



Tidewater Reports Second Quarter Results For Fiscal 2016

November 3, 2015

NEW ORLEANS, Nov. 3, 2015 /PRNewswire/ -- Tidewater Inc. (NYSE: TDW) announced today a second quarter net loss for the period ended September 30, 2015, of \$43.8 million, or \$0.93 per common share, on revenues of \$271.9 million. For the same quarter last year, net earnings were \$60.9 million, or \$1.22 per common share, on revenues of \$397.5 million. The immediately preceding quarter ended June 30, 2015, had a net loss of \$15.1 million, or \$0.32 per common share, on revenues of \$304.8 million.

Included in the net loss for the quarter ended September 30, 2015 were the following:

- \$31.7 million (\$31.6 million after-tax, or \$0.67 per share) in non-cash asset impairment charges that resulted from impairment reviews undertaken during the September 2015 quarter.
- A \$7.6 million (\$6.3 million after-tax, or \$0.13 per share) restructuring charge related to severance and other termination costs resulting from right-sizing efforts during the September 2015 quarter.
- \$5.2 million (\$5.2 million after-tax, or \$0.11 per share) of foreign exchange losses which is included in Equity in net earnings/(losses) of unconsolidated companies and related to our Angola joint venture, Sonatide.

Income tax expense in the September and June quarters of fiscal 2016 largely reflect tax liabilities in certain jurisdictions that levy taxes on bases other than pre-tax profitability (so called "deemed profit" regimes.)

Included in the net loss for the quarter ended June 30, 2015 were the following:

- \$15.0 million (\$14.0 million after-tax, or \$0.30 per share) in non-cash asset impairment charges that resulted from impairment reviews undertaken during the June 2015 quarter, including write-offs of unreimbursed and/or potentially unrecoverable costs related to cancelled vessel construction contracts and a vessel construction project that is the subject of an on-going arbitration proceeding.
- \$10.2 million (\$9.5 million after-tax, or \$0.20 per share) of total foreign exchange losses, \$6.1 million of which is included in Equity in net earnings/(losses) of unconsolidated companies and related to our Angola joint venture, Sonatide.

As previously announced, Tidewater will hold a conference call to discuss September quarterly earnings on Wednesday, November 4, 2015, at 10:00 a.m. Central time. Investors and interested parties may listen to the teleconference via telephone by calling 1-888-771-4371 if calling from the U.S. or Canada (1-847-585-4405 if calling from outside the U.S.) and ask for the "Tidewater" call just prior to the scheduled start. A replay of the conference call will be available beginning at 12:00 p.m. Central time on November 4, 2015, and will continue until 11:59 p.m. Central time on November 6, 2015. To hear the replay, call 1-888-843-7419 (1-630-652-3042 if calling from outside the U.S.). The conference call ID number is 40898911.

A simultaneous webcast of the conference call will be available online at the Tidewater Inc. website, (<http://www.tdw.com>). The online replay will be available until December 4, 2015.

The conference call will contain forward-looking statements in addition to statements of historical fact. The actual achievement of any forecasted results or the unfolding of future economic or business developments in a way anticipated or projected by the Company involve numerous risks and uncertainties that may cause the Company's actual performance to be materially different from that stated or implied in the forward-looking statements. Such risks and uncertainties include, among other things, risks associated with the general nature of the oilfield service industry and other factors discussed within the "Risk Factors" section of Tidewater's recent Forms 10-Q and 10-K.

Tidewater is the leading provider of Offshore Service Vessels (OSVs) to the global energy industry.

Note: all per-share amounts are stated on a diluted basis.

Financial information is displayed on the next page.

TIDEWATER INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)
(In thousands, except share and per share data)

| | Quarter Ended | | Six Months Ended | |
|--|---------------|------|------------------|------|
| | September 30, | | September 30, | |
| | 2015 | 2014 | 2015 | 2014 |

Revenues:

| | | | | | |
|---|----|----------|----------|----------|----------|
| Vessel revenues | \$ | 264,131 | 390,952 | 562,444 | 772,462 |
| Other operating revenues | | 7,792 | 6,572 | 14,253 | 10,739 |
| | | 271,923 | 397,524 | 576,697 | 783,201 |
| Costs and expenses: | | | | | |
| Vessel operating costs | | 158,612 | 212,819 | 337,893 | 430,063 |
| Costs of other operating revenues | | 6,102 | 6,560 | 11,846 | 11,221 |
| General and administrative | | 37,286 | 46,762 | 81,239 | 97,822 |
| Vessel operating leases | | 8,441 | 6,542 | 16,884 | 13,082 |
| Depreciation and amortization | | 45,979 | 43,708 | 91,636 | 86,819 |
| Gain on asset dispositions, net | | (6,111) | (4,500) | (13,462) | (8,393) |
| Asset impairments | | 31,672 | 910 | 46,630 | 1,860 |
| Restructuring charge | | 7,586 | --- | 7,586 | --- |
| | | 289,567 | 312,801 | 580,252 | 632,474 |
| Operating income | | (17,644) | 84,723 | (3,555) | 150,727 |
| Other income (expenses): | | | | | |
| Foreign exchange gain (loss) | | 844 | 5,408 | (3,289) | 4,119 |
| Equity in net earnings/(losses) of unconsolidated companies | | (2,919) | 3,821 | (5,360) | 9,104 |
| Interest income and other, net | | 355 | 499 | 1,145 | 1,121 |
| Interest and other debt costs, net | | (13,247) | (12,559) | (26,429) | (25,688) |
| | | (14,967) | (2,831) | (33,933) | (11,344) |
| Earnings (loss) before income taxes | | (32,611) | 81,892 | (37,488) | 139,383 |
| Income tax expense | | 11,388 | 21,067 | 21,675 | 34,859 |
| Net earnings (loss) | \$ | (43,999) | 60,825 | (59,163) | 104,524 |
| Less: Net earnings (losses) attributable to | | | | | |
| noncontrolling interests | \$ | (164) | (82) | (276) | (56) |
| Net earnings (loss) attributable to Tidewater Inc. | \$ | (43,835) | 60,907 | (58,887) | 104,580 |
| Basic earnings (loss) per common share | \$ | (0.93) | 1.23 | (1.25) | 2.11 |
| Diluted earnings (loss) per common share | \$ | (0.93) | 1.22 | (1.25) | 2.10 |

| | | | | |
|---|------------|------------|------------|------------|
| Weighted average common shares outstanding | 46,942,950 | 49,582,086 | 46,962,242 | 49,581,707 |
| Dilutive effect of stock options and restricted stock | --- | 230,841 | --- | 219,607 |
| Adjusted weighted average common shares | 46,942,950 | 49,812,927 | 46,962,242 | 49,801,314 |

TIDEWATER INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and par value data)

| ASSETS | September 30, 2015 | March 31, 2015 |
|---|-----------------------|-------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 88,216 | 78,568 |
| Trade and other receivables, net | 269,049 | 303,096 |
| Due from affiliate | 346,884 | 420,365 |
| Marine operating supplies | 37,135 | 49,005 |
| Other current assets | 45,275 | 17,781 |
| Total current assets | 786,559 | 868,815 |
| Investments in, at equity, and advances to unconsolidated companies | 59,420 | 65,844 |
| Properties and equipment: | | |
| Vessels and related equipment | 4,696,526 | 4,717,132 |
| Other properties and equipment | 120,455 | 119,879 |
| | 4,816,981 | 4,837,011 |
| Less accumulated depreciation and amortization | 1,158,975 | 1,090,704 |
| Net properties and equipment | 3,658,006 | 3,746,307 |
| Other assets | 103,680 | 75,196 |
| Total assets | \$ 4,607,665 | 4,756,162 |

LIABILITIES AND EQUITY

Current liabilities:

| | | |
|---------------------------------------|-----------|---------|
| Accounts payable | \$ 60,710 | 54,011 |
| Accrued expenses | 136,952 | 146,255 |
| Due to affiliate | 165,945 | 185,657 |
| Accrued property and liability losses | 3,457 | 3,669 |
| Current portion of long term-debt | 10,000 | 10,181 |

| | | |
|---|---------------------|------------------|
| Other current liabilities | 75,530 | 82,461 |
| Total current liabilities | 452,594 | 482,234 |
| Long-term debt | 1,488,379 | 1,524,295 |
| Deferred income taxes | 28,323 | 23,276 |
| Accrued property and liability losses | 9,859 | 10,534 |
| Other liabilities and deferred credits | 224,518 | 235,108 |
| Commitments and Contingencies | | |
| Equity: | | |
| Common stock of \$0.10 par value, 125,000,000 shares authorized, issued 46,967,809 shares at September 30, 2015 and 47,029,359 shares at March 31, 2015 | 4,697 | 4,703 |
| Additional paid-in capital | 165,790 | 159,940 |
| Retained earnings | 2,248,182 | 2,330,223 |
| Accumulated other comprehensive loss | (20,628) | (20,378) |
| Total stockholders' equity | 2,398,041 | 2,474,488 |
| Noncontrolling Interests | 5,951 | 6,227 |
| Total equity | 2,403,992 | 2,480,715 |
| Total liabilities and equity | \$ 4,607,665 | 4,756,162 |

TIDEWATER INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands)

| | Quarter Ended September 30, | | Six Months Ended September 30, | |
|--|--------------------------------|---------------|-----------------------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Net earnings (loss) | \$ (43,999) | 60,825 | (59,163) | 104,524 |
| Other comprehensive income/(loss): | | | | |
| Unrealized gains (losses) on available for sale securities, net of tax of \$0, \$17, \$0 and \$71 | (627) | 32 | (679) | 133 |
| Amortization of loss on derivative contract, net of tax of \$0, \$63, \$0 and \$125 | 180 | 117 | 359 | 233 |
| Change in other benefit plan minimum liability, net of tax of \$0, \$0, \$0 and \$70 | --- | --- | 70 | 131 |
| Total comprehensive income (loss) | \$ (44,446) | 60,974 | (59,413) | 105,021 |

TIDEWATER INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

| | Six Months Ended September 30, | |
|--|-----------------------------------|----------------|
| | 2015 | 2014 |
| Operating activities: | | |
| Net earnings (loss) | \$ (59,163) | 104,524 |
| Adjustments to reconcile net earnings (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 91,636 | 86,819 |
| Provision (benefit) for deferred income taxes | 128 | 1,287 |
| Gain on asset dispositions, net | (13,462) | (8,393) |
| Asset impairments | 46,630 | 1,860 |
| Equity in earnings (losses) of | | |
| unconsolidated companies, less dividends | 6,424 | (6,875) |
| Compensation expense - stock-based | 6,614 | 11,075 |
| Changes in assets and liabilities, net: | | |
| Trade and other receivables | 30,891 | (24,258) |
| Changes in due to/from affiliate, net | 53,769 | 62,555 |
| Marine operating supplies | 11,370 | (6,139) |
| Other current assets | (3,681) | (4,052) |
| Accounts payable | 5,228 | (15,652) |
| Accrued expenses | (13,512) | (13,358) |
| Accrued property and liability losses | (212) | (393) |
| Other current liabilities | (6,011) | 450 |
| Other liabilities and deferred credits | 2,594 | (1,245) |
| Other, net | 4,648 | (2,916) |
| Net cash provided by operating activities | 163,891 | 185,289 |
| Cash flows from investing activities: | | |
| Proceeds from sales of assets | 6,262 | 3,999 |
| Proceeds from sale/leaseback of assets | --- | 32,751 |
| Additions to properties and equipment | (138,990) | (128,411) |

| | | |
|---|------------------|-----------------|
| Refunds from cancelled vessel construction contracts | 36,190 | --- |
| Other | (129) | (13) |
| Net cash used in investing activities | (96,667) | (91,674) |
| Cash flows from financing activities: | | |
| Principal payment on long-term debt | (64,374) | (25,996) |
| Debt borrowings | 31,338 | 20,000 |
| Proceeds from exercise of stock options | --- | 1,025 |
| Cash dividends | (23,579) | (25,038) |
| Other | (961) | 350 |
| Net cash used in financing activities | (57,576) | (29,659) |
| Net change in cash and cash equivalents | 9,648 | 63,956 |
| Cash and cash equivalents at beginning of period | 78,568 | 60,359 |
| Cash and cash equivalents at end of period | \$ 88,216 | 124,315 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the period for: | | |
| Interest, net of amounts capitalized | \$ 24,894 | 26,328 |
| Income taxes | \$ 27,853 | 32,414 |
| Supplemental disclosure of non-cash investing activities: | | |
| Additions to properties and equipment | \$ 1,471 | 3,845 |

TIDEWATER INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited)

(In thousands)

| | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive loss | Non controlling interest | Total |
|---|-----------------|----------------------------------|----------------------|---|--------------------------------|------------------|
| Balance at March 31, 2015 | \$ 4,703 | 159,940 | 2,330,223 | (20,378) | 6,227 | 2,480,715 |
| Total comprehensive loss | --- | --- | (58,887) | (250) | (276) | (59,413) |
| Stock option expense | --- | 421 | --- | --- | --- | 421 |
| Cash dividends declared (\$.50 per share) | --- | --- | (23,154) | --- | --- | (23,154) |
| Amortization of restricted stock units | 1 | 5,186 | --- | --- | --- | 5,187 |
| Amortization/cancellation of restricted stock | (7) | 243 | --- | --- | --- | 236 |
| Balance at September 30, 2015 | \$ 4,697 | 165,790 | 2,248,182 | (20,628) | 5,951 | 2,403,992 |

| | | | | | | | |
|---|-----------|--------------|----------------|------------------|-----------------|--------------|------------------|
| Balance at March 31, 2014 | \$ | 4,973 | 142,381 | 2,544,255 | (12,225) | 5,987 | 2,685,371 |
| Total comprehensive income | | --- | --- | 104,580 | 497 | (56) | 105,021 |
| Exercise of stock options | | 3 | 1,022 | --- | --- | --- | 1,025 |
| Cash dividends declared (\$.50 per share) | | --- | --- | (25,199) | --- | --- | (25,199) |
| Amortization of restricted stock units | | 1 | 8,320 | --- | --- | --- | 8,321 |
| Amortization/cancellation of restricted stock | | (4) | 1,790 | --- | --- | --- | 1,786 |
| Cash received from noncontrolling interests | | --- | --- | --- | --- | 449 | 449 |
| Cash paid to noncontrolling interests | | --- | --- | --- | --- | (50) | (50) |
| Balance at September 30, 2014 | \$ | 4,973 | 153,513 | 2,623,636 | (11,728) | 6,330 | 2,776,724 |

The company's vessel revenues and vessel operating costs and the related percentage of total vessel revenues for the quarters and the six-month periods ended September 30, 2015 and 2014 and for the quarter ended June 30, 2015, were as follows:

| (In thousands) | Quarter Ended September 30, | | | | Six Months Ended September 30, | | | | Quarter Ended June 30, | | |
|-------------------------------------|--------------------------------|----------------|-------------|----------------|-----------------------------------|----------------|-------------|----------------|------------------------------|----------------|-------------|
| | 2015 | % | 2014 | % | 2015 | % | 2014 | % | 2015 | % | |
| Vessel revenues: | | | | | | | | | | | |
| Americas | \$ | 89,210 | 34% | 134,013 | 34% | 203,382 | 36% | 253,996 | 33% | 114,172 | 38% |
| Asia/Pacific | | 32,173 | 12% | 45,989 | 12% | 60,110 | 11% | 86,238 | 11% | 27,937 | 9% |
| Middle East/North Africa | | 45,336 | 17% | 48,837 | 13% | 92,602 | 16% | 104,376 | 14% | 47,266 | 16% |
| Sub-Saharan Africa/ Europe | | 97,412 | 37% | 162,113 | 41% | 206,350 | 37% | 327,852 | 42% | 108,938 | 37% |
| Total vessel revenues | \$ | 264,131 | 100% | 390,952 | 100% | 562,444 | 100% | 772,462 | 100% | 298,313 | 100% |
| Vessel operating costs: | | | | | | | | | | | |
| Crew costs | \$ | 84,112 | 32% | 114,634 | 29% | 176,400 | 31% | 225,919 | 29% | 92,288 | 31% |
| Repair and maintenance | | 28,528 | 11% | 39,332 | 10% | 65,782 | 12% | 87,064 | 11% | 37,254 | 12% |
| Insurance and loss reserves | | 2,751 | 1% | 1,982 | 1% | 8,126 | 2% | 7,376 | 1% | 5,375 | 2% |
| Fuel, lube and supplies | | 17,147 | 6% | 22,820 | 6% | 35,257 | 6% | 45,189 | 6% | 18,110 | 6% |
| Other | | 26,074 | 10% | 34,051 | 8% | 52,328 | 9% | 64,515 | 9% | 26,254 | 9% |
| Total vessel operating costs | | 158,612 | 60% | 212,819 | 54% | 337,893 | 60% | 430,063 | 56% | 179,281 | 60% |
| Vessel operating margin (A) | \$ | 105,519 | 40% | 178,133 | 46% | 224,551 | 40% | 342,399 | 44% | 119,032 | 40% |

Note (A): The following table reconciles vessel operating margin as presented above to operating profit for the quarters and the six-month periods ended September 30, 2015 and 2014 and for the quarter ended June 30, 2015:

| (In thousands) | Quarter Ended September 30, | | Six Months Ended September 30, | | Quarter Ended June 30, |
|---|--------------------------------|---------------|-----------------------------------|----------------|------------------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 |
| Vessel operating margin | \$ 105,519 | 178,133 | 224,551 | 342,399 | 119,032 |
| General and administrative expenses - vessel operations | (28,508) | (36,612) | (61,308) | (74,281) | (32,800) |
| Vessel operating leases | (8,441) | (6,542) | (16,884) | (13,082) | (8,443) |
| Depreciation and amortization - vessel operations | (42,828) | (41,974) | (85,577) | (83,399) | (42,749) |
| Vessel operating profit | \$ 25,742 | 93,005 | 60,782 | 171,637 | 35,040 |

The company's other operating loss for the quarters and the six-month periods ended September 30, 2015 and 2014 and for the quarter ended June 30, 2015, consists of the following:

| (In thousands) | Quarter Ended September 30, | | Six Months Ended September 30, | | Quarter Ended June 30, |
|--|--------------------------------|----------------|-----------------------------------|----------------|------------------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 |
| Other operating revenues | \$ 7,792 | 6,572 | 14,253 | 10,739 | 6,461 |
| Costs of other marine revenues | (6,102) | (6,560) | (11,846) | (11,221) | (5,744) |
| General and administrative expenses - other operating activities | (846) | (1,207) | (1,985) | (2,266) | (1,139) |
| Depreciation and amortization - other operating activities | (1,502) | (898) | (2,916) | (1,768) | (1,414) |
| Other operating loss | \$ (658) | (2,093) | (2,494) | (4,516) | (1,836) |

The company's operating income and other components of earnings before income taxes, and its related percentage of total revenues for the quarters and six-month periods ended September 30, 2015 and 2014 and for the quarter ended June 30, 2015, were as follows:

| (In thousands) | Quarter Ended September 30, | | | | Six Months Ended September 30, | | | | Quarter Ended June 30, | |
|---|--------------------------------|--------------|---------------|------------|-----------------------------------|-------------|----------------|------------|------------------------------|-------------|
| | 2015 | % | 2014 | % | 2015 | % | 2014 | % | 2015 | % |
| Vessel operating profit | \$ 8,812 | 3% | 36,778 | 9% | 32,651 | 6% | 66,986 | 9% | 23,839 | 8% |
| Americas (B) | 6,168 | 2% | 7,414 | 2% | 7,918 | 1% | 6,443 | 1% | 1,750 | 1% |
| Asia/Pacific (B) | 7,515 | 3% | 7,367 | 2% | 15,675 | 3% | 19,160 | 2% | 8,160 | 3% |
| Middle East/North Africa | 3,247 | 1% | 41,446 | 10% | 4,538 | 1% | 79,048 | 10% | 1,291 | <1% |
| Sub-Saharan Africa/Europe | 25,742 | 9% | 93,005 | 23% | 60,782 | 11% | 171,637 | 22% | 35,040 | 12% |
| Other operating loss | (658) | (<1%) | (2,093) | (1%) | (2,494) | (1%) | (4,516) | (1%) | (1,836) | (1%) |
| | 25,084 | 9% | 90,912 | 22% | 58,288 | 10% | 167,121 | 21% | 33,204 | 11% |
| Corporate general and administrative expenses | (7,932) | (3%) | (8,943) | (2%) | (17,946) | (4%) | (21,275) | (3%) | (10,014) | (3%) |
| Corporate depreciation | (1,649) | (<1%) | (836) | (<1%) | (3,143) | (<1%) | (1,652) | (<1%) | (1,494) | (1%) |
| Corporate expenses | (9,581) | (3%) | (9,779) | (2%) | (21,089) | (4%) | (22,927) | (3%) | (11,508) | (4%) |
| Gain on asset dispositions, net | 6,111 | 2% | 4,500 | 1% | 13,462 | 2% | 8,393 | 1% | 7,351 | 3% |
| Asset impairments | (31,672) | (11%) | (910) | (<1%) | (46,630) | (8%) | (1,860) | (<1%) | (14,958) | (5%) |
| Restructuring charge | (7,586) | (3%) | --- | --- | (7,586) | (1%) | --- | --- | --- | --- |
| Operating income | \$ (17,644) | (6%) | 84,723 | 21% | (3,555) | (1%) | 150,727 | 19% | 14,089 | 5% |
| Foreign exchange gain (loss) | 844 | <1% | 5,408 | 1% | (3,289) | (1%) | 4,119 | 1% | (4,133) | (2%) |
| Equity in net earnings (losses) of unconsolidated companies | (2,919) | (1%) | 3,821 | 1% | (5,360) | (1%) | 9,104 | 1% | (2,441) | (1%) |
| Interest income and other, net | 355 | <1% | 499 | <1% | 1,145 | <1% | 1,121 | <1% | 790 | <1% |
| Interest and other debt costs, net | (13,247) | (5%) | (12,559) | (3%) | (26,429) | (4%) | (25,688) | (3%) | (13,182) | (4%) |
| Earnings (loss) before income taxes | \$ (32,611) | (12%) | 81,892 | 21% | (37,488) | (7%) | 139,383 | 18% | (4,877) | (2%) |

Note (B): Excludes restructuring charges of \$3.6 million and \$4.0 million related to our Americas and Asia/Pacific segments, respectively for the quarter ended September 30, 2015.

The company's revenues, day-based vessel utilization percentages and average day rates by vessel class and in total for the quarters and the six-month periods ended September 30, 2015 and 2014 and for the quarter ended June 30, 2015, were as follows:

| | Quarter Ended September 30, | | Six Months Ended September 30, | | Quarter Ended June 30, |
|--|--------------------------------|---------|-----------------------------------|---------|------------------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 |
| REVENUE BY VESSEL CLASS (In thousands): | | | | | |
| <u>Americas fleet:</u> | | | | | |
| Deepwater | \$ 61,776 | 91,403 | 141,928 | 173,685 | 80,152 |
| Towing-supply | 24,121 | 34,387 | 53,636 | 63,904 | 29,515 |
| Other | 3,313 | 8,223 | 7,818 | 16,407 | 4,505 |
| Total | \$ 89,210 | 134,013 | 203,382 | 253,996 | 114,172 |
| <u>Asia/Pacific fleet:</u> | | | | | |
| Deepwater | \$ 23,435 | 27,675 | 43,268 | 51,917 | 19,833 |
| Towing-supply | 8,738 | 17,338 | 16,842 | 32,375 | 8,104 |
| Other | --- | 976 | --- | 1,946 | --- |
| Total | \$ 32,173 | 45,989 | 60,110 | 86,238 | 27,937 |
| <u>Middle East/North Africa fleet:</u> | | | | | |
| Deepwater | \$ 20,769 | 19,254 | 41,155 | 38,721 | 20,386 |
| Towing-supply | 23,914 | 28,715 | 50,103 | 63,994 | 26,189 |
| Other | 653 | 868 | 1,344 | 1,661 | 691 |
| Total | \$ 45,336 | 48,837 | 92,602 | 104,376 | 47,266 |
| <u>Sub-Saharan Africa/Europe fleet:</u> | | | | | |
| Deepwater | \$ 39,955 | 89,193 | 93,921 | 180,884 | 53,966 |
| Towing-supply | 42,106 | 54,617 | 83,304 | 110,053 | 41,198 |
| Other | 15,351 | 18,303 | 29,125 | 36,915 | 13,774 |
| Total | \$ 97,412 | 162,113 | 206,350 | 327,852 | 108,938 |
| <u>Worldwide fleet:</u> | | | | | |
| Deepwater | \$ 145,935 | 227,525 | 320,272 | 445,207 | 174,337 |
| Towing-supply | 98,879 | 135,057 | 203,885 | 270,326 | 105,006 |
| Other | 19,317 | 28,370 | 38,287 | 56,929 | 18,970 |
| Total | \$ 264,131 | 390,952 | 562,444 | 772,462 | 298,313 |

UTILIZATION:

Americas fleet:

| | | | | | |
|-----------|--------|------|------|------|------|
| Deepwater | 65.1 % | 91.9 | 73.1 | 90.4 | 81.3 |
|-----------|--------|------|------|------|------|

| | | | | | |
|---|--------|-------|------|-------|-------|
| Towing-supply | 56.5 | 70.3 | 60.6 | 66.5 | 64.7 |
| Other | 47.8 | 76.9 | 46.4 | 73.0 | 45.3 |
| Total | 59.7 % | 80.9 | 64.7 | 77.9 | 69.6 |
| <u>Asia/Pacific fleet:</u> | | | | | |
| Deepwater | 59.9 % | 82.4 | 52.5 | 76.6 | 45.0 |
| Towing-supply | 79.7 | 93.6 | 76.7 | 92.1 | 73.4 |
| Other | --- | 100.0 | --- | 100.0 | --- |
| Total | 68.3 % | 89.6 | 63.3 | 86.6 | 58.2 |
| <u>Middle East/North Africa fleet:</u> | | | | | |
| Deepwater | 73.7 % | 80.4 | 72.0 | 76.2 | 70.1 |
| Towing-supply | 74.9 | 71.1 | 75.7 | 82.2 | 76.5 |
| Other | 91.9 | 100.0 | 95.8 | 96.0 | 100.0 |
| Total | 75.2 % | 74.7 | 75.4 | 81.3 | 75.6 |
| <u>Sub-Saharan Africa/Europe fleet:</u> | | | | | |
| Deepwater | 57.2 % | 85.5 | 62.7 | 85.9 | 68.4 |
| Towing-supply | 63.9 | 78.5 | 65.2 | 76.8 | 66.4 |
| Other | 73.5 | 71.3 | 71.6 | 74.7 | 69.7 |
| Total | 65.1 % | 77.9 | 66.6 | 78.7 | 68.2 |
| <u>Worldwide fleet:</u> | | | | | |
| Deepwater | 63.0 % | 87.0 | 66.7 | 85.4 | 70.7 |
| Towing-supply | 67.0 | 76.2 | 68.3 | 77.3 | 69.5 |
| Other | 67.9 | 73.9 | 66.0 | 75.4 | 64.3 |
| Total | 65.7 % | 79.3 | 67.2 | 79.5 | 68.8 |

| | Quarter Ended September 30, | | Six Months Ended September 30, | | Quarter Ended June 30, |
|--|--------------------------------|------|-----------------------------------|------|------------------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 |

AVERAGE VESSEL DAY RATES:

Americas fleet:

| | | | | | |
|---------------|-----------|--------|--------|--------|--------|
| Deepwater | \$ 26,254 | 31,233 | 27,513 | 31,206 | 28,568 |
| Towing-supply | 16,003 | 17,309 | 16,686 | 16,954 | 17,289 |
| Other | 7,461 | 8,304 | 8,176 | 8,570 | 8,796 |

| | | | | | |
|---|-----------|--------|--------|--------|--------|
| Total | \$ 20,725 | 22,701 | 21,800 | 22,578 | 22,721 |
| <u>Asia/Pacific fleet:</u> | | | | | |
| Deepwater | \$ 34,487 | 39,841 | 36,525 | 40,798 | 39,268 |
| Towing-supply | 7,907 | 14,387 | 8,133 | 13,717 | 8,391 |
| Other | --- | 10,609 | --- | 10,633 | --- |
| Total | \$ 18,028 | 23,090 | 18,464 | 22,601 | 18,994 |
| <u>Middle East/North Africa fleet:</u> | | | | | |
| Deepwater | \$ 20,738 | 23,078 | 21,724 | 24,044 | 22,830 |
| Towing-supply | 11,200 | 14,171 | 11,674 | 13,716 | 12,143 |
| Other | 3,737 | 4,719 | 3,769 | 4,730 | 3,799 |
| Total | \$ 13,692 | 16,040 | 14,153 | 15,749 | 14,626 |
| <u>Sub-Saharan Africa/Europe fleet:</u> | | | | | |
| Deepwater | \$ 20,876 | 30,928 | 22,704 | 30,665 | 24,278 |
| Towing-supply | 17,009 | 16,911 | 16,522 | 16,889 | 16,052 |
| Other | 5,731 | 5,937 | 5,468 | 5,742 | 5,201 |
| Total | \$ 13,782 | 17,628 | 14,225 | 17,398 | 14,647 |
| <u>Worldwide fleet:</u> | | | | | |
| Deepwater | \$ 24,535 | 31,001 | 25,882 | 31,030 | 27,128 |
| Towing-supply | 13,689 | 15,987 | 13,946 | 15,615 | 14,197 |
| Other | 5,858 | 6,523 | 5,766 | 6,412 | 5,676 |
| Total | \$ 16,039 | 19,415 | 16,723 | 19,056 | 17,379 |

The company's average number of vessels by class and geographic distribution for the quarters and the six-month periods ended September 30, 2015 and 2014 and for the quarter ended June 30, 2015:

| | Quarter Ended September 30, | | Six Months Ended September 30, | | Quarter Ended June 30, |
|------------------------|--------------------------------|------|-----------------------------------|------|------------------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 |
| <u>Americas fleet:</u> | | | | | |
| Deepwater | 40 | 35 | 39 | 34 | 38 |
| Towing-supply | 29 | 30 | 29 | 31 | 29 |
| Other | 10 | 14 | 11 | 14 | 12 |
| Total | 79 | 79 | 79 | 79 | 79 |
| Less stacked vessels | 14 | 7 | 13 | 8 | 13 |

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Active vessels | 65 | 72 | 66 | 71 | 66 |
| <u>Asia/Pacific fleet:</u> | | | | | |
| Deepwater | 12 | 9 | 12 | 9 | 12 |
| Towing-supply | 15 | 14 | 15 | 14 | 14 |
| Other | 1 | 1 | 1 | 1 | 1 |
| Total | 28 | 24 | 28 | 24 | 27 |
| Less stacked vessels | 7 | -- | 5 | -- | 4 |
| Active vessels | 21 | 24 | 23 | 24 | 23 |
| <u>Middle East/North Africa fleet:</u> | | | | | |
| Deepwater | 15 | 11 | 14 | 12 | 14 |
| Towing-supply | 31 | 31 | 31 | 31 | 31 |
| Other | 2 | 2 | 2 | 2 | 2 |
| Total | 48 | 44 | 47 | 45 | 47 |
| Less stacked vessels | 4 | -- | 3 | -- | 2 |
| Active vessels | 44 | 44 | 44 | 45 | 45 |
| <u>Sub-Saharan Africa/Europe fleet:</u> | | | | | |
| Deepwater | 36 | 37 | 36 | 37 | 36 |
| Towing-supply | 42 | 45 | 42 | 46 | 42 |
| Other | 40 | 47 | 41 | 47 | 42 |
| Total | 118 | 129 | 119 | 130 | 120 |
| Less stacked vessels | 19 | 7 | 14 | 5 | 9 |
| Active vessels | 99 | 122 | 105 | 125 | 111 |
| Active owned or chartered vessels | 229 | 262 | 238 | 265 | 245 |
| Stacked vessels | 44 | 14 | 35 | 13 | 28 |
| Total owned or chartered vessels | 273 | 276 | 273 | 278 | 273 |
| Joint-venture and other | 9 | 11 | 9 | 11 | 10 |
| Total | 282 | 287 | 282 | 289 | 283 |

Note (C): Included in total owned or chartered vessels at September 30, 2015 and 2014 and at June 30, 2015, were 51, 15 and 38 vessels, respectively, that were stacked by the company. These vessels were considered to be in service and are included in the calculation of the company's utilization statistics.

The table below summarizes the various commitments to acquire and construct new vessels, by vessel type, as of September 30, 2015:

| (In thousands) | Number of Vessels | Shipyard Location | Delivery Dates | Total Cost | Amount Invested 9/30/15 | Remaining Balance 9/30/15 |
|--------------------------|-------------------|-------------------|----------------|------------|-------------------------|---------------------------|
| Towing-supply: | | | | | | |
| 7,145 BHP Towing-supply | 1 | International | 12/2015 | \$ 16,286 | 13,331 | 2,955 |
| Deepwater | | | | | | |
| 261-foot PSV | 2 | International | 4/2016, 5/2016 | | | |
| 275-foot PSV | 1 | International | 11/2015 | | | |
| 292-foot PSV | 1 | International | 5/2016 | | | |
| 300-foot PSV | 2 | United States | 9/2016, 2/2017 | | | |
| 310-foot PSV | 2 | United States | 1/2016, 3/2016 | | | |
| Total Deepwater PSVs | 8 | | | 322,479 | 213,280 | 109,199 |
| Total vessel commitments | 9 | | | \$ 338,765 | 226,611 | 112,154 |

The table below summarizes by vessel class and vessel type the number of vessels expected to be delivered by quarter along with the expected cash outlay (in thousands) of the various remaining shipbuilding commitments:

| Vessel class and type | Quarter Period Ended | | | | | |
|--------------------------------|----------------------|--------|--------|-------|-------|-------|
| | 12/15 | 03/16 | 06/16 | 09/16 | 12/16 | 03/17 |
| Deepwater PSVs | 1 | 2 | 3 | 1 | -- | 1 |
| Towing-supply vessels | 1 | -- | -- | -- | -- | -- |
| Totals | 2 | 2 | 3 | 1 | -- | 1 |
| (In thousands) | | | | | | |
| Expected quarterly cash outlay | \$ 43,036 | 13,807 | 46,757 | 4,516 | 694 | 3,344 |

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