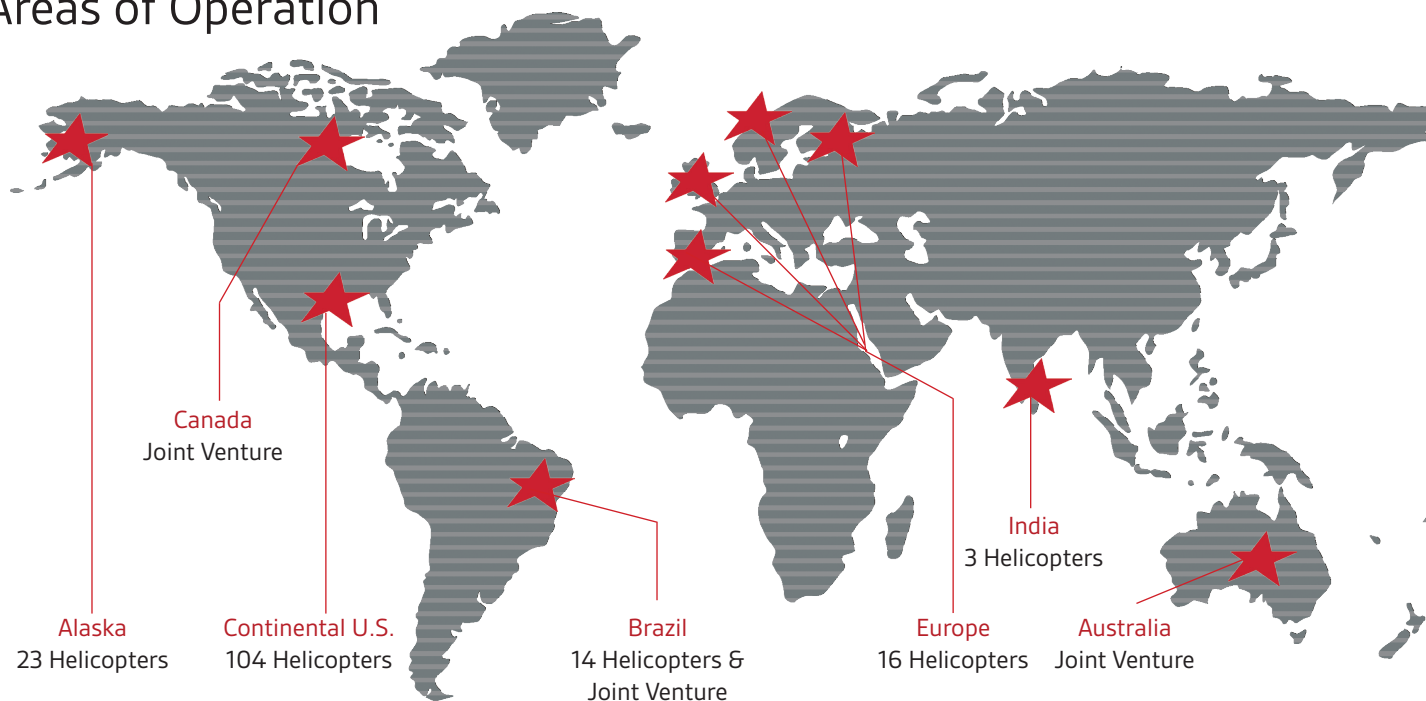




*Era*★  
ANNUAL  
REPORT 2014

## Areas of Operation



AS OF DECEMBER 31, 2014

## Financial Highlights

(\$ millions)	Years Ended December 31,				
	2014	2013	2012	2011	2010
Revenue	\$ 331.2	\$ 299.0	\$ 272.9	\$ 258.1	\$ 235.4
Operating Expenses	204.4	186.6	167.2	162.7	147.2
G&A	44.0	38.9	34.8	31.9	25.8
Depreciation	46.3	45.6	42.5	42.6	43.4
Gains on Asset Dispositions	6.1	18.3	3.6	15.2	0.8
Operating Income	42.7	46.2	32.0	36.1	19.8
Other Income (Expense):					
Interest Income	0.5	0.6	0.9	0.7	0.1
Interest Expense	(14.8)	(18.1)	(10.6)	(1.4)	(0.1)
Intercompany Interest	-	-	-	(23.4)	(21.4)
Derivative Gains (Losses)	(0.9)	(0.1)	(0.5)	(1.3)	(0.1)
Note Receivable Impairment	(2.5)	-	-	-	-
Foreign Currency Gains (Losses)	(2.4)	0.7	0.7	0.5	(1.5)
SEACOR Corporate Charges	-	(0.2)	(2.0)	(8.8)	(4.6)
	(20.0)	(17.1)	(11.5)	(33.7)	(27.6)
Income Before Taxes and Equity Earnings	22.6	29.1	20.5	2.4	(7.8)
Income Taxes	8.3	11.7	7.3	0.4	(4.3)
Income Before Equity Earnings	14.4	17.4	13.2	2.0	(3.5)
Equity Earnings	2.7	0.9	(5.5)	0.1	(0.1)
Net Income	\$ 17.0	\$ 18.3	\$ 7.7	\$ 2.1	\$ (3.6)



# A Message to Our Stockholders

I want to begin by expressing my gratitude to everyone at Era for their hard work in achieving our objective of zero air accidents in 2014. Safety is the foundation of everything we do at Era, and we strive to maintain the highest standards of safety performance, operational excellence and people management.

We are also committed to partnering with our operator peers, customers, helicopter manufacturers, regulatory bodies and other stakeholders to improve overall safety in the offshore helicopter industry. In October 2014, together with four other major helicopter operators, we officially launched the new industry association HeliOffshore. We will continue to compete vigorously in all other aspects of the business, but safety is one area where we can work together to share best practices, technological advances and lessons learned to help improve the offshore industry's already strong safety record.

Before addressing the macro environment and state of the industry, I will briefly summarize Era's record financial performance for the fiscal year ended December 31, 2014. Full year operating revenues increased by \$32.3 million to \$331.2 million, an 11% improvement over fiscal year 2013, primarily due to strong results from our U.S. Gulf of Mexico operations which benefitted from a full year of operations for our EC225 heavy helicopters in 2014 compared to a partial year of operations in 2013. Adjusted EBITDA excluding the impact of gains on asset sales increased by \$7.7 million to \$84.7 million, a 10% improvement over 2013. Including \$6.1 million in gains on asset dispositions, Adjusted EBITDA was \$90.8 million in 2014. Net income attributable to common shareholders was relatively flat at \$17.1 million





due to higher gains on asset sales recorded in 2013. Turning to the macro environment, we are facing challenging industry conditions. On the demand side, oil and gas companies have responded to the significant decline in oil prices by substantially reducing their capital spending plans in 2015. Many of them are also seeking rate reductions from their service providers, including those of us in the helicopter sector. In response to this pressure, we are guiding our customers to aircraft sharing, higher seat utilization and other measures to achieve cost-efficient operations. Approximately 75% of our business consists of production support, pipeline operations, transportation of U.S. government inspectors and dry-leasing activities, all of which are well-insulated from short-term commodity price movements.

On the supply side, there is currently a surplus of helicopters in the industry. The degree of the surplus varies by class and by model, but there are helicopters of essentially all models readily available in the market today. Needless to say, an imbalance of supply and demand represents a potential threat to the utilization, pricing and residual values of our helicopters.

There has been a lot of discussion about the outlook for a recovery in oil prices, with various market prognosticators predicting either a V-shaped, U-shaped, W-shaped, or Double-U-shaped recovery. We, at Era, are not in the business of predicting oil prices. Our responsibility is to design and execute a business plan and strategy that will be viable in any commodity price environment. We believe we

have a strong balance sheet and ample liquidity to weather market downturns of this nature, even prolonged ones. In the meantime, we are focused on: first, maintaining the best safety standards; second, maximizing the utilization of our helicopter fleet; and third, realizing efficiencies in our cost structure.

I touched on safety at the beginning of this letter. With respect to the second point on fleet utilization, it is normal for fleet utilization to ebb and flow in our business depending on the status of various customer projects, but the current excess capacity for our medium helicopters is higher than it has been in recent periods. We were pleased to announce a number of recent commercial successes, and we believe that Era has a visible path to increased fleet utilization and improved financial performance that is not dependent upon an increase in the price of oil. For example, the results of the recent Petrobras tenders should see our working fleet count in Brazil increase to 20 helicopters by Q1 2016, which represents a 2.5x increase over historical levels. Some of these new awards are represented by signed contracts where the work has already begun, but many will not commence operations until the second half of 2015 or early 2016. In the interim, the excess capacity in our fleet will continue to be a drag on financial results. Consistent with our stated strategy, we may also sell certain aircraft when that option presents the best potential returns on the asset.

On the third point regarding the realization of efficiencies in our cost structure, we began these initiatives last fall when we implemented a

management realignment and a reduction in force. Those measures streamlined our organization and significantly reduced our personnel expenses. We are identifying other areas for cost savings, and those efforts will continue throughout the year.

While we are focused on reducing our cost structure wherever possible, we are continuing to make select strategic investments to sustain and grow our business. We are the launch customer for the new AW189 heavy helicopter model in North America. This new model recently received FAA certification, and we are working with AgustaWestland to schedule acceptance and delivery. We expect to take delivery of four new AW189s and our first new Sikorsky S-92 heavy helicopter during the second and third quarters and our second S-92 in the fourth quarter. We expect all six of these new heavy helicopters to work on contracts in the U.S. Gulf of Mexico. By the end of the year, we expect to have 15 heavy helicopters in our fleet, which represents a 67% increase over our current heavy fleet count. The addition of these new models will provide greater diversity to our helicopter fleet and should help us grow our business with major oil and gas companies. We also retain the ability to cancel more than half of our unfunded capital commitments, which provides attractive flexibility in an uncertain market environment.

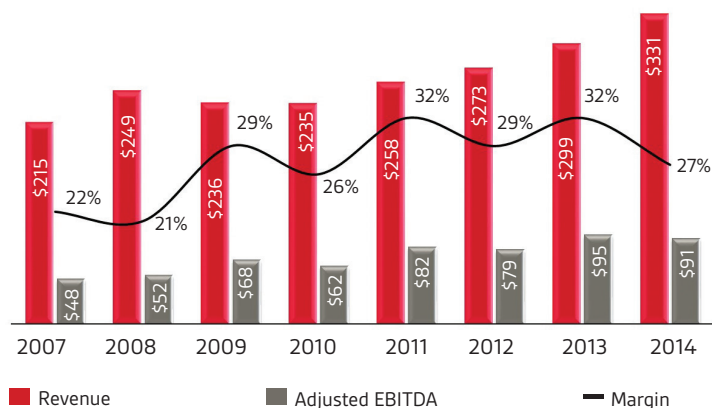
Another area of strategic investment is our base expansion project in Houma, Louisiana. We recently



completed the large new hangar building, which is climate-controlled and features a state-of-the-art fire suppression system. The work on the new passenger terminal is progressing and is on track for a grand opening the middle of this year. The new passenger terminal features improved passenger processing with automated kiosks and TSA-level security, more efficient baggage transfer capabilities, and a large passenger waiting area with improved food and beverage options and comfortable seating. The whole facility offers better safety features with enhanced storm protection, reduced flyaway limitations and IFR infrastructure to provide better reliability of flight operations in adverse weather conditions. Once completed, our expanded Houma base will be one of the premier helicopter operating facilities in the Gulf Coast region.

In conclusion, we have a resilient business model, a strong balance sheet and ample liquidity to withstand the pressures of even a prolonged market downturn. We remain focused on achieving the best safety standards, maximizing fleet utilization and reducing our cost structure, while continuing to fund select strategic investments to grow the business in a prudent manner.

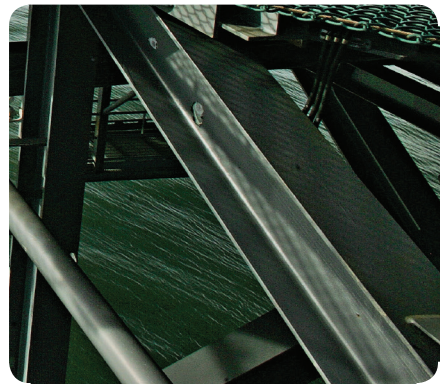
## Historical Financial Performance



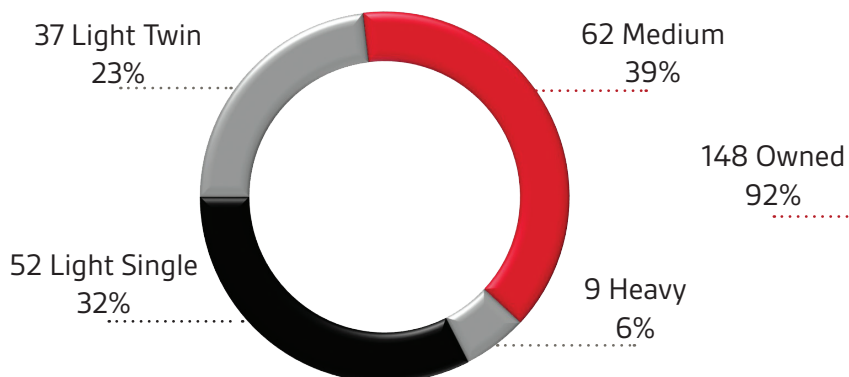
Adjusted EBITDA includes Gains on Asset Sales; \$ in millions

Chris Bradshaw  
President, Chief  
Executive Officer &  
Chief Financial Officer

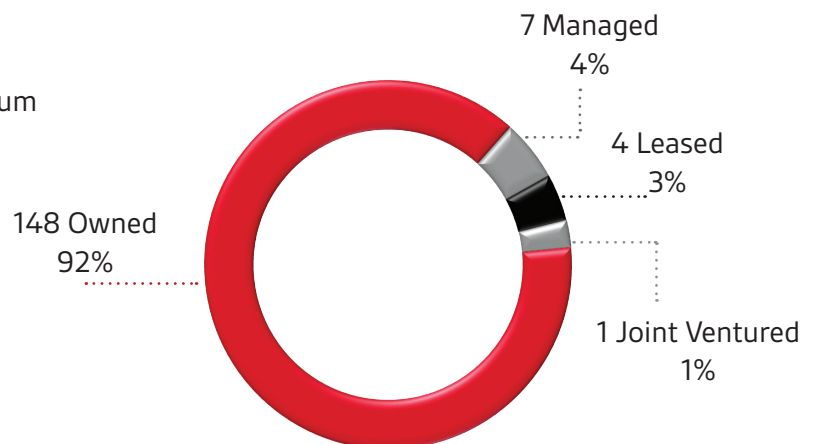




Fleet by Type



Fleet by Ownership



## Board of Directors

### **CHARLES FABRIKANT**

Chairman of the Board  
SEACOR Holdings Inc.

### **BLAINE ("FIN") V. FOGG**

Of Counsel  
Skadden, Arps, Slate,  
Meagher & Flom LLP

### **STEVEN WEBSTER**

Co-Managing Partner  
Avista Capital Partners LP

### **ANN FAIRBANKS**

Founder and Chairman  
The Fairbanks Investment Fund

### **CHRISTOPHER PAPOURAS**

President  
Canrig Drilling Technology, Ltd.

### **YUEPING SUN**

Of Counsel  
Yetter Coleman LLP

### **CHRIS BRADSHAW**

President, Chief Executive Officer  
and Chief Financial Officer  
Era Group Inc.

## Senior Management

### **CHRIS BRADSHAW**

President, Chief Executive Officer  
and Chief Financial Officer

### **SHEFALI SHAH**

Senior Vice President, General  
Counsel and Corporate Secretary

### **STUART STAVLEY**

Senior Vice President, Operations  
and Fleet Management

### **PAUL WHITE**

Senior Vice President,  
Commercial

### **BENJAMIN SLUSARCHUK**

Vice President, Corporate  
Development and Finance

### **CORY THERIOT**

Vice President, Safety and  
Quality Assurance

### **JENNIFER WHALEN**

Vice President and Chief  
Accounting Officer

### **MIKE MAY**

Chief Technology Officer



## Shareholder Information

### **CORPORATE HEADQUARTERS**

818 Town and Country Blvd., Suite 200  
Houston, Texas 77024  
Phone: +1 713.369.4700

### **STOCK LISTING**

Era's stock is listed on the New York Stock Exchange  
(NYSE) under the symbol ERA.

### **REGISTRAR AND TRANSFER AGENT**

American Stock Transfer and Trust Company  
6201 15th Avenue  
Brooklyn, NY 11219  
Tel: +1 800.937.5449 or +1 718.921.8124

### **INDEPENDENT REGISTERED ACCOUNTING FIRM**

Ernst and Young LLP  
Houston, Texas

### **ANNUAL MEETING**

The Annual Meeting of Shareholders will be  
held at 10:00 a.m. Central Time on June 24, 2015, at  
the Company's corporate headquarters.

### **INVESTOR RELATIONS**

[www.eragroupinc.com](http://www.eragroupinc.com)



*Era*★

[www.erahelicopters.com](http://www.erahelicopters.com)

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