



PRESS RELEASE

ERA GROUP INC. REPORTS SECOND QUARTER 2016 RESULTS

Houston, Texas
August 2, 2016

FOR IMMEDIATE RELEASE — Era Group Inc. (NYSE: ERA) (the “Company”) today reported net income attributable to the Company of \$1.9 million, or \$0.09 per diluted share, for its second quarter ended June 30, 2016 (“current quarter”) on operating revenues of \$63.4 million compared to net income attributable to the Company of \$11.3 million, or \$0.55 per diluted share, for the quarter ended June 30, 2015 (“prior year quarter”) on operating revenues of \$70.7 million. During the current quarter, the Company and its partner in its Brazilian joint venture, Aeróleo Taxi Aero S/A (“Aeróleo”), each contributed notes payable to them by Aeróleo as a contribution of additional capital into Aeróleo. As a result of this transaction, the Company reduced total debt by the \$6.3 million of notes that were contributed by its partner in Aeróleo and recorded a \$6.3 million loss attributable to noncontrolling interest in a subsidiary, which increased net income attributable to the Company by the same amount. Excluding the impact of this transaction, net loss attributable to the Company would have been \$4.4 million, or \$0.21 per diluted share, in the current quarter.

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) was \$10.7 million in the current quarter compared to \$33.2 million in the prior year quarter. EBITDA adjusted to exclude gains on asset dispositions and special items was \$8.8 million in the current quarter compared to \$20.5 million in the prior year quarter. Gains on asset dispositions were \$1.4 million in the current quarter compared to a loss of \$0.2 million in the prior year quarter. Special items consisted of a pre-tax gain on debt extinguishment of \$0.5 million in the current quarter and a pre-tax gain of \$12.9 million on the sale of the Company’s fixed base operations (“FBO”) business in Alaska in the prior year quarter.

“Industry conditions remain very challenging, and the second quarter represented our lowest level of Adjusted EBITDA in the last several years,” said Chris Bradshaw, President and Chief Executive Officer of Era Group Inc. “Despite the difficult market environment, Era generated \$14 million of cash flow from operating activities in the quarter, and with our strong balance sheet and ample liquidity position, we remain well positioned to withstand the pressures of a prolonged industry downturn.”

Second Quarter Results

Operating revenues in the current quarter were \$7.4 million lower than the prior year quarter primarily due to lower utilization and lower average rates in our U.S. oil and gas operations, the end of certain dry-leasing contracts and the sale of our FBO in Alaska in May 2015. These decreases were partially offset by the consolidation of Aeróleo and the start of a new contract in Suriname.

Operating expenses were \$7.6 million higher in the current quarter primarily due to the consolidation of Aeróleo and increased repairs and maintenance expenses, partially offset by decreased personnel expenses and non-income taxes in the U.S.

Administrative and general expenses were \$2.6 million lower in the current quarter primarily due to reduced headcount and compensation expense in the U.S., the collection of a previously reserved receivable and reduced professional services expenses, partially offset by the consolidation of Aeróleo.

Depreciation and amortization expense was \$1.3 million higher in the current quarter due to the addition of new helicopters, a base expansion project and investments in additional information technology infrastructure.

Gains on asset dispositions were \$1.6 million higher in the current quarter. We sold or otherwise disposed of two helicopters and related equipment in the current quarter for proceeds of \$1.9 million resulting in gains of \$1.4 million. In the prior year quarter, we sold five helicopters and related equipment for proceeds of \$3.0 million resulting in book losses of \$0.2 million.

Interest expense was \$1.2 million higher in the current quarter primarily due to the cessation of capitalized interest on helicopter deposits, partially offset by savings resulting from the cumulative repurchases of a portion of our 7.750% senior unsecured notes (the "7.750% Senior Notes").

Gain on debt extinguishment was \$0.5 million in the current quarter due to the repurchase of a portion of our 7.750% Senior Notes.

Equity earnings were \$0.6 million in the current quarter compared to a loss of \$0.2 million in the prior year quarter primarily due to improved earnings from our Dart Holding Company Ltd. ("Dart") joint venture.

Sequential Quarter Results

Operating revenues in the current quarter were \$0.8 million higher compared to the quarter ended March 31, 2016 ("preceding quarter") primarily due to the start of seasonal activities in Alaska, a new contract in Suriname and increased revenues in Brazil and Colombia, partially offset by decreased revenues in the U.S. Gulf of Mexico and the bankruptcy of a dry-leasing customer.

Operating expenses were \$3.1 million higher in the current quarter primarily due to the start of seasonal activities in Alaska, increased fuel expenses in Brazil and reduced vendor credits. In addition, nonrecurring expenses in the current quarter included \$0.4 million of severance costs related to headcount reductions in Brazil and the U.S. and \$0.5 million of workers' compensation expense related to an accident in Alaska.

Administrative and general expenses were \$1.1 million lower in the current quarter primarily due to the collection of a previously reserved receivable and lower personnel costs.

EBITDA was \$1.6 million lower compared to the preceding quarter. EBITDA adjusted to exclude gains on asset dispositions and special items was \$0.5 million lower. Gains on asset dispositions were \$1.5 million lower compared to the preceding quarter. Special items in the current quarter consisted of the gain on debt extinguishment noted above, and there were no special items in the preceding quarter.

Equity earnings were \$0.6 million higher in the current quarter primarily due to improved earnings at our Dart joint venture.

Six Months Results

The Company reported a net loss of \$1.9 million, or \$0.09 per diluted share, for the six months ended June 30, 2016 ("current six months") on operating revenues of \$125.9 million compared to net income of \$11.3 million, or \$0.55 per diluted share, for the six months ended June 30, 2015 ("prior year period") on operating revenues of \$138.2 million.

EBITDA was \$22.9 million in the current six months compared to \$47.8 million in the prior year period. EBITDA adjusted to exclude gains on asset dispositions and special items was \$18.1 million in the current six months compared to \$31.5 million in the prior year period. Gains on asset dispositions were \$4.3 million in the current six months compared to \$3.1 million in the prior year period. Special items in the current six months consisted of a gain on debt extinguishment of \$0.5 million. Special items in the prior year period consisted of a gain on the sale of the FBO of \$12.9 million and gains on debt extinguishment of \$0.3 million.

Operating revenues in the current six months were \$12.2 million lower than the prior year period primarily due to lower utilization and lower average rates in our U.S. oil and gas operations, the end of certain dry-leasing contracts and the sale of the FBO, partially offset by the consolidation of Aeróleo and the start of a new contract in Suriname.

Operating expenses were \$8.3 million higher in the current six months primarily due to the consolidation of Aeróleo and increased repairs and maintenance expenses, partially offset by reductions in operating expenses in the U.S. due to reduced activity, lower headcount and other cost control measures.

Administrative and general expenses were \$3.2 million lower in the current six months primarily due to reduced headcount and compensation expenses in the U.S., the collection of a previously reserved receivable and the end of the Amended and Restated Transition Services Agreement with SEACOR Holdings Inc., partially offset by the consolidation of Aeróleo.

Depreciation and amortization expense was \$2.5 million higher in the current six months due to the addition of new helicopters, a base expansion project and investments in additional information technology infrastructure.

Interest expense was \$2.5 million higher in the current six months due to the cessation of capitalized interest on helicopter deposits, partially offset by savings resulting from the cumulative repurchases of a portion of our 7.750% Senior Notes.

Foreign exchange gains were \$0.6 million in the current six months primarily due to the strengthening of the Brazilian real resulting in gains on our real-denominated balances. Foreign exchange losses were \$2.4 million in the prior year period primarily due to the settlement of forward currency contracts and the weakening of the euro resulting in losses on our euro-denominated balances.

Equity earnings were \$0.6 million in the current six months compared to a loss of \$0.3 million in the prior year period primarily due to improved earnings from our Dart joint venture.

Fleet Update

We continue to experience excess capacity in our medium and heavy helicopters. Excess helicopters include our helicopters other than those under customer contracts, undergoing maintenance, dedicated for charter activity or models subject to operational suspension. We are focused on maximizing the utilization of our fleet and reducing the excess capacity in our medium and heavy helicopters through fleet management initiatives, participation in competitive bids and the pursuit of other opportunities. In addition, we may sell certain helicopters on an opportunistic basis consistent with our long-standing strategy.

Due to an accident in April 2016 involving an Airbus Helicopters EC225LP (also known as a H225) model helicopter operated by another helicopter company, the civilian fleet of H225 and AS332 L2 model helicopters remains on operational suspension. We own nine H225 helicopters, including five that are currently located in the U.S., three that are currently located in Brazil and one that is currently located in Norway. As of June 30, 2016, the net book value of our H225 helicopters and related inventory of parts and equipment was \$164.5 million. During this suspension of H225 operations, we expect to utilize other heavy and medium helicopters to service our operations. Although we do not expect the near-term impact of the suspension to be material to our financial condition or results of operations, it is too early to estimate the full extent or duration of the H225 suspension, the market receptivity of the H225 helicopter for future oil and gas operations and the potential impact on residual values of these helicopters.

Capital Commitments

We had unfunded capital commitments of \$152.7 million as of June 30, 2016, of which \$39.4 million is payable during the remainder of 2016 with the balance payable through 2018. We may terminate \$125.8 million of our total commitments (inclusive of deposits paid on options not yet exercised) without further liability other than aggregate liquidated damages of \$3.0 million. The noncancellable portion of our commitments payable during the remainder of 2016 is \$13.4 million.

Included in these capital commitments are agreements to purchase seven AW189 heavy helicopters, two S92 heavy helicopters and five AW169 light twin helicopters. The AW189 and S92 helicopters are scheduled to be delivered beginning in 2016 through 2018. 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 and one S92 helicopter. If these options are exercised, the helicopters would be scheduled for delivery beginning in 2017 through 2018.

Capital Allocation and Liquidity

As of June 30, 2016, we had \$39.2 million of cash and, based on operating results through June 30, 2016, \$170.4 million of remaining availability under our senior secured revolving credit facility (the "Facility") for total liquidity of \$209.6 million. As of June 30, 2016, our funded debt-to-EBITDA and interest coverage ratios, as defined in the Facility, were 3.0x and 5.7x, respectively. A description of these metrics is included in the financial tables in this release.

Conference Call

Management will conduct a conference call starting at 10:00 a.m. ET (9:00 a.m. CT) on Wednesday, August 3, 2016, to review the results for the second quarter ended June 30, 2016. The conference call can be accessed as follows:

All callers will need to reference the access code 5689452.

Within the U.S.: Operator Assisted Toll-Free Dial-In Number: (888) 397-5355

Outside the U.S.: Operator Assisted International Dial-In Number: (719) 325-2436

Replay

A telephone replay will be available through August 17, 2016 and may be accessed by calling (888) 203-1112 for domestic callers or (719) 457-0820 for international callers. An audio replay will also be available on the Company's website at www.eragroupinc.com shortly after the call and will be accessible through August 17, 2016.

For additional information concerning Era Group, contact Andrew Puhala at (713) 369-4646 or visit Era Group's website at www.eragroupinc.com.

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 provides helicopters and related services to customers and third-party helicopter operators in other countries, including Brazil, Colombia, the Dominican Republic, India, Spain, Suriname and the United Kingdom. Era Group's helicopters are primarily used to transport personnel to, from and between offshore oil and gas production platforms, drilling rigs and other installations.

Forward-Looking Statements Disclosure

Certain statements discussed in this release as well as in other reports, materials and oral statements that the Company releases from time to time to the public include "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 and volatile nature

of, offshore oil and gas exploration, development and production activity, and the impact of general economic conditions and fluctuations in worldwide prices of and demand for oil and natural gas on such activity levels; the Company's reliance on a small number of customers and the reduction of its customer base resulting from consolidation; cost-saving initiatives implemented by the Company's customers; risks inherent in operating helicopters; the Company's ability to maintain an acceptable safety record; the Company's 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; risks of engaging in competitive processes or expending significant resources with no guaranty of recoupment; risks of a grounding of all or a portion of the Company's fleet for extended periods of time or indefinitely; risks that the Company's customers reduce or cancel contracted services or tender processes; the Company's reliance on a small number of helicopter manufacturers and suppliers; risks associated with 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 the Company's assets or result in claims of a force majeure situation; the impact of declines in the global economy and financial markets; the impact of fluctuations in foreign currency exchange rates on the Company's cost to purchase helicopters, spare parts and related services and on asset values; the Company's credit risk exposure; the Company's ongoing need to replace aging helicopters; the Company's reliance on the secondary helicopter market to dispose of older helicopters and related equipment; the Company's reliance on information technology; the impact of allocation of risk between the Company and its customers; the liability, legal fees and costs in connection with providing emergency response services; risks associated with the Company's debt structure; the impact of 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; the Company's ability to obtain insurance coverage and the adequacy and availability of such coverage; the possibility of labor problems; the attraction and retention of qualified personnel; restrictions on the amount of foreign ownership of the Company's common stock; 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/A for the year ended December 31, 2015, in Era Group's subsequent Quarterly Reports on Form 10-Q and in Era Group's current reporting on Form 8-K (if any), which are incorporated by reference.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|------------|
| | 2016 | 2015 | 2016 | 2015 |
| Operating revenues | \$ 63,351 | \$ 70,738 | \$ 125,933 | \$ 138,153 |
| Costs and expenses: | | | | |
| Operating | 47,396 | 39,784 | 91,703 | 83,389 |
| Administrative and general | 8,140 | 10,779 | 17,367 | 20,522 |
| Depreciation and amortization | 12,691 | 11,398 | 25,457 | 23,000 |
| Total costs and expenses | 68,227 | 61,961 | 134,527 | 126,911 |
| Gains (losses) on asset dispositions, net | 1,367 | (242) | 4,280 | 3,146 |
| Operating income (loss) | (3,509) | 8,535 | (4,314) | 14,388 |
| Other income (expense): | | | | |
| Interest income | 403 | 317 | 704 | 568 |
| Interest expense | (4,130) | (2,881) | (8,878) | (6,426) |
| Derivative losses, net | — | (10) | — | (22) |
| Foreign currency gains (losses), net | 329 | 543 | 610 | (2,417) |
| Gain on debt extinguishment | 518 | — | 518 | 264 |
| Gain on sale of FBO | — | 12,946 | — | 12,946 |
| Other, net | 46 | (9) | 29 | (9) |
| Total other income (expense) | (2,834) | 10,906 | (7,017) | 4,904 |
| Income (loss) before income taxes and equity earnings | (6,343) | 19,441 | (11,331) | 19,292 |
| Income tax expense (benefit) | (1,232) | 8,138 | (2,246) | 8,083 |
| Income (loss) before equity earnings | (5,111) | 11,303 | (9,085) | 11,209 |
| Equity earnings (losses), net of tax | 601 | (198) | 625 | (343) |
| Net income (loss) | (4,510) | 11,105 | (8,460) | 10,866 |
| Net loss attributable to non-controlling interest in subsidiary | 6,448 | 228 | 6,580 | 425 |
| Net income (loss) attributable to Era Group Inc. | \$ 1,938 | \$ 11,333 | \$ (1,880) | \$ 11,291 |
| Income (loss) per common share, basic | \$ 0.09 | \$ 0.55 | \$ (0.09) | \$ 0.55 |
| Income (loss) per common share, diluted | \$ 0.09 | \$ 0.55 | \$ (0.09) | \$ 0.55 |
| Weighted average common shares outstanding, basic | 20,361,533 | 20,273,780 | 20,290,735 | 20,235,082 |
| Weighted average common shares outstanding, diluted | 20,364,382 | 20,332,657 | 20,290,735 | 20,295,498 |
| EBITDA | \$ 10,676 | \$ 33,205 | \$ 22,925 | \$ 47,807 |
| Adjusted EBITDA | \$ 10,158 | \$ 20,259 | \$ 22,407 | \$ 34,597 |
| Adjusted EBITDA excluding gains | \$ 8,791 | \$ 20,501 | \$ 18,127 | \$ 31,451 |

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

| | Three Months Ended | | | | |
|---|--------------------|-----------------|-----------------|-----------------|-----------------|
| | Jun 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sep 30, 2015 | Jun 30, 2015 |
| Operating revenues | \$ 63,351 | \$ 62,582 | \$ 73,943 | \$ 69,741 | \$ 70,738 |
| Costs and expenses: | | | | | |
| Operating | 47,396 | 44,307 | 45,085 | 43,007 | 39,784 |
| Administrative and general | 8,140 | 9,227 | 11,052 | 11,238 | 10,779 |
| Depreciation and amortization | 12,691 | 12,766 | 12,151 | 12,186 | 11,398 |
| Total costs and expenses | 68,227 | 66,300 | 68,288 | 66,431 | 61,961 |
| Gains (losses) on asset dispositions, net | 1,367 | 2,913 | 994 | 1,813 | (242) |
| Goodwill impairment | — | — | (1,866) | — | — |
| Operating income (loss) | (3,509) | (805) | 4,783 | 5,123 | 8,535 |
| Other income (expense): | | | | | |
| Interest income | 403 | 301 | 391 | 232 | 317 |
| Interest expense | (4,130) | (4,748) | (3,979) | (3,121) | (2,881) |
| Derivative gains (losses), net | — | — | (4) | 8 | (10) |
| Foreign currency gains (losses), net | 329 | 281 | (319) | 146 | 543 |
| Gain (loss) on debt extinguishment | 518 | — | 1,369 | (16) | — |
| Gain on sale of FBO | — | — | — | — | 12,946 |
| Other, net | 46 | (17) | 54 | — | (9) |
| Total other income (expense) | (2,834) | (4,183) | (2,488) | (2,751) | 10,906 |
| Income (loss) before income taxes and equity earnings | (6,343) | (4,988) | 2,295 | 2,372 | 19,441 |
| Income tax expense (benefit) | (1,232) | (1,014) | 4,691 | 1,343 | 8,138 |
| Income (loss) before equity earnings | (5,111) | (3,974) | (2,396) | 1,029 | 11,303 |
| Equity earnings (losses), net of tax | 601 | 24 | (1,224) | (376) | (198) |
| Net income (loss) | (4,510) | (3,950) | (3,620) | 653 | 11,105 |
| Net loss attributable to non-controlling interest in subsidiary | 6,448 | 132 | 173 | 208 | 228 |
| Net income (loss) attributable to Era Group Inc. | \$ 1,938 | \$ (3,818) | \$ (3,447) | \$ 861 | \$ 11,333 |
| Earnings (loss) per common share, basic | \$ 0.09 | \$ (0.19) | \$ (0.17) | \$ 0.04 | \$ 0.55 |
| Earnings (loss) per common share, diluted | \$ 0.09 | \$ (0.19) | \$ (0.17) | \$ 0.04 | \$ 0.55 |
| Weighted average common shares outstanding, basic | 20,361,533 | 20,219,937 | 20,183,027 | 20,260,514 | 20,273,780 |
| Weighted average common shares outstanding, diluted | 20,364,382 | 20,219,937 | 20,183,027 | 20,287,069 | 20,332,657 |
| EBITDA | \$ 10,676 | \$ 12,249 | \$ 16,810 | \$ 17,071 | \$ 33,205 |
| Adjusted EBITDA | \$ 10,158 | \$ 12,249 | \$ 17,307 | \$ 17,087 | \$ 20,259 |
| Adjusted EBITDA excluding gains | \$ 8,791 | \$ 9,336 | \$ 16,313 | \$ 15,274 | \$ 20,501 |

ERA GROUP INC.
OPERATING REVENUES BY LINE OF SERVICE
(unaudited, in thousands)

| | Three Months Ended | | | | |
|-----------------------------|--------------------|------------------|------------------|------------------|------------------|
| | Jun 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sep 30, 2015 | Jun 30, 2015 |
| Oil and gas: ⁽¹⁾ | | | | | |
| U.S. Gulf of Mexico | \$ 33,312 | \$ 36,812 | \$ 40,368 | \$ 42,132 | \$ 41,821 |
| Alaska | 1,273 | 932 | 3,309 | 5,429 | 6,009 |
| International | 16,848 | 14,054 | 18,865 | 60 | 47 |
| Total oil and gas | 51,433 | 51,798 | 62,542 | 47,621 | 47,877 |
| Dry-leasing | 2,827 | 3,995 | 4,643 | 11,925 | 12,233 |
| Search and rescue | 4,590 | 4,891 | 4,955 | 4,418 | 4,989 |
| Air medical services | 2,007 | 1,898 | 1,803 | 1,854 | 1,914 |
| Flightseeing | 2,494 | — | — | 3,923 | 3,118 |
| Fixed base operations | — | — | — | — | 614 |
| Eliminations | — | — | — | — | (7) |
| | <u>\$ 63,351</u> | <u>\$ 62,582</u> | <u>\$ 73,943</u> | <u>\$ 69,741</u> | <u>\$ 70,738</u> |

FLIGHT HOURS BY LINE OF SERVICE⁽²⁾
(unaudited)

| | Three Months Ended | | | | |
|-----------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| | Jun 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sep 30, 2015 | Jun 30, 2015 |
| Oil and gas: ⁽¹⁾ | | | | | |
| U.S. Gulf of Mexico | 7,153 | 7,290 | 8,255 | 9,435 | 8,717 |
| Alaska | 78 | 77 | 380 | 797 | 732 |
| International | 2,535 | 2,332 | 3,055 | 22 | 14 |
| Total oil and gas | 9,766 | 9,699 | 11,690 | 10,254 | 9,463 |
| Search and rescue | 199 | 201 | 275 | 265 | 260 |
| Air medical services | 832 | 618 | 748 | 949 | 826 |
| Flightseeing | 679 | — | — | 1,502 | 1,118 |
| | <u>11,476</u> | <u>10,518</u> | <u>12,713</u> | <u>12,970</u> | <u>11,667</u> |

(1) Primarily oil and gas services, but also includes revenues from activities such as firefighting and utility support.

(2) Does not include hours flown by helicopters in our dry-leasing line of service.

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

| | Jun 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sep 30, 2015 | Jun 30, 2015 |
|---|-------------------|-------------------|---------------------|-------------------|---------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 39,160 | \$ 30,803 | \$ 14,370 | \$ 13,808 | \$ 17,002 |
| Receivables: | | | | | |
| Trade, net of allowance for doubtful accounts | 36,830 | 36,980 | 48,639 | 39,498 | 39,866 |
| Tax receivables | 6,011 | 6,068 | 6,085 | 114 | 105 |
| Other | 3,641 | 3,707 | 3,305 | 2,399 | 2,005 |
| Inventories, net | 27,764 | 27,744 | 27,994 | 24,932 | 25,808 |
| Prepaid expenses | 2,563 | 3,274 | 1,963 | 3,055 | 3,847 |
| Deferred income taxes | — | — | — | 2,276 | 2,507 |
| Other current assets | 191 | 191 | 191 | 2,297 | 6,762 |
| Total current assets | <u>116,160</u> | <u>108,767</u> | <u>102,547</u> | <u>88,379</u> | <u>97,902</u> |
| Property and equipment | 1,172,242 | 1,171,271 | 1,175,909 | 1,175,693 | 1,192,445 |
| Accumulated depreciation | (336,722) | (325,363) | (316,693) | (311,070) | (314,484) |
| Net property and equipment | <u>835,520</u> | <u>845,908</u> | <u>859,216</u> | <u>864,623</u> | <u>877,961</u> |
| Equity investments and advances | 29,299 | 28,795 | 28,898 | 30,256 | 30,945 |
| Goodwill | — | — | — | 1,589 | 1,823 |
| Intangible assets | 1,148 | 1,153 | 1,158 | 1,411 | 1,410 |
| Other assets | 12,719 | 12,850 | 12,532 | 9,164 | 10,890 |
| Total assets | <u>\$ 994,846</u> | <u>\$ 997,473</u> | <u>\$ 1,004,351</u> | <u>\$ 995,422</u> | <u>\$ 1,020,931</u> |
| LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued expenses | \$ 15,473 | \$ 10,119 | \$ 12,000 | \$ 12,037 | \$ 12,026 |
| Accrued wages and benefits | 9,565 | 6,244 | 9,012 | 7,861 | 7,293 |
| Accrued interest | 612 | 3,491 | 562 | 3,992 | 813 |
| Accrued income taxes | — | — | — | 7,415 | 7,613 |
| Derivative instruments | — | — | — | 71 | 192 |
| Accrued other taxes | 2,515 | 1,905 | 2,520 | 1,259 | 968 |
| Accrued contingencies | 1,280 | 2,851 | 2,410 | — | — |
| Current portion of long-term debt | 1,569 | 2,291 | 3,278 | 25,335 | 26,130 |
| Other current liabilities | 2,184 | 1,775 | 2,300 | 3,476 | 2,588 |
| Total current liabilities | <u>33,198</u> | <u>28,676</u> | <u>32,082</u> | <u>61,446</u> | <u>57,623</u> |
| Long-term debt | 252,940 | 263,590 | 263,698 | 239,515 | 264,014 |
| Deferred income taxes | 227,933 | 229,083 | 229,848 | 213,998 | 218,802 |
| Deferred gains and other liabilities | 4,418 | 2,855 | 2,616 | 1,956 | 1,994 |
| Total liabilities | <u>518,489</u> | <u>524,204</u> | <u>528,244</u> | <u>516,915</u> | <u>542,433</u> |
| Redeemable noncontrolling interest | 4,573 | 4,672 | 4,804 | 4,783 | 5,195 |
| Equity: | | | | | |
| Era Group Inc. stockholders' equity: | | | | | |
| Common stock | 211 | 211 | 207 | 207 | 206 |
| Additional paid-in capital | 435,714 | 434,460 | 433,175 | 432,774 | 431,233 |
| Retained earnings | 38,622 | 36,684 | 40,502 | 43,949 | 43,088 |
| Treasury shares, at cost | (2,855) | (2,850) | (2,673) | (2,632) | (563) |
| Accumulated other comprehensive income (loss), net of tax | 92 | 92 | 92 | 92 | (44) |
| Total Era Group Inc. stockholders' equity | <u>471,784</u> | <u>468,597</u> | <u>471,303</u> | <u>474,390</u> | <u>473,920</u> |
| Non-controlling interest | — | — | — | (666) | (617) |
| Total equity | <u>471,784</u> | <u>468,597</u> | <u>471,303</u> | <u>473,724</u> | <u>473,303</u> |
| Total liabilities, redeemable noncontrolling interest and stockholders' equity | <u>\$ 994,846</u> | <u>\$ 997,473</u> | <u>\$ 1,004,351</u> | <u>\$ 995,422</u> | <u>\$ 1,020,931</u> |

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 certain items noted in the reconciliation below 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 (in thousands).

| | Three Months Ended | | | | Six Months Ended | | |
|---|--------------------|--------------|--------------|--------------|------------------|--------------|-----------|
| | Jun 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sep 30, 2015 | Jun 30, 2015 | Jun 30, 2015 | |
| Net Income (loss) | \$ (4,510) | \$ (3,950) | \$ (3,620) | \$ 653 | \$ 11,105 | \$ (8,460) | \$ 10,866 |
| Depreciation and amortization | 12,691 | 12,766 | 12,151 | 12,186 | 11,398 | 25,457 | 23,000 |
| Interest income | (403) | (301) | (391) | (232) | (317) | (704) | (568) |
| Interest expense | 4,130 | 4,748 | 3,979 | 3,121 | 2,881 | 8,878 | 6,426 |
| Income tax expense (benefit) | (1,232) | (1,014) | 4,691 | 1,343 | 8,138 | (2,246) | 8,083 |
| EBITDA | \$ 10,676 | \$ 12,249 | \$ 16,810 | \$ 17,071 | \$ 33,205 | \$ 22,925 | \$ 47,807 |
| Special items ⁽¹⁾ | (518) | — | 497 | 16 | (12,946) | (518) | (13,210) |
| Adjusted EBITDA | \$ 10,158 | \$ 12,249 | \$ 17,307 | \$ 17,087 | \$ 20,259 | \$ 22,407 | \$ 34,597 |
| Losses (gains) on asset dispositions, net | (1,367) | (2,913) | (994) | (1,813) | 242 | (4,280) | (3,146) |
| Adjusted EBITDA excluding gains | \$ 8,791 | \$ 9,336 | \$ 16,313 | \$ 15,274 | \$ 20,501 | \$ 18,127 | \$ 31,451 |

(1) Special items include the following:

- In the three months ended June 30, 2016, a gain of \$0.5 million on the extinguishment of debt related to the repurchase of a portion of our 7.750% Senior Notes;
- In the three months ended December 31, 2015, a pre-tax gain of \$1.4 million on the extinguishment of debt related to the repurchase of a portion of our 7.750% Senior Notes and a pre-tax charge of \$1.9 million on the impairment of our goodwill;
- In the three months ended September 30, 2015, a pre-tax loss of less than \$0.1 million on the extinguishment of debt related to the repurchase of a portion of our 7.750% Senior Notes;
- In the three months ended June 30, 2015, a pre-tax gain of \$12.9 million on the sale of our FBO in Alaska; and
- In the six months ended June 30, 2015, a pre-tax gain of \$12.9 million on the sale of the FBO and a gain of \$0.3 million on the extinguishment of debt related to the repurchase of a portion of our 7.750% Senior Notes.

The Facility requires that the Company maintain certain financial ratios on a rolling 12-month basis. The interest coverage ratio is a trailing 12-month quotient of (i) EBITDA (as defined in the Facility) less dividends and distributions divided by (ii) interest expense. The interest coverage ratio is not a measure of operating performance or liquidity defined by GAAP and may not be comparable to similarly titled measures presented by other companies. The funded debt to EBITDA ratio is calculated by dividing (i) the sum of total debt for borrowed money, capital lease obligations and guaranties of obligations of non-consolidated entities by (ii) EBITDA (as defined in the Facility). The funded debt to EBITDA ratio is not a measure of operating performance or liquidity defined by GAAP and may not be comparable to similarly titled measures presented by other companies. EBITDA is calculated under the Facility differently than as presented elsewhere in this release.

ERA GROUP INC.
FLEET COUNTS ⁽¹⁾
(unaudited)

| | Jun 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sep 30, 2015 | Jun 30, 2015 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Heavy: | | | | | |
| H225 | 9 | 9 | 9 | 9 | 9 |
| S92 | 2 | 2 | 2 | — | — |
| AW189 | 2 | 2 | 2 | — | — |
| | <u>13</u> | <u>13</u> | <u>13</u> | <u>9</u> | <u>9</u> |
| Medium: | | | | | |
| AW139 | 38 | 38 | 38 | 39 | 39 |
| S76 C+/C++ | 6 | 6 | 6 | 6 | 6 |
| S76 A++ | — | — | 2 | 2 | 2 |
| B212 | 7 | 8 | 8 | 8 | 8 |
| B412 | 1 | 1 | 1 | 2 | 3 |
| | <u>52</u> | <u>53</u> | <u>55</u> | <u>57</u> | <u>58</u> |
| Light—twin engine: | | | | | |
| A109 | 7 | 7 | 7 | 7 | 7 |
| EC135 | 17 | 17 | 17 | 17 | 19 |
| EC145 | 5 | 5 | 5 | 5 | 5 |
| BK117 | 3 | 3 | 3 | 3 | 3 |
| BO105 | 3 | 3 | 3 | 3 | 3 |
| | <u>35</u> | <u>35</u> | <u>35</u> | <u>35</u> | <u>37</u> |
| Light—single engine: | | | | | |
| A119 | 14 | 14 | 14 | 16 | 17 |
| AS350 | 28 | 29 | 29 | 31 | 31 |
| | <u>42</u> | <u>43</u> | <u>43</u> | <u>47</u> | <u>48</u> |
| Total Helicopters | <u>142</u> | <u>144</u> | <u>146</u> | <u>148</u> | <u>152</u> |

(1) Includes all owned, joint ventured, leased-in and managed helicopters and excludes helicopters fully paid for and delivered but not yet placed in service as of the applicable dates.