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Bristow Group Inc.

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Justin: Morning everyone. Next up, we have Bristow. Bristow's managed admirably through a challenging environment, what's core offshore levered oil and gas business, improving liquidity runway through a series of secured financing transactions, driving growth through recent search and rescue contract wins, and providing line of sight to tangible costs efficiencies going forward.

Joining us today is Don Miller, who assumed the CFO position in 2015 after serving in the company's mergers and strategy groups. Please help me in welcoming Don Miller. Thanks a lot.

Don Miller: Thanks, Justin. I appreciate the introduction. Thanks for those kind words. It has been a challenging market, as you well know.

Good morning and thank you for joining me. Again, my name's Don Miller. I'm the CFO. I've been at Bristow a little over seven and a half years now. I joined in 2010, and I stepped into this role around two years ago, just in time for what has clearly been a very challenging market, particularly if you have anything to do with deepwater oil and gas.

For those on the webcast, I'll try to be very deliberate about what page I'm on. My understanding is the presentation has been posted on the webcast as well, so you can follow along. Before I move actually off the cover page, I always like using the cover page as a way to lay out what Bristow is and what we do.

Even with some of the changes we made, we announced a few weeks ago, this front page is still very relevant to who we've become over the last three or four years as far as diversification. Well before the downturn, we began a diversification campaign to really take our core oil and gas competencies and move into other verticals.

On the left, there is one of our fixed wing. It's a regional jet down in Nigeria. We've been in Nigeria for over 60 years, but we have two other fixed-wing operators around the globe. The middle is really our core oil and gas business. Still represents about 70 percent of our overall revenues, about $900 million.

That in fact is one of our crew change helicopters up in the Shetland Islands. Interestingly enough they would have gotten there on our fixed-wing carrier Eastern. Again, a nice synergy there. On the far right is one of our UK search and rescue helicopters. It's an S-92 that is serving today in the UK on our 10-year search and rescue contract.

I'll give you more update on that. That contract is basically built out today. We have 10 bases and 22 helicopters. It's an important part of our story in terms of visibility of cash flow, predictability of cash flow, and diversification into new verticals.

If you'll move to page two, forward looking statements obviously in this market, just some guidance around forward looking statements and the risks therein. If you'll turn to page three, I'll spend a few minutes. Several of these pages are standard Bristow pages, but I think it serves as just a reminder of who we are.

Really the 60-year legacy of what we've become in terms of our main oil and gas and what we've done, taking that core competency and leveraging it into other verticals. Today we're one of the largest commercial operators of helicopters serving the oil and gas business around the globe. We're basically in every major basin where there are offshore oil and gas reserves.

Today that's about 10 specific markets. We operate a little under 350 helicopters or around 174 LACE. That's an acronym we use for Large Aircraft Equivalent. Regardless of how you do the math, that's somewhere between 15 and 20 percent of aircraft active in the offshore oil and gas industry.

Several weeks ago, we announced basically a recalibration, a resizing of our business, where we really began to focus more on a hub system cored around our European business. Our European hub really represents the largest in our lion's share of our existing operating business.

It really includes our core UK North Sea business including UK and Norway, our existing Africa business which is really Nigeria-based. Again, we've been in Nigeria for almost 60 years as well. Then Australia and then more of our emerging businesses in Asia and the Middle East. Our America's hub is our traditional America's hub focused in and around the Gulf of Mexico, Canada, Trinidad.

We have an equity interest in one of the largest operators in Brazil, Lider, and then Guyana. I'll spend some more time talking through, while we've gone back to this hub-based system in terms of management, but it's really just trying to make the business much more nimble, regionally focused, and much more responsive to our customers' needs.

Ultimately it will lead to lower cost, lower G&A, which then again will help us drive efficiency through the business, allow us to be more competitive, and again serve our customer more broadly around the globe. In terms of diversification, I've touched on it briefly before. I'll spend a little more time, but there's a page. I can update you on where we are with the UK search and rescue contract.

That's a very important contract for us, tip to tail 10 years. $2.3 billion, in terms of total revenue, subject to the pound, given that it is a pound-based contract. Again, it really shows our core capabilities, and we are leveraging that into new search and rescue contracts in our oil and gas business.

I would say that's an emerging business for us. We've had some recent announcements around a couple of contract wins in the Gulf of Mexico. I'll mention as well, and I'll spend a little more time and a page or two talking about, you may have seen the Bristow colors flying around New York.

As we've worked through this downturn, we've looked for ways to leverage our existing aircraft fleet, particularly idle aircraft or underutilized aircraft into new verticals. We've partnered with Blade. It's called the Ultra product. We are their exclusive for cabin class, which has taken an S-76C++ twin-engine helicopter, and utilizing that in that Blade concept.

If you're not familiar with Blade, just think about Uber in the sky. That's really what it is. It's one of these crowdsourcing apps, and it's working well. We launched on Memorial Day. It's important, again, as we think about how we move this idle capacity, idle helicopters out of oil and gas into new verticals.

If you'll turn to page four, I'll walk you through safety and give you a brief update on safety. Target Zero is our safety program, started around 10 years ago. It's our number one focus. Our target is zero incidents, zero accidents, and zero injuries. It's the thing we think about when we go to bed, and the first thing we think about when we wake up in the morning.

I would say over the last 10 to 15 years, there've been a lot of advances made in safety in the industry, particularly the creation of HeliOffshore a few years ago, to begin to share best practices around the industry.

With that said, there's been several high-profile incidents, unfortunately a tragic incident with one of our competitors about a year ago, that led to the grounding of the H225, which is one of our large helicopter types that we operate today in our business, along with the S-92.

We operate 27 of those. That helicopter, from our perspective, is still grounded. There are some operational around the globe, but in our core markets, primarily being UK, Norway, and Australia, those helicopters are still grounded.

As we've highlighted quite a bit on the most recent calls, there has been a financial impact to us, particularly in FY '17, and as we started our FY '17. We're a March 31 year-end filer, so April 1 is the beginning of our fiscal year.

It was a real challenge for us last year as we had a number of aircraft grounded, and then we had to redeploy and find backups, again, around the globe. That's part of Bristow, that's one of our core capabilities that our customer does value in us, is our ability to move aircraft around the globe to meet their needs.

There's a lot going on around the H225. Some owners of 225s have filed litigation. Again, we're monitoring that and continuing to track that along as we think about how we're going to go after recovering our exposure there.

If you'll turn to page five, I'll walk you through. This is a very familiar slide to those that know the story. Prior to the downturn, we were a story around the whole virtuous cycle over a seismic exploration development production in P&A.

I would say in this downturn, what's happened is production has always been a key element, a core competency, a real exposure for us that provided some visibility and predictability to revenue. It's still that today. I would say it's even become more than that, given that around the globe, as you know, there's more offshore production platforms than, for example, drilling rigs, either jack-ups or floaters.

Today, it's still a very important element of who we are, and how we generate our revenue. With all that said, though, clearly with the pullback in exploration and development, and in effect, efficiencies and pricing, we've seen a decline in our overall oil and gas revenues with revenues declining, probably in the oil and gas business, around $600 million from the peak in FY '15, at about $1.5 billion, down to about $900 million this year.

However, with that said, our diversification has offset a bit of that. Year over year, oil and gas revenues were down around 22 percent, while overall revenues were down around 17 percent. Still a big part of our business, but we generate around $400 million from non-oil and gas revenues through our fixed-wing and UK search and rescue business.

Again, an important element of our business on a day-to-day basis. If you turn to slide six, again, another mainstay to our story, who we are, and how think about the visibility of our revenue. Through time, we've referred to or talked about ourselves as a people pipeline, moving people back and forth offshore.

The reason we do that is there's an analogy to a long-line pipeline or a gathering line with a two-tiered contract structure, where there's a fixed element and a monthly, which is known as a monthly standing charge, and then a variable element, which is the flying that we're charged.

Very much like the demand charge or energy charge, as you may be familiar with in the power business or the pipeline business. The difference, though, is in our industry, contracts can be typically terminated for convenience with some notice.

During the downturn, you've seen clients taking advantage of that, typically through, if it's production-based, particularly, not cancellation of the whole contract, but more through giving a helicopter or two back as they try to rearrange their schedules to drive costs lower and increase profitability with the lower oil and gas price.

UK SAR contract is more favorable. It's actually 85 percent monthly standing charge, 15 percent variable charge or flying hour charge, so really, independent of flying. We earn 85 percent of our revenue through a monthly standing charge. Again, a very important contract for us.

If you think about what Bristow is able to do with that contract, if I think about the development business and the power business, or some other similar line of business, we took a concept all the way to fruition, have our 10 bases open now, and did it on time and on budget.

We had a few challenges along the way with a particular aircraft type, and we're still working through that. I can talk to you more about that.

Lastly, as our fixed-wing business, they're different revenue structures, between Eastern and Airnorth, but on average, what you would see is around 60 percent of our revenue in that business comes from the scheduled service, we call it RPT, and 40 percent from charter. Again, very similar to what we're used to in the traditional oil and gas business.

If you'll turn to page seven, this is a great slide, because it lays out the benefits of our diversification over the last four or five years. As you can tell, in FY '14, our non-oil and gas revenue was around four percent, while today it'll be over 30 percent.

Clearly that's a function of two things. One is, the building of our UK SAR business and our fixed-wing business, but also the decline in our underlying oil and gas business.

That's an important element as we're working through this downturn and dealing with this challenging market, are those revenues that are not tied specifically to oil and gas, although oil and gas is still our core competency, and an important business to us.

The changes we've made recently, in the last couple of weeks, were around driving costs out of the system, streamlining that business, and in many ways, we took our senior management team down by two to three people.

In effect, Alan Corbett and Rob Phillips are running our Americas and the European hubs, are day to day in the business, and then day to day also involved at a senior management team level. The information flow, the responsiveness to the business, to the client, is greatly enhanced. Also, it was a big element of pulling costs out, particularly as we made the overall Houston presence within the company smaller.

UK SAR, just a quick update, as I said earlier. That's a 10-base contract. All 10 bases are open. There's two bases that were what we called Gap SAR bases. They were the original bases. They convert to full UK SAR. All it is is a change in economics more than anything.

Today we have 20 helicopters operational on that contract, although it's not the 20 helicopters that will ultimately be on that contract, as we're still taking delivery of Agusta 189 helicopters. Those will be coming in. The last four will be coming in over the next 12 months or so, and overtime will be rolled into the basis. We'll be taking off 92s and 139s.

Again, that's an important contract, and as we guided earlier this year, our guidance in EBITDA for that contract was 40-50 million dollars. I'd say what that contract has allowed us to do is leverage that into, as I highlighted earlier, we've picked up a couple of new clients in the Gulf of Mexico with the new SAR service we're offering there.

That's really a differentiated product that we can work into our tenders along with our UAV business in fixed-wing as well, depending on where we are in the globe. Lastly, just to highlight again our fixed-wing business, North Sea is called Eastern, Australia is Airnorth. Each of those have their unique positions in the market.

Eastern has more oil and gas exposure day to day, just because it underpins and is a critical part of our oil and gas business. Airnorth is a Darwin-based regional operator, and has held up better and continued to build its market share outside of oil and gas, and mining more broadly during this downturn.

Lastly, Nigeria is an important market for us for fixed-wing, as we can take potentially idle assets from the other operators, or underutilized assets, or if we need to go to the market, there's an abundance of fixed-wing 145s in the market that we can utilize into that space.

To grow that business, the fixed-wing market, in Nigeria has been hit by the drop in oil prices, and the GDP there has been cut in half. You can see the importance of diversification, particularly with the focus on cash flow and liquidity as our oil and gas business has pulled back the last three or four years.

On page eight, I'm pivoting to where we are today, what we're doing going forward. We're very fortunate that FY '17, was, I was saying, in many ways a productive year for us as we worked through the downturn. We ended FY '17 with a little over $350 million of liquidity, very consistent with where we've ended the last few years.

That sets us up for '18 as we begin to take on the challenges and look for ways to reduce costs, defer capex, cancel capex, really any and every action we can to further drive -- what I call drive liquidity -- through the system as we look into '19 and '20, anticipating that we may be in this lower oil price for longer and need to right-size the business for that.

I think it's important. We've faced some real challenges as we've entered FY '17. One of those was the 225 being grounded a little over a year ago. Even with that said, we were able to go out, and particularly around this time last year, we amended our bank covenants with our existing bank group.

It gave us a lot of headroom to maneuver in this market and go out and not have to worry about bumping up against our existing financial covenants. As part of that then we were able to go out into market, take our aircraft that were not pledged. Historically, we've had kind of an unsecured balance sheet, unsecured capital structure.

We were able to take our aircraft and pledge those into some low-cost financings. We ended up closing $400 million last year that was either used to pay down bank debt or pay down revolver, which really drives liquidity and gives us the liquidity we ended the year with.

On top of that, we had a real cost-cutting focus last year, pulled a number of costs out of the system, and then with capex deferral, combined, we were around $200 million in either capex deferral or costs out of the system, and that sets us up as we look at '18 and '19.

I want to reiterate, though, there's still a real focus on this year, our aircraft capex for the Agusta, 189. What can we do around that in terms of addressing that capex this year? And as we move into FY '19, most of our capex is what you would consider growth capex, for 175s and 192. Again, we're very focused on managing that and utilizing our assets that we have in-house today as best we can.

Another important element is, last year we began to turn back leased helicopters. We can turn back this year. What that means is we started a leasing program probably five years ago, and we're just now entering this period where we can begin to turn back leased helicopters.

This year, we can turn back what we call nine LACE helicopters, and what that means is over time, we'll begin to ratchet down our lease costs to the extent we turn those back. We can turn back nine this year, and 14 next year. Four of those are 225s, three next year, 225s. Those are pretty easy decisions, and the rest are 92s.

The goal is to make our fleet more efficient, our capital base more efficient, and give those back to the lessors. I want to update the GECAS financing. A lot of focus on GECAS, and we're coming up on June 30. When we announced the GECAS and Macquarie financings, I guess back in February, we had put out that our goal was to have that closed by June 30.

A couple of things. One is there is no bright-line test. I want to reiterate, no bright-line test around June 30. This is a negotiation with GE. As you all know, Milestone that's owned by GE, is one of our lessors. More importantly is about three weeks ago, we announced the sale of a SAR aircraft for $40 million. That was actually part of the original collateral pool.

As part of that, our loan, we resized the loan from $230 to $210, because that was the most valuable asset in that underlying collateral pool. I'm glad to report today that through discussions and negotiations with GE, we've added additional aircraft back into that, and we've resized that back up to $230.

On a net basis, that's an incremental $40 million of additional liquidity into the system above what we thought we were going to have just a short two months ago. That's an important change. The team is continuing to work diligently on the GECAS loan. I would say at this point, our goal is to close, in and around June 30.

I know you're probably saying, "Boy, that's two or three days away," but literally, the team is working hard, finalizing the credit agreement and the underlying documentation. Our goal would be to get that signed up, and then closing and funding would be sometime in what we call our Q2 FY '18, which would be, in effect, July 1 to September 30.

It's a global financing, secured by assets around the globe, so it is a complicated financing and a lot of interplay, given that they're an existing, in effect, lender through their leasing. Just to remind you real quickly as well, on the GE loan, it's a six-year financing, LIBOR plus five. Because they're also a lessor to us on 225s, it includes the deferral of lease costs on the 225s, up to $25 million.

A lot of attractive elements to that underlying financing as we look at our liquidity over the next 12-18 months.

If you'll turn to page nine, this is primarily a slide from what we announced just a few weeks ago. Jonathan and the senior management team talked around optimizing our business around our primary hubs, with four key elements to that.

One is safety and safety improvement. Even with this regional focus, our number one goal is continuing to drive safety improvement through the system, and as I said earlier, we've made significant strides year over year in our overall safety record.

Two, though, is real cost efficiencies and reliability. In FY '13, we did roughly $1.344 billion of revenues. Our G&A was around 12 percent of revenues. Last year, we were at about 14.5 percent, so every 1 percent is about $13 million.

Our goal is to get to resize G&A to approximately 12 percent this year, and which will, again, make us more competitive, take costs out of the system, and begin to make us more nimble as a corporation, as a company to be responsive.

Portfolio and fleet optimization. I think an example of that is the sale of our search and rescue helicopter, that S-92. We bought that helicopter in January of 2016. It was down in Australia, and probably, in effect, was underutilized, is the way to think about that. Had competed for a couple of tenders, and so we took advantage of an opportunity to sell that.

I would extend this also to a traditional looking at every operation, every business we have in the portfolio, to make sure they can support the G&A as well as have the appropriate return on invested capital.

Lastly, as we've talked about before, as we think about our OEMs, cost recoveries, and capex reductions, that's an important element, but all of that adds up to, how can we drive more liquidity into '18 and into '19 as we work through the downturn? Lastly, all this feeds into additional revenue growth, and our focus on, we've really got to drive. We've got to have an opportunity and drive more revenue as we look out.

As we've talked about, there's over 30 tenders in that, kind of, 12-18 months, there in the market. Some of those are new. Some of those are ours, and then some of those are with competitors, and the lion's share is with competitors. It's an important element of our go-forward plan, but again, from a regional perspective, with this regional hub focus, our goal is to be even more competitive.

If you'll turn to page 10, kind of wrapping it up, and then we'll have a brief Q&A. Our vision is unchanged. When we started, prior to the downturn, as we began to diversify, our real goal was to be the safest premier industrial aviation company, and that does remain unchanged.

With the restructuring and the downsizing of the Houston presence over the last few weeks, our core focus is leveraging our search and rescue business, our UAV business, and our fixed-wing business in those core markets, to bring a differentiated product to the market compared to our competitors.

In addition, as I've said earlier, continuing to look at portfolio management opportunities, our focus, again, is getting GECAS finished up here as quickly as we can, getting those documents signed, and getting that news into the market.

Ultimately, all this is designed, clearly, to, over time, improve our cash flow, and then improve our capital structure, which we know we need to do.

With that, I'll open up for questions.

Justin: If we could ask, when you ask a question, please introduce yourself, name, where you're from, before you ask the question. I'll start things off. Don, a lot of the conversation is diversifying yourself away from the core oil and gas business. How should we think about proxies for revenue growth? Are you guys looking at offshore rig count and the activity there?

You highlighted that 60 percent of oil and gas is production phase. Should we expect the oil and gas business to outperform exploration and development spending next year?

Don: I think the way I think about this, and actually, if you'll go back, we can back up to page five, perhaps. Four years ago, you really wouldn't have noticed whether it was exploration development or production, because it was really a virtuous cycle. Over the last three years, the way I describe it, that virtuous cycle has been broken.

People are constantly saying, "How do I look for signs of growth? What's going on?" There is going to be a fair amount of activity on the production side, just tenders turning over, and the opportunity to step in and be more competitive there.

It's interesting, because as you read about short-term drilling campaigns or somebody taking on a drilling rig for a particular market, for example, Guyana got a lot of coverage, what's going on there. That's been an active market.

Again, as this virtuous cycle at some point begins to pick back up, you'll begin to see activity pick up on our side of the ledger as well in terms of pulling capacity out of the market today that may be underutilized for new exploration and development.

That's how I think about this as we look for growth opportunities outside of, again, like Blade, other opportunities where we've had a real focus. We're working with the OEMs on this as well, about, how do we take underutilized assets and put them into new verticals?

We have one of our lessors here today. LCI's in the room with us. All the lessors are looking for new verticals. One of their competitors has taken some 225s and found a home for them in United Nations work in Africa. People are looking for opportunities to take underutilized oil and gas helicopters, whether they be 76s or 92s, and put them into new markets.

That's an example of what you'll see on many fronts, including search and rescue opportunities as well.

Malcolm McGregor: Hi, I'm Malcolm McGregor with LCI. Going forward in the next 12 to 24 months, what percentage of new aircraft do you see as being leased, an operating lease, versus traditionally financed through owned aircraft?

Don: For new aircraft only, Malcolm? Yeah, so today, our capex budget, for this year particularly, has us basically buying those Agusta 189s that we're buying for the search and rescue.

Today, we are roughly 60 percent owned, just for an example, for everybody's benefit, 40 percent leased. Our internal target is at around 35 percent/65 percent leased/owned. We're in the zone where we really don't want to go much higher, but there's also a balance in the leasing market today, and you're living this.

From a cost of capital perspective, it's a very capital-efficient cost of capital source for new aircraft coming into the market. I'm not going to give you a specific number, necessarily, but as we look forward next year for our 175s, particularly, there are a number of 175s available from lessors, and then we have ours coming as well.

It's something we think about in terms of how we want this mix, but ultimately, we really want to put it to work, existing helicopters that we have. We want to put those back to work first, and then we'll look at, "What are we going to take on in terms of new growth capital?" be it the 175 or some other form of aircraft.

It's something we look at from a cost of capital perspective and capital efficiency is really how to think about it.

Malcom: Great, thanks.

Tom Womack: Hi, Tom Womack, NYL Investors. I wanted to get an idea of what the fair market value on your own fleet is, and what remains unencumbered. In addition, what other avenues of raising cash do you have other than with the fleet?

Don: Tom, some of these numbers are out there and these are consistent with what we've talked about over the last few calls, our FMV's around two billion dollars. Prior to, in effect, selling that SAR 92, which was, again, roughly a $40 million helicopter.

Out of that $2 billion, we had roughly $600 million FMV unencumbered, holding our 225s constant at a little over $300 million. The reason I say holding those constant is most of the appraisers, like HeliValues, have really withdrawn from the value in those on a real-time basis, given the grounding.

In that number, on that $600 million, there's $200-300 million of 225 value in there. We own 16 of those, so you can do pretty quick math at whatever valuation you want to use.

That's roughly $600 million that we had, and we've sold on 92 for $40 million. Now we've given another, roughly, $50 million-ish of value onto the 76s as part of this new GE loan to back fill for that $40 million. We're down somewhere around $500 million is how to think about that, in terms of unencumbered that would be available.

That's a little over 100 aircraft in total that are still unencumbered today. The rest are encumbered just for completeness to our existing bank group. The Lombard deal has eight search and rescue helicopters, basically at 100 percent advance rate. Then Macquarie I want to say is somewhere around 20. I can't recall, exactly right now. GE will be somewhere, probably 24-25 helicopters in total.

Tom: What other assets do you have unencumbered?

Don: All the SAR bases we own, we built out the 10. We're building out the last base. The base is operational. We've got the 10 SAR bases that we own, own all of the improvements. If you look on our balance sheet, it's roughly somewhere between $150 and $200 million of unencumbered PP&E.

We have a 40 percent economic interest in Lider. That's on our balance sheet for about $140, so that gives you a sense.

John Hurtz: John Hurtz, from John Smith & Company. I'm curious about the Blade and the new market there. How many aircraft do you have committed there? What could it grow to? Is it going to be seasonal, which I imagine the Hamptons market would be largely seasonal, but maybe LA wouldn't? Just a little more discussion on how meaningful this could be.

Don: Yeah. They're all great questions. First, this is a bit of a test for us. Prior to this, my understanding is they didn't really have a twin-engine cabin class service. It's offered by a competitor in New York. We're asking ourselves the same questions, and thinking about this in terms of how we can be successful with this, and then, how can we potentially expand it as Blade expands?

There certainly will be a seasonal nature to it. We started, intentionally, Memorial Day, and obviously that runs through Labor Day, but we envision being in the market longer than that. We have one helicopter today with them. Our goal is to also bring in another 76 later with a different cabin class, with a different cabin configuration.

Potentially, at this point, up to two helicopters right now. The take away is one, this great opportunity with Blade, two is, we're really trying to think outside the box and think about ways to put underutilized helicopters to work here. I think everything you just laid out there is part of how we're thinking about this.

That's it. Are we out of time?

Justin: We have time for a few more questions, if there's anything from the audience? All right. I'll ask one more to wrap it up.

Can you walk through the new Bristow initiative, particularly on the cost side? You speak about lease returns as a lever of lowering costs, but how do you think about balancing that with initiating new leases? Is there a long-term target for G&A as a percent of sales? Is this year's target still a factor of fixed cost absorption that we can get lower long term?

Don: The best way to get lower is to increase your revenues, so yes, the goal is to have it lower. Honestly, if you look back, I've done a lot of work on this, as we look at our costs over time, and where we saw cost creep. If you go back, probably six, seven years, the lowest we've been has been around 11 percent, and that goes back to '10, '11, '12, as a percent of revenues.

Then you really look at the all-in numbers. When you get in around 12, yes, our goal is to drive it lower, find more efficiencies where we can. Again, we had crept up to roughly 14.5 percent last year at $195 million.

In FY '13, we had a G&A of about $160 million. At 12, 12.5 percent, we'd be somewhere around $170 million today. That's on the G&A side. Yes, we continue to look for efficiencies where we can, drive it as low as we can, at the same time, though, really deliver to the client what they want, which is a cost competitive product and a safe product.

On the leasing side, again, the way we think about it or the way I think about it as CFO is we have to have a real commitment to fully utilizing the lease fleet we have, or give those helicopters back, because that's an important drag today on our EBITDAR. We still think about EBITDAR internally, but as an element of this, we lease 11 225s.

As I sit here today, those are easy decisions to give those back when and where we can. Again, we can give four back this year, and three back next year. As we look at 92s, which is the second largest fleet type we have in terms of leased helicopters, in effect, our goal is to give back four this year, and then next year we can give back roughly 10 of those.

The focus is to drive efficiencies; more fully utilize those aircraft, and give those back. Our target is to reduce overall lease costs, because that is an important element of our deleveraging as we go out the next couple of years, to help drive EBITDA higher, cash flow higher.

Justin: OK. Great. Thank you, Don.

Don: Thank you.