; reliance on a small number of helicopter manufacturers and suppliers; political instability, governmental action, war, acts of terrorism and changes in the economic condition in any foreign country where the Company does business, which may result in expropriation, nationalization, confiscation or deprivation of our assets or result in claims of a force majeure situation; declines in the global economy and financial markets; foreign currency exposure and exchange controls; credit risk exposure; the ongoing need to replace aging helicopters; the Company's reliance on the secondary used helicopter market to dispose of older helicopters; the Company's reliance on a small number of customers; allocation of risk between the Company and its customers; liability, legal fees and costs in connection with providing emergency response services; risks associated with the Company's debt structure; operational and financial difficulties of the Company's joint ventures and partners; conflict with the other owners of the Company's non-wholly owned subsidiaries and other equity investees; adverse results of legal proceedings; adverse weather conditions and seasonality; adequacy of insurance coverage; the attraction and retention of qualified personnel; restrictions on the amount of foreign ownership of the Company's common stock; the effect of the Spin-off, including the ability of the Company to recognize the expected benefits from the Spin-off and the Company's dependence on SEACOR's performance under various agreements; and various other matters and factors included in the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q and other SEC filings.

These factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact the Company's business. Except to the extent required by law, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation includes disclosure of the Company's Net Asset Value. The Company's Net Asset Value is based upon the fair market value (FMV) of the Company's owned helicopters plus the book value of the Company's other assets less the Company's liabilities. The Company derives FMV from observable market data if available and may require utilization of estimates, application of significant judgment and assistance of valuation specialists. In some cases, FMV is obtained from third party analysts. There is no assurance that FMV of an asset represents the amount that Era could obtain from an unaffiliated third party in an arm's length sale of the asset.



## Non-GAAP Financial Measures Reconciliation

This presentation includes EBITDA and Adjusted EBITDA as supplemental measures of the Company's operating performance. EBITDA is defined as Earnings before Interest (includes interest income, interest expense and interest expense on advances from SEACOR), Taxes, Depreciation and Amortization. Adjusted EBITDA is defined as EBITDA further adjusted for SEACOR Management Fees and certain other items that occurred during the reporting period. Neither EBITDA nor Adjusted EBITDA is a recognized term under generally accepted accounting principles in the U.S. ("GAAP"). Accordingly, they should not be used as an indicator of, or an alternative to, net income as a measure of operating performance. In addition, EBITDA and Adjusted EBITDA are not intended to be a measure of free cash flow available for discretionary use, as they do not consider certain cash requirements, such as debt service requirements. EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation, nor as a substitute for analysis of our results as reported under GAAP. Because the definitions of EBITDA and Adjusted EBITDA (or similar measures) may vary among companies and industries, they may not be comparable to other similarly titled measures used by other companies.

A reconciliation of EBITDA and Adjusted EBITDA is included in this presentation.

## Operational Highlights



## Q1 2014 Highlights

### Compared to Prior Year Quarter

- Record Q1 operating revenues of \$79.4mm represent a 17% increase over the prior year quarter
  - Total increase of \$11.7mm primarily due to strong results from our U.S. Gulf of Mexico operations
  - Partially offset by lower revenues from dry-leasing activities and oil and gas operations in Alaska
- Net income attributable to Era Group Inc. of \$4.4mm compared to \$6.7mm in the prior year quarter
  - Decline due to a \$7.9mm decrease in gains on asset dispositions compared to Q1 2013
  - Q1 2014 results included \$2.9mm of gains compared to \$10.8mm of gains in Q1 2013
- Operating income and Adjusted EBITDA increased by 88% and 20%, respectively, excluding the impact of gains on assets dispositions, which outpaced revenue growth due to margin expansion

### Compared to Sequential Quarter

- Operating revenues increased \$3.4mm, or 5%, from Q4 2013 primarily due to strong results from our U.S. Gulf of Mexico operations
- Net income attributable to Era Group Inc. increased \$2.7mm
- Operating income and Adjusted EBITDA increased \$0.5mm and \$1.8mm, respectively
  - Improvement due to a \$2.4mm increase in gains on asset dispositions compared to Q4 2013
- In addition to the increased gains on asset dispositions, sequential quarter net income also benefitted from:
  - \$0.6mm decrease in interest expense;
  - \$0.5mm decrease in income tax expense; and
  - \$1.4mm increase in earnings from equity investments

## Oil and Gas

- Q1 operating revenues from oil and gas activities of \$56.6mm
  - 25% increase from Q1 2013
  - 5% increase from Q4 2013
- U.S. Gulf of Mexico operating revenues of \$49.1mm
  - 36% increase from Q1 2013 primarily due to an increase in fleet count, higher rates and the resumption of operations of the EC225 heavy helicopters
  - 8% increase from Q4 2013 primarily due to increased charter activity
- Alaska operating revenues of \$6.2mm
  - 22% decrease primarily due to lower rates, as high rates and higher other revenues were earned in Q1 2013 on short-term work related to a drillship running aground
  - 10% decrease from Q4 2013 primarily due to lower utilization
- International operating revenues of \$1.2mm
  - 23% increase due to full quarter of revenues as contract started in late January 2013
  - Unchanged from sequential quarter

## Other Service Lines

- Dry-leasing revenues of \$10.9mm in Q1 2014
  - 22% decrease from Q1 2013 due to fewer helicopters on dry-lease
  - 6% decrease from Q4 2013
  - Revenues from Aeróleo and a customer in India continue to be recognized on a cash receipts basis due to liquidity issues experienced by both customers
- Search and rescue revenues of \$6.2mm in Q1 2014
  - 88% increase from Q1 2013 due to the addition of new subscribers and increased activity with existing customers
  - 14% increase from Q4 2013 related to a third SAR helicopter operating for the full quarter
- Air medical revenues of \$3.1mm in Q1 2014
  - 3% decrease from Q1 2013
  - 1% decrease from Q4 2013
- Flightseeing is a seasonal activity that does not contribute revenues in Q1 or Q4
- FBO revenues increased 24% and 17% relative to Q1 2013 and Q4 2013, respectively, due to higher fuel sales



## Helicopter Order and Options Book

### Current Order Book

Delivery	Class	Type	Number	Remaining Amount	
				Firm	Cancellable
2014	Medium	AW139	1	\$9.1	–
2014	Heavy	AW189	3	\$40.4	–
2015	Heavy	AW189	2	\$14.2	\$16.8
2016	Heavy	AW189	3	–	\$51.4
2016	Heavy	S92	3	\$76.7	–
2017	Heavy	AW189	2	–	\$34.9
2017	Heavy	S92	1	\$26.4	–
TBD	Light Twin	AW169	5	–	\$43.3
			20	\$166.8	\$146.4

### Options

	Class	Type	Number	Remaining Amount	
				Firm	Cancellable
	Heavy	AW189	10	–	\$173.0
	Heavy	S92	5	–	\$175.5
	Medium	AW139	4	–	\$52.9
			19	–	\$401.4

Note: Capital commitments shown by year of scheduled helicopter delivery (not year in which cash is spent); US\$mm estimates as of 3/31/14

## Financial Review



## Period Over Period Comparison

	Three Months Ended March 31,			
	2014	2013	\$ Change	% Variance
( \$000s)				
Operating revenues	\$ 79,443	\$ 67,727	\$ 11,716	17%
Operating expenses	49,640	43,116	6,524	(15%)
G&A expenses	11,334	9,134	2,200	(24%)
Depreciation	11,287	11,661	(374)	3%
Gains on asset dispositions	2,891	10,801	(7,910)	(73%)
Operating income	10,073	14,617	(4,544)	(31%)
Interest income	145	147	(2)	(1%)
Interest expense	(3,753)	(4,732)	979	21%
SEACOR management fees	-	(168)	168	n/m
Derivative losses, net	(30)	(3)	(27)	(900%)
Foreign currency losses, net	(57)	(259)	202	78%
Other, net	-	3	(3)	n/m
Income tax expense	(2,503)	(3,578)	1,075	30%
Equity in earnings, net	499	562	(63)	(11%)
Net income	\$ 4,374	\$ 6,589	\$ (2,215)	(34%)
Net loss attributable to NCI in subsidiary	71	105	(34)	(32%)
Net income attributable to Era Group Inc.	\$ 4,445	\$ 6,694	\$ (2,249)	(34%)
Adjusted EBITDA	\$ 21,772	\$ 26,581	\$ (4,809)	(18%)
% Margin	27%	39%		
Adjusted EBITDA Excluding Gains	\$ 18,881	\$ 15,780	\$ 3,101	20%
% Margin	24%	23%		



## Sequential Quarter Comparison

	Three Months Ended			
	31-Mar	31-Dec	\$ Change	% Variance
( \$000s)				
Operating revenues	\$ 79,443	\$ 75,998	\$ 3,445	5%
Operating expenses	49,640	45,213	4,427	(10%)
G&A expenses	11,334	10,562	772	(7%)
Depreciation	11,287	11,129	158	(1%)
Gains on asset dispositions	2,891	464	2,427	523%
Operating income	10,073	9,558	515	5%
Interest income	145	139	6	4%
Interest expense	(3,753)	(4,311)	558	13%
SEACOR management fees	-	-	-	n/m
Derivative losses, net	(30)	(26)	(4)	(15%)
Foreign currency gains (losses), net	(57)	233	(290)	n/m
Other, net	-	-	-	n/m
Income tax expense	(2,503)	(3,036)	533	18%
Equity in earnings, net	499	(880)	1,379	n/m
Net income	\$ 4,374	\$ 1,677	\$ 2,697	161%
Net loss attributable to NCI in subsidiary	71	75	(4)	(5%)
Net income attributable to Era Group Inc.	\$ 4,445	\$ 1,752	\$ 2,693	154%
Adjusted EBITDA	\$ 21,772	\$ 20,014	\$ 1,758	9%
% Margin	27%	26%		
Adjusted EBITDA Excluding Gains	\$ 18,881	\$ 19,550	\$ (669)	(3%)
% Margin	24%	26%		

## Capitalization and Financial Policy

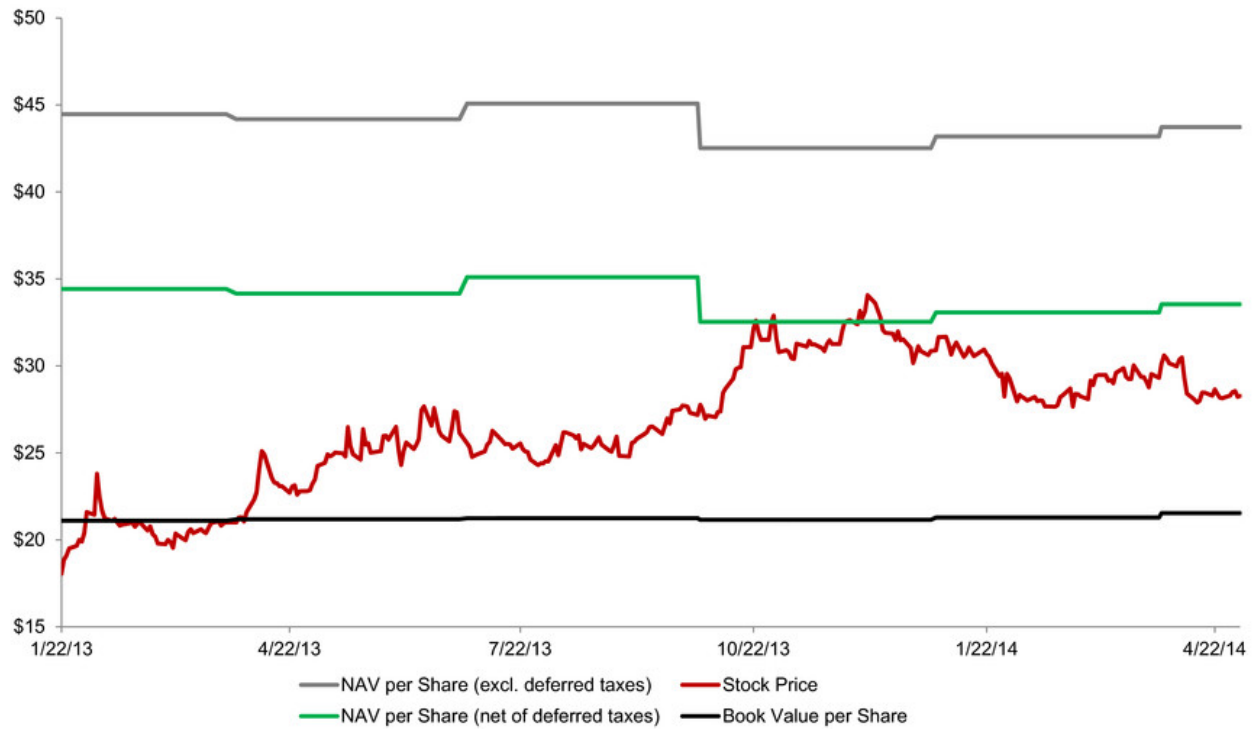
March 31, 2014  
(\$000s)

Cash and cash equivalents	\$25,338 <sup>(a)</sup>
Revolving credit facility	\$55,000
Promissory notes	29,613
Total secured debt	<u>\$84,613</u>
7.750% Senior Notes	<u>\$200,000</u>
Total debt	<u>\$284,613</u>
Net debt	\$259,275
Shareholders' equity	<u>\$442,632</u>
Total capitalization	<u><u>\$727,245</u></u>
Total Debt / Adjusted EBITDA	3.1x
Adjusted EBITDA / Interest Expense	5.3x
Net Debt / Net Capitalization	37%
Total Debt / Total capitalization	39%
Available credit on revolving credit facility	\$244,355

- Era continues to generate substantial free cash flow
- Flexibility to fund growth via organic and strategic opportunities
- Existing capital commitments can be funded via combination of cash-on-hand, cash flow from operations and temporary borrowings under our revolving credit facility
- On March 31, 2014, we amended and upsized our revolving credit facility from \$200 million to \$300 million as well as reduced borrowing costs, streamlined financial covenants and increased operational flexibility

(a) Includes escrow deposits of \$3.0 million





## Net Asset Value



## Appendix



## Fleet Overview

	Owned	Joint Ventured	Leased-In	Managed	Total	Average Age <sup>(a)</sup>
	<i>Heavy:</i>					
EC225	9	—	—	—	9	4
Total Heavy	9	—	—	—	9	
	<i>Medium:</i>					
AW139	36	1	—	—	37	4
B212	10	—	—	—	10	35
B412	6	—	—	—	6	32
S76 A/A++	2	—	—	—	2	24
S76 C+/C++	5	—	—	1	6	7
Total Medium	59	1	—	1	61	
	<i>Light – twin engine:</i>					
A109	7	—	—	2	9	8
BK-117	—	—	2	1	3	N/A
EC135	17	—	2	1	20	6
EC145	3	—	—	1	4	6
Total Light – twin engine	27	—	4	5	36	
	<i>Light – single engine:</i>					
A119	17	7	—	—	24	7
AS350	35	—	—	—	35	17
Total Light – single engine	52	7	—	—	59	
Total Helicopters	147	8	4	6	165	12

Note: As of 3/31/14. Excludes one AW139 helicopter that was fully paid for and delivered in March 2014 but not yet operational as of March 31, 2014; also excludes orders and options  
(a) Average for owned fleet

## NAV per Share Calculation (as of 3/31/14)

<i>(in millions, except share data)</i>		
+ FMV of Helicopters	\$	939
+ NBV of Other PP&E		118
+ Working Capital		77
+ Other Net Tangible Assets		48
- Long-term Debt		(282)
- Deferred Taxes		(211)
<b>Net Asset Value</b>	<b>\$</b>	<b>689</b>
 Diluted Share Count		 20.6
NAV per Share (excl. Deferred Taxes)	\$	43.72
NAV per Share (incl. Deferred Taxes)	\$	33.54

**Notes:**

- 1) NAV calculation only includes fair market value of helicopters that we own; it does not include any value for leased-in or managed helicopters that we operate
- 2) Helicopter fair market values based on annual desktop appraisal performed by Ascend Worldwide; new helicopters delivered subsequent to the last appraisal are reflected at gross cost



## Financial Highlights

(\$ millions)	Fiscal Year					3 Mos. Ended March 31,	
	2009	2010	2011	2012	2013	2013	2014
Revenue	\$ 235.7	\$ 235.4	\$ 258.1	\$ 272.9	\$ 299.0	\$ 67.7	\$ 79.4
Operating Expenses	148.0	147.2	162.7	167.2	186.6	43.1	49.6
G&A	21.4	25.8	31.9	34.8	38.9	9.1	11.3
Depreciation	37.3	43.4	42.6	42.5	45.6	11.7	11.3
Gains on Asset Dispositions	0.3	0.8	15.2	3.6	18.3	10.8	2.9
Operating Income	29.3	19.8	36.1	32.0	46.2	14.6	10.1
Other Income (Expense):							
Interest Income	0.1	0.1	0.7	0.9	0.6	0.1	0.1
Interest Expense	-	(0.1)	(1.4)	(10.6)	(18.1)	(4.7)	(3.8)
Intercompany Interest	(20.3)	(21.4)	(23.4)	-	-	-	-
Derivative Gains (Losses)	0.3	(0.1)	(1.3)	(0.5)	(0.1)	(0.0)	(0.0)
Foreign Currency Transactions	1.4	(1.5)	0.5	0.7	0.7	(0.3)	(0.1)
SEACOR Corporate Charges	(5.5)	(4.6)	(8.8)	(2.0)	(0.2)	(0.2)	-
All Other Income or Expense	-	-	-	-	-	0.0	-
	(24.0)	(27.6)	(33.7)	(11.5)	(17.1)	(5.0)	(3.7)
Income before Taxes and Equity Earnings	5.3	(7.8)	2.4	20.5	29.1	9.6	6.4
Income Taxes	2.9	(4.3)	0.4	7.3	11.7	3.6	2.5
Income before Equity Earnings	2.4	(3.5)	2.0	13.2	17.4	6.0	3.9
Equity Earnings	(0.5)	(0.1)	0.1	(5.5)	0.9	0.6	0.5
Net Income	\$ 1.9	\$ (3.6)	\$ 2.1	\$ 7.7	\$ 18.3	\$ 6.6	\$ 4.4
Adjusted EBITDA <sup>(a)</sup>	\$ 67.9	\$ 61.8	\$ 82.2	\$ 78.8	\$ 95.3	\$ 26.6	\$ 21.8
Adjusted EBITDA Excluding Gains <sup>(a)</sup>	67.6	61.0	67.0	75.2	77.0	15.8	18.9

(a) See next page for Adjusted EBITDA reconciliation to Net Income (Loss)

## Reconciliation of Non-GAAP Financial Measures

- Historically, SEACOR charged its corporate costs and overhead charges to all of its operating divisions
  - These charges have been excluded from Adjusted EBITDA to more accurately reflect Era's historical results if we had not been a SEACOR subsidiary
- Effective as of the spin-off, Era pays SEACOR a fixed fee pursuant to the TSA. The initial annualized fee was \$3.4 million. As Era transitions the functions covered by the TSA, the amount paid to SEACOR will be reduced
- Adjusted EBITDA reflects special items:
  - Non-recurring executive severance adjustments of \$0.4 million, \$4.2 million, and \$0.7 million in FY 2010, 2011 and 2012, respectively
  - An adjustment for IPO related fees and expenses of \$2.9 million in FY 2012
  - Impairment of our investment in Aeróleo in the first quarter of 2012 (\$5.9 million)
  - A one-time charge related to operating leases on certain air medical helicopters in Q3 2013 of \$2.0 million

	Historical EBITDA and Adjusted EBITDA					3 Mos. Ended March 31,	
	Fiscal Year					2013	2014
<i>(USD\$ in thousands)</i>	2009	2010	2011	2012	2013		
Net Income (Loss)	1,839	(3,639)	2,108	7,747	18,304	6,589	4,374
Depreciation	37,358	43,351	42,612	42,502	45,561	11,661	11,287
Interest Income	(52)	(109)	(738)	(910)	(591)	(147)	(145)
Interest Expense	13	94	1,376	10,648	18,050	4,732	3,753
Interest Expense on Advances	20,328	21,437	23,410	-	-	-	-
Income Tax Expense (Benefit)	2,883	(4,301)	434	7,298	11,727	3,578	2,503
EBITDA	62,369	56,833	69,202	67,285	93,051	26,413	21,772
SEACOR Management Fees	5,481	4,550	8,799	2,000	168	168	-
Special Items	-	379	4,171	9,552	2,045	-	-
Adjusted EBITDA	67,850	61,762	82,172	78,837	95,264	26,581	21,772
Gains on Asset Dispositions, Net ("Gains")	(316)	(764)	(15,172)	(3,612)	(18,301)	(10,801)	(2,891)
Adjusted EBITDA Excluding Gains	67,534	60,998	67,000	75,225	76,963	15,780	18,881



