

CHC Group Ltd.
Form S-1/A
January 14, 2014
Table of Contents

As filed with the Securities and Exchange Commission on January 14, 2014

Registration No. 333-191268

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 7
To
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CHC Group Ltd.
(Exact name of Registrant as specified in its charter)

Cayman Islands (State or other jurisdiction of	4522 (Primary Standard Industrial	98-0587405 (I.R.S. Employer
incorporation or organization)	Classification Code Number)	Identification Number)

CHC Group Ltd.

190 Elgin Avenue

George Town

Grand Cayman, KY1-9005

Cayman Islands

(604) 276-7500

(Address, including zip code, and telephone number, of registrants principal executive offices)

CT Corporation System

111 Eighth Avenue

New York, New York 10011

(212) 590-9070

(Name, address, including zip code and telephone number, including area code, of agent for service)

Please send copies of all communications to:

Louis Lehot

Joshua Ford Bonnie

Michael J. O Neill

Michael E. Michetti

Michael Tenta

Ryan Bekkerus

SVP, Chief Legal Officer

Scott R. Saks

Cooley LLP

**Simpson Thacher &
Bartlett LLP**

Russ Hill

Joel M. Simon

3175 Hanover Street

Paul Hastings LLP

**Palo Alto, California
94304-1130**

(650) 843-5949

(650) 843-5636

**425 Lexington Avenue
New York, New York
10017-3954**

(212) 455-2000

**VP, Deputy General
Counsel, Corporate
Secretary and**

Chief Compliance Officer

c/o Heli-One Canada, Inc.

4740 Agar Drive

**Richmond, BC V7B 1A3,
Canada**

(604) 276-7500

**75 East 55th Street
New York, NY 10022**

212-318-6000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer "

Accelerated filer "

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company "

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement of which this prospectus is a part and which is filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities nor does it solicit an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated January 14, 2014

PROSPECTUS

29,412,000 Ordinary Shares

CHC Group Ltd.

CHC Group Ltd. is offering 29,412,000 of its ordinary shares. This is our initial public offering and no public market currently exists for our ordinary shares. We anticipate that the initial public offering price will be between \$16.00 and \$18.00 per share.

After the completion of this offering, funds affiliated with First Reserve Management, L.P., or First Reserve, will continue to own a majority of the voting power of ordinary shares eligible to vote in the election of our directors. As a result, we will be a controlled company within the meaning of the corporate governance standards of The New York Stock Exchange, or the NYSE.

Our ordinary shares have been approved for listing on the NYSE under the symbol HELI.

Investing in our ordinary shares involves risks. See Risk Factors beginning on page 22.

PRICE \$ PER SHARE

	Price to Public	Underwriting Discounts	Proceeds, before expenses, to us(1)
Per Share	\$	\$	\$
Total	\$	\$	\$

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See Underwriting (Conflicts of Interest).

To the extent that the underwriters sell more than 29,412,000 ordinary shares, the underwriters have the option to purchase up to an additional 4,411,800 ordinary shares from us at the initial public offering price less the underwriting discounts.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares to purchasers on or about _____, 2014.

J.P. Morgan

Barclays

UBS Investment Bank

HSBC

RBC Capital Markets

Wells Fargo Securities

BNP PARIBAS

Standard Bank

Cormark Securities (USA) Limited

Cowen and Company

Raymond James

Simmons & Company

Tudor, Pickering, Holt & Co.

International

, 2014

Table of Contents

Table of Contents**TABLE OF CONTENTS**

	Page
<u>Market, Industry and Other Data</u>	ii
<u>Basis of Presentation</u>	ii
<u>Trademarks</u>	ii
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	22
<u>Cautionary Note Regarding Forward-Looking Statements</u>	43
<u>Use of Proceeds</u>	45
<u>Dividend Policy</u>	46
<u>Capitalization</u>	47
<u>Dilution</u>	49
<u>Selected Consolidated Financial and Other Data</u>	51
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	53
<u>Our Industry</u>	99
	Page
<u>Business</u>	103
<u>Management</u>	120
<u>Executive Compensation</u>	126
<u>Certain Relationships and Related Person Transactions</u>	156
<u>Principal Shareholders</u>	158
<u>Description of Indebtedness</u>	160
<u>Description of Share Capital</u>	166
<u>Shares Eligible for Future Sale</u>	177
<u>Taxation</u>	179
<u>Underwriting (Conflicts of Interest)</u>	184
<u>Legal Matters</u>	191
<u>Experts</u>	191
<u>Enforceability of Civil Liabilities</u>	191
<u>Where You Can Find More Information</u>	192
<u>Glossary</u>	193
<u>Index to Consolidated Financial Statements</u>	F-1

You should rely only on the information contained in this prospectus or contained in any free writing prospectus filed with the U.S. Securities and Exchange Commission, or the SEC. Neither we, nor the underwriters, have authorized anyone to provide additional information or information different from those contained in this prospectus or in any free writing prospectuses filed with the SEC. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, our ordinary shares only in jurisdictions where such offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our ordinary shares. Our business, financial condition, results of operations, and prospects may have changed since that

date.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit our initial public offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of our ordinary shares and the distribution of this prospectus outside of the United States.

Table of Contents

MARKET, INDUSTRY AND OTHER DATA

The market data and other statistical information (such as the size of certain markets and our position and the position of our competitors within these markets, oil and gas production and market information) used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources, including reports from Spears & Associates, or Spears, U.S. Energy Information Administration, International Energy Agency, or IEA, and PFC Energy. Some market data and statistical information are also based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. We believe that these external sources and estimates are reliable, but have not independently verified them.

BASIS OF PRESENTATION

The audited consolidated financial statements of CHC Group Ltd. (the Successor, the Company, we, us or our), consist of the Successor's consolidated balance sheets as of April 30, 2012 and 2013 and the Successor's consolidated statements of operations, comprehensive income (loss), changes in shareholder's equity and cash flows for the years ended April 30, 2011, 2012, and 2013. CHC Group Ltd. was incorporated on July 3, 2008 under the Cayman Islands Companies Law, with the sole purpose to acquire CHC Helicopter Corporation (the Predecessor). The Successor completed its acquisition of the Predecessor on September 16, 2008, and has included the results of operations and cash flows of the entity formerly known as CHC Helicopter Corporation from September 16, 2008 to April 30, 2009 in its unaudited consolidated financial statements for the fiscal year ended April 30, 2009, which are not included in this prospectus. Our results of operations also include organizational expenses and losses related to the acquisition, as it was not previously operating in the helicopter transportation services industry from May 1, 2008 up to the date of the acquisition. The acquisition of the Predecessor was accounted for using the purchase method of accounting. The application of the purchase method of accounting requires the allocation of the acquisition purchase price to the tangible and intangible assets acquired, and liabilities assumed, based on their respective fair values as of the date of the acquisition. As a result, the assets and liabilities acquired from the Predecessor on the date of acquisition are recorded at fair values, and these became the Successor's cost basis. Accordingly, the Predecessor period from May 1, 2008 to September 15, 2008 and the Successor period from May 1, 2008 to April 30, 2009 have a different basis of accounting. The Predecessor adopted the U.S. dollar as its reporting currency on May 1, 2008. As such, historical figures previously reported in Canadian dollars have been translated into U.S. dollars using the current rate method. Under this method, the statement of operations and cash flow statement items have been translated into U.S. dollars using the rates in effect at the date of the transactions. Assets and liabilities have been translated using the exchange rate in effect at the balance sheet date. The Predecessor applied this method retrospectively to all activity that commenced May 1, 2004. Equity balances which arose prior to May 1, 2004 have been translated to the reporting currency at the exchange rate in effect on May 1, 2004.

TRADEMARKS

CHC Helicopter and the CHC Helicopter logo are trademarks of CHC Capital (Barbados) Ltd., a wholly owned subsidiary of CHC Group Ltd. All other trademarks and service marks appearing in this prospectus are the property of their respective holders. All rights reserved. The absence of a trademark or service mark or logo from this prospectus does not constitute a waiver of trademark or other intellectual property rights of CHC Group Ltd., its subsidiaries, affiliates, licensors or any other persons.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights some of the information contained in this prospectus, but does not contain all of the information that may be important to you. You should read this entire prospectus and the documents to which we refer you before making an investment decision. You should carefully consider the information set forth under Risk Factors, Cautionary Note Regarding Forward-Looking Statements, Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the related notes included elsewhere in this prospectus. Where applicable, we have assumed an initial public offering price of \$17.00 per share (the midpoint of the price range set forth on the cover page of this prospectus). Unless otherwise indicated, the information presented in this prospectus assumes that the underwriters' option to purchase additional ordinary shares is not exercised.

Unless the context otherwise requires, references in this prospectus to Company, CHC, we, us and our refer to CHC Group Ltd., a Cayman Islands exempted company, and its subsidiaries. Our fiscal year ends on April 30, and we refer to fiscal years based on the end of such period (the fiscal year ended April 30, 2013 is referred to as fiscal 2013). Certain operational terms used in this prospectus are defined under the heading Glossary.

CHC HELICOPTER

Overview

We are the world's largest commercial operator of helicopters based on revenue of \$1.7 billion in fiscal 2013. We are also the world's largest commercial operator of heavy and medium helicopters based on our fleet of 238 heavy and medium helicopters as of October 31, 2013. With bases on six continents, we are one of only two global commercial helicopter service providers to the offshore oil and gas industry. Our mission is to provide the highest level of service in the industry, which we believe will enable our customers to go further, do more and come home safely. Through our 60 years of experience providing helicopter services, we believe our brand and reputation have become associated with safe and reliable transportation and mission-critical logistics solutions. Our fleet of heavy and medium helicopters, global capabilities and reputation for safety position us to capitalize on anticipated increases in ultra-deepwater and deepwater drilling and production spending by our major, national and independent oil and gas company customers.

Our helicopters are primarily used to facilitate large, long-distance crew changes on offshore production facilities and drilling rigs. We also provide search and rescue services, or SAR, and emergency medical services, or EMS, to government agencies. We maintain a presence in most major offshore oil and gas markets through a network of approximately 70 bases with operations in approximately 30 countries, more than any other commercial helicopter service provider in the world. We cover this expansive and diverse geography with a technologically advanced fleet of 238 helicopters and the expertise to serve customers in ultra-deepwater and deepwater locations. To secure and maintain operating certificates in the many jurisdictions in which we provide helicopter services, we must meet stringent and diverse regulatory standards across multiple jurisdictions, and have an established track record in obtaining and maintaining certificates as well as working with regulators and local partners.

We generate the majority of our oil and gas customer Helicopter Services revenue from contracts tied to our customers offshore production operations, which have long-term transportation requirements. A substantial portion of our remaining oil and gas customer Helicopter Services revenue comes from transporting personnel to and from offshore drilling rigs, and we believe this capability allows us to take advantage of expansion in the global ultra-deepwater rig fleet. Approximately 71% to 75% of the flying revenue in our Helicopter Services segment was attributable to fixed monthly charges for the fiscal years ended April 30, 2011, 2012 and 2013.

Table of Contents

We also provide maintenance, repair and overhaul, or MRO, services through our Heli-One business to both our own Helicopter Services segment and to third-party customers. Our MRO capabilities enable us to perform heavy structural repairs, and maintain, overhaul and test helicopters and helicopter components globally across various helicopter types. We believe our in-house MRO operations through our Heli-One business enable us to manage our supply chain and maintain our fleet more efficiently, thereby increasing the availability of our helicopters and reducing our overall cost of maintenance. In addition, we are the largest provider of these services (excluding original equipment manufacturers, or OEMs), which allows us to provide our Heli-One customers with comprehensive MRO services across multiple helicopter types and families. Our MRO services include complete maintenance outsourcing solutions, parts sales and distribution, engineering services, design services and logistics support.

We conduct our business through two operating segments: Helicopter Services for flying operations and Heli-One for MRO services. The following charts show our revenue generated by segment, our Heavy Equivalent, or HE Rate, our Adjusted EBITDAR, our Adjusted EBITDAR margin, our operating income and our operating margin, for each of the fiscal years ended April 30, 2011, 2012 and 2013:

- (1) HE Rate is the third-party operating revenue from our Helicopter Services segment excluding reimbursable revenue divided by a weighted average factor corresponding to the number of heavy and medium helicopters in our fleet. Our heavy and medium helicopters, including owned and leased, are weighted at 100% and 50%, respectively, to arrive at a single HE count, excluding helicopters expected to be retired from our fleet.
- (2) Adjusted EBITDAR margin is calculated as Adjusted EBITDAR divided by total revenue less reimbursable revenue. Cost reimbursements from customers are recorded as reimbursable revenue with the related reimbursement expense in direct costs.
- (3) Operating margin is calculated as operating income divided by total revenue.

Table of Contents

Adjusted EBITDAR, Adjusted EBITDAR margin and HE rate are not financial measures in accordance with U.S. generally accepted accounting principles (GAAP). For an explanation of how we calculate Adjusted EBITDAR, Adjusted EBITDAR margin and HE rate, see Summary Historical Consolidated Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations Key Financial and Operating Metrics.

We have incurred net losses in the past five years, including approximately \$67.1 million, \$96.2 million, \$116.5 million and \$87.0 million in the last three fiscal years ended April 30, 2011, 2012 and 2013, and the six months ended October 31, 2013, respectively, and on a cumulative basis since our inception. Our net losses during this five-year period have resulted from a number of factors, including non-cash impairments of goodwill and other assets totaling \$919.0 million and interest charges related to substantial leverage incurred to acquire additional helicopters and grow our business. See Risk Factors Risks Related to Our Net Losses and Our Indebtedness We have a history of net losses.

Our Market Opportunity

We believe trends in the offshore oil and gas industry will positively affect the market and demand for our helicopter services. As the major, national and independent oil and gas companies seek to replace reserves and grow production, we believe they will continue to explore for, develop and produce oil and gas from deeper waters and at locations that are further offshore, which requires more complex transportation and logistics services. According to PFC Energy, the number of oil and gas platforms that are accessible by helicopter in ultra-deepwater and deepwater locations has more than doubled in the past ten years, and the distance from shore has been increasing. Oil and gas companies are also adopting increasingly complex offshore oilfield services and solutions that require more personnel to operate. Additionally, regulatory bodies are increasing their own oversight functions and crews are being rotated on and off at periodic intervals. We believe these factors will drive an increase in the number of personnel needing to be transported to and from offshore facilities. Helicopter service is the most efficient and often the only viable or permitted form of transportation in many of these jurisdictions due to the distance from shore of the platforms and environmental conditions offshore, particularly in the North Sea, where a sea-faring vessel may take a substantially longer time to cover the same distance and in significantly less comfortable conditions, with greater logistical risks of transporting workers from vessel to platform.

We believe that the adoption of more complex services on ultra-deepwater and deepwater installations, increased regulatory oversight of these installations and more frequent rotation of increasingly larger crews at regular intervals will further drive customer demand for heavy and medium helicopters, which comprise all of our fleet. Based on our experience, heavy and medium helicopters are favored by customers with ultra-deepwater and deepwater transportation needs due to their greater range, passenger capacity, comfort, enhanced passenger safety systems and ability to fly under a variety of conditions. In recent years, in our experience, the demand for new commercial medium and heavy helicopters has outpaced their supply, a trend we believe will continue. As a result, we expect the market dynamics for our helicopter services to remain strong. Furthermore, we believe that our size and scale afford us greater operational and commercial flexibility when purchasing new helicopters and helicopter parts, allowing us to continue to grow our business in response to market opportunities.

Based on our experience operating in the industry, the market for MRO services is highly fragmented. We believe we are the only independent non-OEM provider of MRO services with a global footprint. Moreover, we believe our status as the largest commercial operator that purchases heavy and medium helicopters has positioned us to obtain licenses from all of the major manufacturers to conduct a full range of MRO services across a wide array of models of helicopters used in our industry. We believe that our geographic reach, combined with the related licenses, offers us a significant opportunity to grow our Heli-One business with our third-party customers. As demand for helicopter services grows in conjunction with growth in ultra-deepwater and deepwater drilling and production, we expect that a corresponding increase in flying hours should lead to greater demand for MRO services.

Table of Contents

Our Operations

We conduct operations in approximately 30 countries through a network of approximately 70 bases on six continents, including a new global operations center located in Irving, Texas. We believe our global operations center is the first of its kind in our industry, allowing us to centrally coordinate flight schedules, pilot rostering, training, fleet management and maintenance from a single location. Representatives from helicopter manufacturers work on-site at our global operations center alongside our own employees to resolve maintenance issues and return helicopters to service. Our global operations center leverages new information technology systems to promulgate best-in-class practices and procedures throughout our company.

We assist our customers with logistics solutions to manage rotation of their crews, as many of our offshore oil and gas customers are required by law and collective labor agreements to change crews every seven to 14 days. For the 12 months ended October 31, 2013, we operated approximately 86,000 flights worldwide, carrying in excess of one million passengers. As offshore operators have moved further from shore and become more remote, crews have grown larger and taken on functions that previously relied on shore based support. To accommodate the change out of larger crews, a helicopter would have to make multiple trips or several helicopters would have to be used. Computerized logistics systems in our global operations center help us provide seamless coordination between our regional bases and our customers, matching customer needs with helicopters, engineer and pilot availability which enables efficient crew changes, while maintaining compliance with relevant regulations. In addition, we have advanced systems in place to monitor and maintain equipment. In the event a helicopter requires unforeseen repairs or replacement of parts, we have the ability to provide immediate support to ground personnel to make a repair as well as a dedicated team available to identify the most efficient manner to source any replacement parts. Since October 2012, this infrastructure, and these processes, have enabled us to save approximately 24 aircraft on ground, or AOG, days per month, for a savings of approximately \$300,000 per month. We believe that our global operations center, combined with our expertise in crew logistics and equipment availability as well as our robust compliance programs, allow us to offer superior and differentiated service to our customers.

Our MRO operations are conducted through our Heli-One business, which provides quality and cost control for maintenance, repair, and overhaul of our own fleet as well as comprehensive outsourced MRO services to third-party customers. We maintain four principal Heli-One centers for our global MRO operations, including Delta, British Columbia (Canada), Fort Collins, Colorado (USA), Rzeszow (Poland) and Stavanger (Norway). We maintain a strategic inventory of spare parts, providing us the ability to respond quickly and efficiently to unplanned maintenance events. We believe our focus on speed and efficiency allows us to provide better service at lower cost. Approximately 28% and 34% of our third-party Heli-One revenue in the 2012 and 2013 fiscal years, respectively, was derived from power by the hour contracts, where the customer pays a ratable monthly charge, typically based on the number of hours flown, for all scheduled and un-scheduled maintenance.

Safety and Regulatory Compliance

We strive to exceed the stringent safety and performance audit standards set by aviation regulatory bodies and our customers. We have established an in-house flight safety group that is responsible for our compliance with safety standards within our organization, standardizing base operating procedures, compliance with government regulations and customer requirements, and educating and training our flight crews. Over the five year period ended November 1, 2013, according to our safety records we had a rolling average of 0.37 accidents per 100,000 flight hours, a much lower than average rate reported for civilian twin engine helicopters and an even smaller fraction of the rate reported for offshore helicopter operations generally, per industry reports. We also host a highly regarded annual international safety summit attended by our customers, manufacturers, competitors and regulators, which is a manifestation of our commitment to safe operations.

Table of Contents

A key to maintaining our strong safety record is having a highly qualified and experienced workforce. Our pilots average in excess of 3,000 flight hours of experience, and many of them carry endorsements to operate more than one type of helicopter. Our mechanics are highly experienced and receive ongoing training from helicopter manufacturers.

In addition to safety regulations, most of the countries in which we conduct flying operations have laws, with typically complex requirements, that require commercial operators to hold either or both an operating license and an air operator certificate, or AOC. We believe our track record of safety and experience working with regulators will enhance our ability to obtain needed licenses/certificates as we continue to grow.

Our Fleet

Helicopters are generally classified as light (3 to 7 passengers), medium (8 to 15 passengers) and heavy (16 to 26 passengers). We believe heavy and medium helicopters are favored by our customers and are best suited for crew change transportation services on oil and gas production facilities and drilling rigs due to their greater range, higher passenger capacity, enhanced passenger safety systems and ability to fly under a broader variety of conditions than light helicopters. In addition, heavy and medium helicopters have twin engines and typically two pilots, making them safer for longer flights. As a result, larger helicopters generally command higher pricing and earn higher margins compared to smaller helicopters.

We operate the largest fleet of heavy and medium commercial helicopters serving the offshore oil and gas industry, with 238 heavy and medium helicopters as of October 31, 2013. Our fleet is comprised purely of heavy and medium helicopters, which we believe optimally positions us to respond to opportunities in the high growth ultra-deepwater and deepwater market. Over the last eight years, we have modernized and expanded our fleet significantly, and we continue to invest to meet customer demand for newer heavy and medium helicopters. We have strong longstanding operating relationships with the four major OEMs, Eurocopter, Sikorsky, AgustaWestland and Bell, and have helicopters manufactured by each of them in our fleet. This diversity ensures that we are not overly reliant on any one model or manufacturer, while still giving our fleet critical mass across various helicopter types, resulting in fleet management, maintenance and training efficiencies.

The model life cycle for helicopters spans multiple decades. Individual components, which represent a large majority of a helicopter's value, are frequently replaced to meet regulatory requirements or safety standards. In addition, there is an active secondary market for helicopters supported by independent appraisers and valuation experts.

As of October 31, 2013, our fleet was valued at approximately \$2.95 billion, based on the average of 2013 third-party appraisals of fair market value by Ascend Worldwide Group Holdings Limited and HeliValue\$, Inc., consisting of approximately \$2.03 billion of value attributable to heavy helicopters and approximately \$920 million of value attributable to medium helicopters. As of October 31, 2013, the average age of our fleet was 11 years. The Eurocopter EC225, Sikorsky S92A, AgustaWestland AW139 and Sikorsky S76C++, which have been the core part of our capital investment program in recent years, represent approximately 76% of our total fleet value as of October 31, 2013.

Table of Contents

The table below provides a detailed summary of our fleet as of October 31, 2013:

Helicopter Type	Total	Cruise Speed (kts)	Approximate Range (nmi)	Passenger Capacity	Maximum Weight (lbs)
Heavy:					
Sikorsky S92A	37	145	400	19	26,500
Eurocopter EC225	31	145	400	19	24,250
Eurocopter (AS332 L, L1, and L2)	40	130-140	250-350	17-19	18,000-20,500
Sikorsky S61N	5	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾
Total Heavy	113				
Medium:					
Agusta AW139	39	145	280	12-15	15,000
Sikorsky S76C++	23	145	220	12	11,700
Sikorsky S76C+	22	145	175	12	11,700
Sikorsky S76A/B/C	16	135	110-130	12	10,800-11,700
Bell 412	11	125	135	13	11,900
Eurocopter AS365 Series	9	120-145	80	11	9,500
Eurocopter EC135/145/155	5	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Total Medium	125				
Total Helicopters	238				

⁽¹⁾ SAR only

⁽²⁾ EMS only

As of October 31, 2013, we have committed to purchase \$71.9 million of helicopter parts by October 31, 2015 and 36 new heavy and medium helicopters from multiple OEMs for a total commitment of \$953.9 million. These helicopters are expected to be delivered in fiscal 2014 (\$253.7 million), 2015 (\$315.5 million) and 2016 to 2017 (\$384.7 million) and will be deployed in our Helicopter Services segment. In addition, we have committed to purchase \$100.0 million of heavy helicopters from Eurocopter prior to December 31, 2016. These helicopters will be purchased outright or financed through leases. In addition, at October 31, 2013, we had the option to purchase 26 heavy and medium helicopters which, if exercised, would represent a total purchase commitment of 62 helicopters, excluding the committed dollar amount with Eurocopter.

Table of Contents

The table below shows new deliveries of helicopters under contract with OEMs and lessors as of October 31, 2013 in fiscal years ending April 30, 2014, 2015, 2016 and 2017 and beyond.

Note: Does not include helicopters related to our commitment to purchase \$100.0 million of heavy helicopters from Eurocopter.

The following map illustrates the geographic distribution of our helicopters as of October 31, 2013 and countries in which we operated over the prior 12 months:

Note: Fleet count as of October 31, 2013. Worldwide fleet includes 23 helicopters held for fleet retirement, on dry lease, and in post-delivery modification.

Table of Contents**Customers and Contracts**

Our current oil and gas customer base is comprised of major, national and independent oil and gas companies. These customers generally enter into multi-year contracts for our services. The majority of our customer contracts provide for revenues based on fixed-monthly charges and hourly flight rates. In addition, our contracts generally require the customer to either provide or to be charged for fuel, which significantly limits our operational exposure to volatility in fuel costs.

Our contracts with offshore oil and gas customers are typically for periods of four to five years, and normally carry extension options of one to five years. Our contracts with government agencies for SAR and EMS services are typically for periods of eight to ten years, and we believe government agencies will increasingly look to outsource this function. Based on our experience, we believe that contracts are awarded based on a number of factors, including technical capability, operational effectiveness, price, strength of relationships, availability of fleet types and other technical mission requirements, quality of customer service and the safety record of the helicopter service provider. We believe that maintaining a strong safety record is imperative for our customers, and that our safety record and safety culture at all levels of our organization are key to maintaining and growing our business.

Longer-term contracts are ordinarily awarded through competitive bidding processes. An incumbent operator commonly has a competitive advantage when pursuing future business with that customer because of its relationship with the customer, knowledge of operating site characteristics, pre-existing investment in support infrastructure and demonstrated ability to meet defined service-level requirements. Also, customers often prefer to avoid start-up costs associated with switching to another operator. Over the past 12 months, we have retained approximately 92% of offshore oil and gas customer contracts that were up for renewal or extension.

Our key customers include many leading oil and gas companies around the world. The following table sets out our top ten customers based on revenue for our fiscal year ended April 30, 2013 and geographic regions served. Our top two customers for the year ended April 30, 2013 were Statoil and Petrobras, accounting for 14% of our revenues each. No other single customer accounted for more than 10% of our revenues during this period.

Company	Credit rating (Moody's / S&P)	Geographic regions served by CHC				
		North Sea	Brazil	Australia	SE Asia	Africa Euro Asia
	A2 / A					
	Aa1 / AA					
	A1 / A					
	A3 / A-					
	N/A					
	A3 / BBB					
	Aa1 / AA					
	Aa2 / AA-					
	Aa1 / AA-					
	Baa1/BBB+					

For our fiscal year ended April 30, 2013, the customers in the table above constituted approximately 60% of our total revenues.

Table of Contents

The largest customer of our Heli-One segment is our Helicopter Services segment. Our Heli-One contracts with third parties include military, coast guard, parapublic and other governmental organizations, and other helicopter operators. Revenues can be earned for services provided individually or, in many cases, as part of multi-year, complete maintenance outsourcing agreements.

Competitive Strengths

We believe that we possess the following competitive strengths, which will enable us to continue to grow our business globally:

The world's largest new generation fleet of heavy and medium helicopters. We are the world's largest commercial operator of helicopters based on revenue of \$1.7 billion in fiscal 2013. We are also the world's largest commercial operator of heavy and medium helicopters based on our fleet of 238 heavy and medium helicopters as of October 31, 2013. Our premium fleet has enabled us to establish a prominent position as a helicopter services provider to the fast-growing ultra-deepwater and deepwater markets. Our fleet includes some of the newest and most advanced civilian helicopters, including the Eurocopter EC225, Sikorsky S92A, AgustaWestland AW139 and Sikorsky S76C++, which together represent 76% of our total fleet value and which we believe helps us attract and retain highly experienced pilots and maintenance engineers. We have modernized and expanded our fleet significantly over the last eight years, and we continue to invest to meet customer demand. As of October 31, 2013, we have plans to acquire 36 new heavy and medium helicopters from multiple OEMs, and \$100.0 million of heavy helicopters from Eurocopter, with delivery dates between fiscal 2014 and 2017, and options to acquire an additional 26 heavy and medium helicopters. The size of our fleet and diversity across multiple helicopter types enables us to meet the varied operational requirements of our customers.

Largest global footprint servicing the offshore oil and gas market. We are the most globally diverse participant in our industry, with operations in approximately 30 countries. Our broad geographic coverage and experience entering new markets enables us to respond quickly and efficiently to new business opportunities, by leveraging our knowledge of, and experience with, international safety standards, local market regulations and customs. Additionally, our multi-national footprint and scale allow us to secure contracts and global framework agreements where our largest customers are seeking helicopter operators that can provide one standard of service in many locations around the world.

Strong long-term relationships with leading oil and gas producers. We believe we have strong relationships with our top ten customers, which include Statoil, Petrobras, BP, Shell, Total, ENI and other oil and gas producers, many of which we have continuously served for over a decade. We establish relationships with our customers at both the regional and global level, which positions us to grow our business as our customers grow. We believe this enables us to better understand our customers' growth objectives and positions us to participate in contract tenders. Our strong customer relationships and track record of performance have allowed us to achieve a 92% retention rate on contract renewals and extensions and a 65% win rate on all contract tenders over the 12 month period through October 31, 2013.

Safety record and reputation. We have implemented a single safety management system worldwide and continue to meet or exceed the stringent safety and performance audits conducted by our customers. Over the five year period ended November 1, 2013, according to our safety records, we had a rolling average of 0.37 accidents per 100,000 flight hours, a much lower than average rate reported for civilian twin engine helicopters and an even smaller fraction of the rate reported for offshore helicopter operations generally, per industry reports. Our pilots average in excess of 3,000 hours of flight experience, and many of them carry endorsements to operate more than one type of helicopter. Our mechanics are highly experienced and receive ongoing training from helicopter manufacturers. We

Table of Contents

also host a highly regarded annual international safety summit attended by our customers, manufacturers, competitors and regulators, which is a manifestation of our commitment to safe operations.

Our innovative transformation initiatives are driving standardization, efficiencies and cost savings. For the past three years, we have implemented a comprehensive review of our operations and organizational structure through our transformation initiatives, with the goal of consolidating, strengthening and standardizing our capabilities, tools, processes and systems globally, while lowering overhead costs. We recently designed and launched our global operations center and implemented new information technology, or IT, systems across our operations to drive highly integrated processes, including fleet management, flight scheduling, maintenance and supply chain, which we believe allow us to offer superior and differentiated services to our customers and our personnel in the field.

Only global commercial helicopter operator with in-house MRO oper