

## CHC Helicopter Reports Operating Results for Fiscal-2014 Second Quarter

(Dec 11, 2013)

Dec. 11, 2013 – Vancouver, British Columbia, Canada – CHC Helicopter's revenue and earnings were both down year-over-year, partly as a result of limited availability of EC225 aircraft, along with costs to return those helicopters to flying operations.

The company reported revenue for the quarter of \$443 million, down 1 percent from the same period in fiscal 2013. A net loss of \$49 million compared with net earnings of \$7 million in the year-ago quarter.

EBITDAR<sub>i</sub> (earnings before interest, taxes, depreciation, amortization and aircraft rental costs) was \$109 million, down 13 percent.

(U.S.\$, in millions)	Second Quarter			Year-to-Date		
	FY13	FY14	Change <sup>(iii)</sup>	FY13	FY14	Change <sup>(iii)</sup>
Revenue	\$447	\$443	(1%)	\$863	\$858	(1%)
Net Earnings (Loss)	7	(49)	—	(25)	(84)	—
EBITDAR <sup>(i)</sup>	126	109	(13%)	227	221	(3%)
Adjusted Net Earnings (Loss) <sup>(ii)</sup>	8	(27)	—	(4)	(55)	—

(i) Adjusted EBITDAR is referred to in this document as EBITDAR. See a description of non-GAAP calculations and reconciliation to comparable GAAP measures below.

(ii) See a description of non-GAAP calculations and reconciliation to comparable GAAP measures below.

(iii) All growth rates in this release are year-over-year unless otherwise noted.

Revenue was lower because of reduced availability of EC225 aircraft in the period, and costs were higher as a result of expenses incurred in returning those helicopters to service. That process was largely completed by the end of the quarter.

“We have now resumed commercial operations with our EC225 aircraft,” said William Amelio, CHC’s president and chief executive officer.

“I’m proud of the leadership CHC brought to that work, and the ability of our people to minimize disruption to customer operations while those aircraft were suspended from flight during the past year.”

### BUSINESS HIGHLIGHTS

#### Helicopter Services (flying):

- Second-quarter revenue from oil-and-gas, search-and-rescue and emergency medical flying services was \$408 million, up 1 percent. Sales from Helicopter Services would have been higher and overall CHC revenue up had all of our EC225 aircraft been available. Flying EBITDAR was \$113 million, down 3 percent.

- Flying revenue was higher in Australia, Ireland, Malaysia, Norway and the Philippines, among other locations. A sales decline in Brazil was attributable to customers electing to resume EC225 flights more slowly than elsewhere.

- Recent developments illustrate strong demand for CHC’s flying services in its more mature regions – and enhancements to the business in newer areas:

- The company completed a two-year extension, through fiscal 2017, of an agreement with Statoil – CHC’s largest customer – to provide services from bases in Bergen and Florø in Norway. The contract requires a dedicated fleet of 10 heavy aircraft.

- CHC’s joint venture partner in Nigeria, Atlantic Aviation, has informed CHC that it has gained approval from the government of Nigeria to import AW139 aircraft, which the company expects to eventually use to compete for flying contracts in that country.

- Also, CHC has been granted an air-operator certificate for AW139 and S76C+ helicopters in Tanzania, where it has been flying based on permits held by customers. Having its own certifications enhances the company’s flexibility and long-term opportunities in Tanzania.

- During the quarter, CHC entered into an agreement with Sikorsky to purchase nine additional S-92 helicopters, with options for up to 15 more of the aircraft. The S-92s will be used for offshore oil-and-gas flights and perhaps search-and-rescue operations. Deliveries of the first five aircraft are scheduled for 2015, with four more in 2016. Options for others span fiscal 2014 through 2017.

- CHC has secured additional, nonspecified aircraft capacity through a recent agreement to purchase \$100 million worth of aircraft from Eurocopter by Dec. 31, 2016.

Heli-One (MRO):

- Sales of maintenance, repair and overhaul (MRO) services to third-party customers were \$35 million, down 17 percent. EBITDAR was \$16 million, a decline of 45 percent.

- Similar to in Q1, Heli-One’s EBITDAR was negatively affected by costs incurred to prepare EC225s to return to service, as well as costs necessary to maximize availability of other CHC aircraft.

About CHC

CHC Helicopter is a leader in enabling customers to go further, do more and come home safely, including oil and gas companies, government search-and-rescue agencies and organizations requiring helicopter maintenance, repair and overhaul services through the Heli-One segment. The company is headquartered in Vancouver and operates about 240 aircraft in about 30 countries around the world.

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[FY2014 Second Quarter Financial Tables.pdf](#)

***Cautionary Note on Forward-Looking Statements:***

*This press release contains forward-looking statements and information within the meaning of certain securities laws, including the “safe harbor” provision of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. All statements, other than statements of historical fact included in this press release, regarding our strategy, future operations, projections, conclusions, forecasts and other statements are “forward-looking statements”. While these forward-looking statements represent our best current judgment, the actual results could differ materially from the conclusions, forecasts or projections contained in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection in the forward-looking information contained herein. Such factors include, but are not limited to, the following: competition in the markets we serve, long-term support contracts, failure to maintain standards of acceptable safety performance, political, economical, and regulatory uncertainty, problems with our non-wholly owned entities, including potential conflicts with the other owners of such entities, exposure to credit risks, inability to fund our working capital requirement, risks inherent in the operation of helicopters, unanticipated costs or cost increases associated with our business operations, exchange rate fluctuations, trade industry exposure, inflation, inability to maintain government issued licenses, inability to obtain necessary aircraft or insurance, loss of key personnel, work stoppages due to labor disputes, and future material acquisitions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. The Company disclaims any intentions or obligations to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. Please refer to our annual report on Form 10-K, our quarterly reports on Form 10-Q, and our other filings, in particular any discussion of risk factors or forward-looking statements, which are filed with the SEC and available free of charge at the SEC’s website ([www.sec.gov](http://www.sec.gov)), for a full discussion of the risks and other factors that may impact any estimates or forward-looking statements made herein.*