

CHC Helicopter Announces FY2014 First-Quarter Operating Results

(Sep 11, 2013)

- Revenue Virtually Flat; Net Loss Higher on Interest Charges, Non-Cash Expenses
- EBITDAR(i) Growth Reflects Efficiency From Ongoing Transformation
- Heli-One's Third-Party MRO Revenue Up 13 Percent

CHC Helicopter reported a 10-percent increase in EBITDAR(i) in its fiscal first-quarter 2014, on revenue that was virtually flat with the same quarter a year ago. The results reflected continued improvement in the company's operating efficiency.

CHC's revenue for the three months ending July 31 was \$415 million, down \$1 million from last year.

The company reported a net loss of \$36 million for the quarter, an increase from a net loss of \$32 million last year. However, EBITDAR(i) (earnings before interest, taxes, depreciation, amortization and rent, and excluding aircraft leasing costs), CHC's primary measure of operational performance, was up 10 percent to \$111 million.

<i>(in millions)</i>	First Quarter		
	FY14	FY13	Change ^(iv)
Revenue	\$415	\$416	-
Net Loss	(\$36)	(\$32)	N/A
EBITDAR ⁽ⁱ⁾	\$111	\$101	10%
EBITDA ⁽ⁱⁱ⁾	\$56	\$52	7%
Adjusted Net Loss ⁽ⁱⁱⁱ⁾	(\$29)	(\$12)	N/A

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

(ii) Consolidated EBITDA is referred to in this document as EBITDA. See a description of non-GAAP calculations and reconciliation to comparable GAAP measures below.

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

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

While CHC was able to mitigate much of the operational disruption to customers, the unavailability of EC225 aircraft for flying operations in Q1 resulted in lower company revenue. There were related cost tradeoffs in the quarter: normal operating expenses

were lower because those aircraft were not flying, but this was offset somewhat by first-quarter spending to prepare the EC225s to resume service in Q2.

"We have been working hard to implement engineering changes to our fleet of EC225s, and it's great for customers and for our industry that we're now safely returning those aircraft to full service," said William Amelio, CHC's president and chief executive officer.

Business Highlights

Helicopter Services (flying)

- Revenue from CHC's flying segment was down 1 percent in Q1, mostly attributable to the EC225 situation. Sales were up in Eastern North Sea, Asia Pacific and Africa-Euro Asia, driven by new contracts with oil and gas producers.
- EBITDAR(i) from Helicopter Services increased 22 percent, partly because of additional margins from new contracts and lower EC225-related costs.
- Business wins in Q1 were broadly distributed around the globe, including in Australia, Brazil, Ireland, Kazakhstan, Malaysia, Norway, Thailand and the United Kingdom.
- CHC has been working with customers to stage the return of EC225s to full service and now has two-thirds of the aircraft safely ready to fly. The company expects to have its entire EC225 fleet available during October.

Heli-One (MRO)

- First-quarter total revenue from Heli-One, CHC's helicopter maintenance, repair and overhaul (MRO) segment, rose 4 percent, hampered by inactivity of CHC's EC225s. However, sales to third-party customers were up 13 percent.
- Heli-One's EBITDAR(i) decreased \$12 million, mostly because of costs incurred to increase availability of other CHC aircraft while EC225s were on the ground in Q1, and to prepare for the start of their return to service in Q2.
- Heli-One is investing in additional marketing and sales capacity to best reach additional MRO opportunities.

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 250 aircraft in about 30 countries around the world.

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[FY2014 First 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), for a full discussion of the risks and other factors that may impact any estimates or forward-looking statements made herein.
