

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

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 21, 2014**



Helix Energy Solutions Group, Inc.

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction
of incorporation)

001-32936

(Commission File Number)

95-3409686

(IRS Employer Identification No.)

**3505 West Sam Houston Parkway North, Suite
400**

Houston, Texas

(Address of principal executive offices)

77043

(Zip Code)

281-618-0400

(Registrant's telephone
number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On April 21, 2014, Helix Energy Solutions Group, Inc. (“Helix”) issued a press release announcing its first quarter results of operations for the period ended March 31, 2014. Attached hereto as Exhibit 99.1, and incorporated by reference herein, is the press release.

Item 7.01 Regulation FD Disclosure.

On April 21, 2014, Helix issued a press release announcing its first quarter results of operations for the period ended March 31, 2014. In addition, on April 22, 2014, Helix is making a presentation (with slides) to analysts and investors regarding its financial and operating results. Attached hereto as Exhibits 99.1 and 99.2, respectively, and incorporated by reference herein are the press release and the slides for the First Quarter Earnings Conference Call Presentation issued by Helix. The presentation materials will also be posted beginning on April 22, 2014 under *Presentations* in the *For the Investor* section of Helix’s website, www.HelixESG.com.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

| Number | Description |
|--------|---|
| ----- | ----- |
| 99.1 | Press Release of Helix Energy Solutions Group, Inc. dated April 21, 2014 reporting financial results for the first quarter of 2014. |
| 99.2 | First Quarter 2014 Conference Call Presentation. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 21, 2014

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ Anthony Tripodo

Anthony Tripodo
Executive Vice President and Chief
Financial Officer

Index to Exhibits

Exhibit No. Description

- 99.1 Press Release of Helix Energy Solutions Group, Inc. dated April 21, 2014 reporting financial results for the first quarter of 2014.
- 99.2 First Quarter 2014 Conference Call Presentation.
-



PRESSRELEASE
www.HelixESG.com

Helix Energy Solutions Group, Inc. · 3505 W. Sam Houston Parkway N., Suite 400 · Houston, TX 77043 · 281-618-0400 · fax: 281-618-0505

For Immediate Release

14-006

Date: April 21, 2014

Contact: Terrence Jamerson
Director, Finance & Investor Relations

Helix Reports First Quarter 2014 Results

HOUSTON, TX – Helix Energy Solutions Group, Inc. (NYSE: HLX) reported net income of \$53.7 million, or \$0.51 per diluted share, for the first quarter of 2014 compared to net income of \$1.6 million, or \$0.02 per diluted share, for the same period in 2013 and net income of \$36.5 million, or \$0.35 per diluted share, in the fourth quarter of 2013.

First quarter 2014 results include a \$10.5 million gain on the sale of our former spoolbase facilities located in Ingleside, Texas, and a \$7.2 million insurance reimbursement settlement related to our former oil and gas business. These items contributed \$0.11 of after-tax earnings per diluted share in the first quarter of 2014.

Owen Kratz, President and Chief Executive Officer of Helix, stated, “We successfully introduced the *Helix 534* to our well intervention fleet in the first quarter and the vessel is off to a good start. We also realized better than expected Robotics activity in the first quarter of 2014; our Robotics unit is projected to have a much stronger 2014 versus 2013.”

* * * * *

Summary of Results

(in thousands, except per share amounts and percentages, unaudited)

| | Quarter Ended | | |
|---|------------------|------------------|-------------------|
| | <u>3/31/2014</u> | <u>3/31/2013</u> | <u>12/31/2013</u> |
| Revenues | \$ 253,572 | \$ 197,429 | \$ 226,837 |
| Gross Profit | \$ 75,846 30% | \$ 52,567 27% | \$ 71,164 31% |
| Net Income Applicable to Common Shareholders | | | |
| Income from continuing operations | \$ 53,719 | \$ 557 | \$ 36,503 |
| Income from discontinued operations | - | 1,058 | - |
| Total | <u>\$ 53,719</u> | <u>\$ 1,615</u> | <u>\$ 36,503</u> |
| Diluted Earnings Per Share | | | |
| Income from continuing operations | \$ 0.51 | \$ 0.01 | \$ 0.35 |
| Income from discontinued operations | \$ - | \$ 0.01 | \$ - |
| Total | <u>\$ 0.51</u> | <u>\$ 0.02</u> | <u>\$ 0.35</u> |
| Adjusted EBITDA from continuing operations | \$ 92,501 | \$ 42,031 | \$ 81,549 |

Segment Information, Operational and Financial Highlights

(in thousands, unaudited)

| | <u>Quarter Ended</u> | | |
|--|----------------------|-------------------|-------------------|
| | <u>3/31/2014</u> | <u>3/31/2013</u> | <u>12/31/2013</u> |
| <u>Continuing Operations:</u> | | | |
| Revenues: | | | |
| Well Intervention | \$ 159,700 | \$ 106,332 | \$ 132,559 |
| Robotics | 87,890 | 64,196 | 90,306 |
| Subsea Construction | 358 | 27,526 | 2,016 |
| Production Facilities | 23,140 | 20,393 | 19,216 |
| Intercompany Eliminations | (17,516) | (21,018) | (17,260) |
| Total | <u>\$ 253,572</u> | <u>\$ 197,429</u> | <u>\$ 226,837</u> |
| Income from Operations: | | | |
| Well Intervention | \$ 48,733 | \$ 36,450 | \$ 37,934 |
| Robotics | 10,180 | (697) | 15,141 |
| Subsea Construction | 228 | 3,551 | 4,654 |
| Production Facilities | 11,384 | 11,185 | 9,814 |
| Gain on Sale of Assets | 11,496 | - | - |
| Corporate/Other | (13,875) | (33,531) | (12,781) |
| Intercompany Eliminations | (1,198) | (1,720) | (822) |
| Total | <u>\$ 66,948</u> | <u>\$ 15,238</u> | <u>\$ 53,940</u> |
| <u>Discontinued Operations (Oil and Gas):</u> | | | |
| Revenues | \$ - | \$ 48,847 | \$ - |
| Income from Operations | \$ - | \$ 4,360 | \$ - |

Business Segment Results

- o Well Intervention revenues increased 20% in the first quarter of 2014 from revenues in the fourth quarter of 2013, due to both the addition of the *Helix 534* into the fleet in mid-February and the recognition of deferred mobilization revenue related to the *Skandi Constructor's West Africa* project. The spare rental intervention riser system (IRS no. 2) also positively contributed to revenues, while being on-hire for 42 days during the first quarter of 2014. Vessel utilization in the North Sea was slightly down – 86% utilization in the first quarter of 2014 versus 92% in the fourth quarter of 2013, primarily reflecting the regulatory dry dock for the *Well Enhancer* that commenced in mid-December 2013 but was completed late January 2014. The *Q4000* achieved 100% utilization for the third consecutive quarter.
- o For Robotics, chartered vessel fleet utilization decreased to 80% for the quarter from 88% in the fourth quarter of 2013. Revenues were marginally impacted by the decrease in utilization – 3% decrease in first quarter 2014 – yet partially offset by strong ROV utilization. ROV utilization in the first quarter of 2014 increased by 4% over the fourth quarter of 2013. Revenues were also bolstered from the 62 days of utilization garnered from four additional spot vessels during the first quarter of 2014.
- o During the first quarter of 2014 we acquired the minority interest in Kommandor LLC, and as a result the company now owns 100% of the *Helix Producer I*.

Other Expenses

- o Selling, general and administrative expenses were 8.0% of revenue in the first quarter of 2014, 7.6% of revenue in the fourth quarter of 2013 and 11.8% in the first quarter of 2013.
- o Net interest expense and other increased to \$5.3 million in the first quarter of 2014 from \$2.8 million in the fourth quarter of 2013. Net interest expense decreased to \$4.5 million in the first quarter of 2014 from \$4.6 million in the fourth quarter of 2013. Other expense was \$0.8 million in the first quarter of 2014 compared to \$1.9 million of other income in the fourth quarter of 2013, primarily due to foreign exchange fluctuations in our non-U.S. dollar functional currencies.

Financial Condition and Liquidity

- o Our total liquidity at March 31, 2014 was approximately \$1.1 billion, consisting of cash and cash equivalents of \$470 million and \$582 million in unused capacity under our revolver. Consolidated net debt at March 31, 2014 was \$91 million. Net debt to book capitalization at March 31, 2014 was 6%. (Net debt to book capitalization is a non-GAAP measure. See reconciliation below.)
 - o We incurred capital expenditures (including capitalized interest) totaling \$70 million in the first quarter of 2014, compared to \$56 million in the fourth quarter of 2013 and \$80 million in the first quarter of 2013.
-

Conference Call Information

Further details are provided in the presentation for Helix's quarterly conference call to review its first quarter 2014 results (see the "Investor Relations" page of Helix's website, www.HelixESG.com). The call, scheduled for 10:00 a.m. Central Daylight Time on Tuesday, April 22, 2014, will be audio webcast live from the "Investor Relations" page of Helix's website. Investors and other interested parties wishing to listen to the conference via telephone may join the call by dialing 888-550-1479 for persons in the United States and +1-954-357-2908 for international participants. The passcode is "Tripodo". A replay of the conference will be available under "Investor Relations" by selecting the "Audio Archives" link from the same page beginning approximately two hours after the completion of the conference call.

About Helix

Helix Energy Solutions Group, Inc., headquartered in Houston, Texas, is an international offshore energy company that provides specialty services to the offshore energy industry, with a focus on well intervention and robotics operations. For more information about Helix, please visit our website at www.HelixESG.com.

Reconciliation of Non-GAAP Financial Measures

Management evaluates Company performance and financial condition using certain non-GAAP metrics, primarily Adjusted EBITDA from continuing operations, net debt and net debt to book capitalization. We calculate Adjusted EBITDA from continuing operations as earnings before net interest expense and other, taxes, depreciation and amortization. Net debt is calculated as the sum of financial debt less cash and cash equivalents on hand. Net debt to book capitalization is calculated by dividing net debt by the sum of net debt, convertible preferred stock and shareholders' equity. These non-GAAP measures are useful to investors and other internal and external users of our financial statements in evaluating our operating performance because they are widely used by investors in our industry to measure a company's operating performance without regard to items which can vary substantially from company to company, and help investors meaningfully compare our results from period to period. Adjusted EBITDA should not be considered in isolation or as a substitute for, but instead is supplemental to, income from operations, net income or other income data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions which are excluded.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any statements regarding our strategy; any statements regarding future utilization; any projections of financial items; future operations expenditures; any statements regarding the plans, strategies and objectives of management for future operations; any statement concerning developments; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors including but not limited to the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities; operating hazards and delays; our ultimate ability to realize current backlog; employee management issues; complexities of global political and economic developments; geologic risks; volatility of oil and gas prices and other risks described from time to time in our reports filed with the Securities and Exchange Commission ("SEC"), including the Company's most recently filed Annual Report on Form 10-K and in the Company's other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. We assume no obligation and do not intend to update these forward-looking statements except as required by the securities laws.

Social Media

From time to time we provide information about Helix on Twitter ([@Helix_ESG](https://twitter.com/Helix_ESG)) and LinkedIn (www.linkedin.com).



HELIX ENERGY SOLUTIONS GROUP, INC.

Comparative Condensed Consolidated Statements of Operations

| (in thousands, except per share data) | Three Months Ended Mar. 31, | |
|--|--------------------------------|------------|
| | 2014 | 2013 |
| | (unaudited) | |
| Net revenues | \$ 253,572 | \$ 197,429 |
| Cost of sales | 177,726 | 144,862 |
| Gross profit | 75,846 | 52,567 |
| Loss on commodity derivative contracts | - | (14,113) |
| Gain on sale of assets | 11,496 | - |
| Selling, general and administrative expenses | (20,394) | (23,216) |
| Income from operations | 66,948 | 15,238 |
| Equity in earnings of investments | 708 | 610 |
| Other income - oil and gas | 12,276 | 2,818 |
| Net interest expense and other | (5,293) | (16,889) |
| Income before income taxes | 74,639 | 1,777 |
| Income tax provision | 20,417 | 443 |
| Net income from continuing operations | 54,222 | 1,334 |
| Income from discontinued operations, net of tax | - | 1,058 |
| Net income, including noncontrolling interests | 54,222 | 2,392 |
| Less net income applicable to noncontrolling interests | (503) | (777) |
| Net income applicable to Helix | \$ 53,719 | \$ 1,615 |
| Weighted Avg. Common Shares Outstanding: | | |
| Basic | 105,126 | 105,032 |
| Diluted | 105,375 | 105,165 |
| Basic earnings per share of common stock: | | |
| Continuing operations | \$ 0.51 | \$ 0.01 |
| Discontinued operations | - | 0.01 |
| Net income per share of common stock | \$ 0.51 | \$ 0.02 |
| Diluted earnings per share of common stock: | | |
| Continuing operations | \$ 0.51 | \$ 0.01 |
| Discontinued operations | - | 0.01 |
| Net income per share of common stock | \$ 0.51 | \$ 0.02 |

Comparative Condensed Consolidated Balance Sheets

| ASSETS | LIABILITIES & SHAREHOLDERS' EQUITY | | | | |
|-----------------------------|---|--------------------------|---------------------------------------|--------------------------|--------------------------|
| (in thousands) | Mar. 31, 2014 | Dec. 31, 2013 | (in thousands) | Mar. 31, 2014 | Dec. 31, 2013 |
| | (unaudited) | | | (unaudited) | |
| Current Assets: | | | Current Liabilities: | | |
| Cash and equivalents | | | Accounts payable | | |
| (1) | \$ 470,079 | \$ 478,200 | | \$ 96,370 | \$ 72,602 |
| Accounts receivable | 189,726 | 184,165 | Accrued liabilities | 59,814 | 96,482 |
| Income tax receivable, | | | Income tax payable | - | 760 |
| net | 25,956 | - | Current maturities of L- | | |
| Current deferred tax | | | T debt (1) | 20,508 | 20,376 |
| assets | 19,865 | 51,573 | | | |
| Other current assets | 46,759 | 29,709 | | | |
| Total Current Assets | 752,385 | 743,647 | Total Current Liabilities | 176,692 | 190,220 |
| | | | | | |
| Property & equipment, net | 1,521,619 | 1,532,217 | Long-term debt (1) | 540,636 | 545,776 |
| Equity investments | 155,730 | 157,919 | Deferred tax liabilities | 270,918 | 265,879 |
| Goodwill | 63,336 | 63,230 | Other non-current liabilities | 13,748 | 18,295 |
| Other assets, net | 66,925 | 47,267 | Shareholders' equity (1) | 1,558,001 | 1,524,110 |
| Total Assets | \$ 2,559,995 | \$ 2,544,280 | Total Liabilities & Equity | \$ 2,559,995 | \$ 2,544,280 |

(1) Net debt to book capitalization - 6% at March 31, 2014. Calculated as total debt less cash and equivalents (\$91,065) divided by sum of total net debt and shareholders' equity (\$1,649,066).

Helix Energy Solutions Group, Inc.
Reconciliation of Non GAAP Measures
Three Months Ended March 31, 2014

Earnings Release:

Reconciliation From Net Income from Continuing Operations to Adjusted EBITDA:

| | 1Q14 | 1Q13 | 4Q13 |
|--|------------------|------------------|------------------|
| | (in thousands) | | |
| Net income from continuing operations | \$ 54,222 | \$ 1,334 | \$ 37,265 |
| Adjustments: | | | |
| Income tax provision | 20,417 | 443 | 15,534 |
| Net interest expense and other | 5,293 | 16,889 | 2,756 |
| Depreciation and amortization | 24,726 | 24,380 | 26,993 |
| EBITDA from continuing operations | <u>104,658</u> | <u>43,046</u> | <u>82,548</u> |
| Adjustments: | | | |
| Noncontrolling interests | (661) | (1,015) | (999) |
| Gain on sale of assets | (11,496) | - | - |
| Adjusted EBITDA from continuing operations | <u>\$ 92,501</u> | <u>\$ 42,031</u> | <u>\$ 81,549</u> |

We calculate adjusted EBITDA from continuing operations as earnings before net interest expense and other, taxes and depreciation and amortization. This non-GAAP measure is useful to investors and other internal and external users of our financial statements in evaluating our operating performance because it is widely used by investors in our industry to measure a company's operating performance without regard to items which can vary substantially from company to company and help investors meaningfully compare our results from period to period. Adjusted EBITDA should not be considered in isolation or as a substitute for, but instead is supplemental to, income from operations, net income or other income data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions which are excluded.

Helix Energy Solutions Group, Inc.
Reconciliation of Non GAAP Measures
Three Months Ended March 31, 2014

Earnings Release:

Reconciliation of significant items:

| | <u>1Q14</u> |
|--|--|
| | (in thousands, except earnings per share data) |
| Nonrecurring items: | |
| Gain on sale of Ingleside spoolbase | \$ 10,457 |
| Insurance reimbursement settlement | 7,217 |
| Tax provision of the above | (6,186) |
| Nonrecurring items, net: | <u>\$ 11,488</u> |
| Diluted shares | <u>105,375</u> |
| Net after income tax effect per share | <u>\$ 0.11</u> |

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First Quarter 2014 Conference Call

April 22, 2014

Forward-Looking Statements



This presentation contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any statements regarding our strategy; any statements regarding future utilization; any projections of financial items; future operations expenditures; any statements regarding the plans, strategies and objectives of management for future operations; any statement concerning developments; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors including but not limited to the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities; operating hazards and delays; our ultimate ability to realize current backlog; employee management issues; complexities of global political and economic developments; geologic risks; volatility of oil and gas prices and other risks described from time to time in our reports filed with the Securities and Exchange Commission ("SEC"), including the Company's most recently filed Annual Report on Form 10-K and in the Company's other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. We assume no obligation and do not intend to update these forward-looking statements except as required by the securities laws.

Social Media

From time to time we provide information about Helix on Twitter ([@Helix_ESG](https://twitter.com/Helix_ESG)) and LinkedIn (www.linkedin.com/company/helix-energy-solutions-group).

Presentation Outline

- **Executive Summary** (pg. 4)
- **Operational Highlights by Segment** (pg. 8)
- **Key Balance Sheet Metrics** (pg. 13)
- **2014 Outlook** (pg. 16)
- **Non-GAAP Reconciliations** (pg. 21)
- **Questions & Answers**



ROV onboard client's vessel

Executive Summary



Executive Summary



(\$ in millions, except per share data)

| | Quarter Ended | | |
|---|---------------|--------------|--------------|
| | 3/31/2014 | 3/31/2013 | 12/31/2013 |
| Revenues | \$ 254 | \$ 197 | \$ 227 |
| Gross profit | \$ 76 30% | \$ 53 27% | \$ 71 31% |
| Net income from continuing operations | \$ 54 | \$ 1 | \$ 37 |
| Net income from discontinued operations | \$ - | \$ 1 | \$ - |
| Diluted earnings per share: | | | |
| Continuing operations | \$ 0.51 | \$ 0.01 | \$ 0.35 |
| Discontinued operations (Oil and Gas) | \$ - | \$ 0.01 | \$ - |
| Adjusted EBITDA ^(A) | | | |
| Business Segments | \$ 94 | \$ 74 | \$ 93 |
| Corporate / Elimination | (1) | (32) | (11) |
| Adjusted EBITDA from continuing operations | <u>\$ 93</u> | <u>\$ 42</u> | <u>\$ 82</u> |

(A) See nonGAAP reconciliation on slide 22.

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Executive Summary



- Q1 2014 earnings of \$0.51 per diluted share compared to \$0.35 per diluted share in Q4 2013
 - Q1 includes a \$10.5 million gain on the sale of our former spoolbase facilities, and a \$7.2 million insurance reimbursement settlement related to our former oil and gas business
 - The two items contributed to \$0.11 of after-tax diluted earnings per share
- Contracting Services and Production Facilities
 - 91% utilization of Well Intervention vessels; strong outlook and backlog expected for 2014 and beyond
 - Q4000 at 100% utilization for third consecutive quarter
 - *Skandi Constructor* (chartered vessel) completed approximately 50 day well intervention campaign offshore West Africa in Q1; excellent operating performance and the recognition of deferred mobilization revenues was an important contribution to earnings
 - *Helix 534* commenced operations in the Gulf of Mexico in mid-February 2014; for Q1 the vessel was fully utilized for the 42 days from its "in-service" date
 - Robotics chartered vessel fleet utilization of 80% in Q1; all four trenchers active during the quarter
 - *Helix Producer I* experienced a power outage which suspended production from March 28 through April 13

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Executive Summary



Balance sheet

- Cash and cash equivalents totaled \$470 million at 03/31/2014
- Liquidity* of \$1.1 billion at 03/31/2014
- Net debt of \$91 million at 03/31/2014
- See updated debt maturity profile on slide 14

* We define liquidity as the total of cash and cash equivalents (\$470 million) plus unused capacity under our revolving credit facility (\$582 million).

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Operational Highlights



Business Segment Results



(\$ in millions)

| | Quarter Ended | | | | | | | | |
|------------------------------|---------------|------------|------------|------------|------------|------------|-----------|-----------|------------|
| | 3/31/2014 | | 3/31/2013 | | 12/31/2013 | | | | |
| Revenues | | | | | | | | | |
| Well Intervention | \$ | 160 | \$ | 106 | \$ | 133 | | | |
| Robotics | | 88 | | 64 | | 90 | | | |
| Subsea Construction | | - | | 28 | | 2 | | | |
| Production Facilities | | 23 | | 20 | | 19 | | | |
| Intercompany Eliminations | | (17) | | (21) | | (17) | | | |
| Total Revenue | \$ | 254 | \$ | 197 | \$ | 227 | | | |
| Gross Profit / Margin | | | | | | | | | |
| Well Intervention | | 53 | 33% | 39 | 37% | 41 | 31% | | |
| Robotics | | 13 | 15% | 2 | 3% | 19 | 21% | | |
| Subsea Construction | | - | - | 4 | 14% | 3 | 142% | | |
| Production Facilities | | 12 | 50% | 11 | 56% | 10 | 53% | | |
| Eliminations / Other | | (2) | | (3) | | (2) | | | |
| Total Gross Profit | \$ | 76 | 30% | \$ | 53 | 27% | \$ | 71 | 31% |

- 91% utilization for the Well Intervention fleet
- Skandi Constructor completed West Africa well intervention campaign
- 80% chartered vessel utilization in Robotics
- 73% utilization of ROV, trencher and ROVDrill Robotics assets



Well Enhancer

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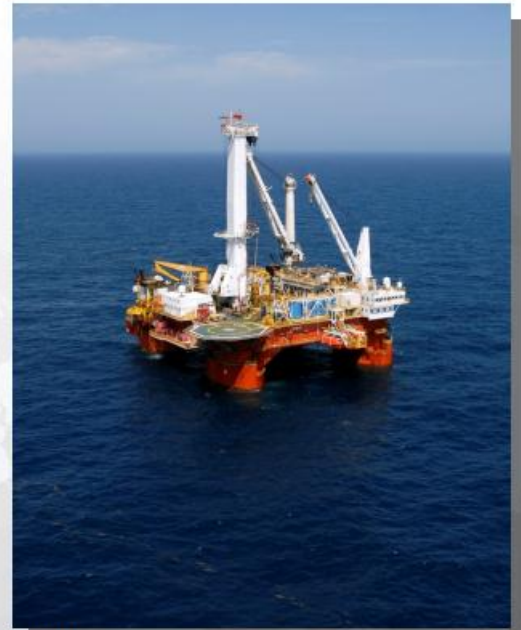
Well Intervention

GOM

- Q4000 100% utilized during Q1
- IRS no. 2 on hire for 42 days during the quarter (12 days at standby rate)
- Helix 534 fully utilized during Q1 after being placed in service mid-February 2014 (17 days at repair rate due to IRS startup issues)
- Both vessels have full backlog for the remainder of 2014

North Sea

- Full utilization of *Seawell* and *Skandi Constructor* during Q1 on a variety of well intervention projects
- *Well Enhancer* fully utilized after leaving dry dock on schedule in late January
- *Skandi Constructor* returned to UK late March after a well intervention campaign offshore West Africa
- All vessels with high backlog in Q2 through Q3 2014, offshore UK and Canada; limited availability in Q4 2014



Q4000

Robotics

- 80% chartered vessel fleet utilization in Q1
 - Includes 4 additional spot vessels utilized for a total of 62 days during the quarter
- 73% utilization for ROVs, trenchers and ROVDrill
- *Deep Cygnus* idle for 40 days during the quarter prior to commencement of cable installation and trenching project utilizing *T750* in the North Sea
- *Olympic Canyon* continued operations in India at 100% utilization for the quarter
- *REM Installer* completed ROV support work in the Gulf of Mexico, then transited to the North Sea for accommodations project
- *Grand Canyon* commenced a 3 ½ month trenching project offshore Saudi Arabia utilizing *i-Trencher* and *T1200*



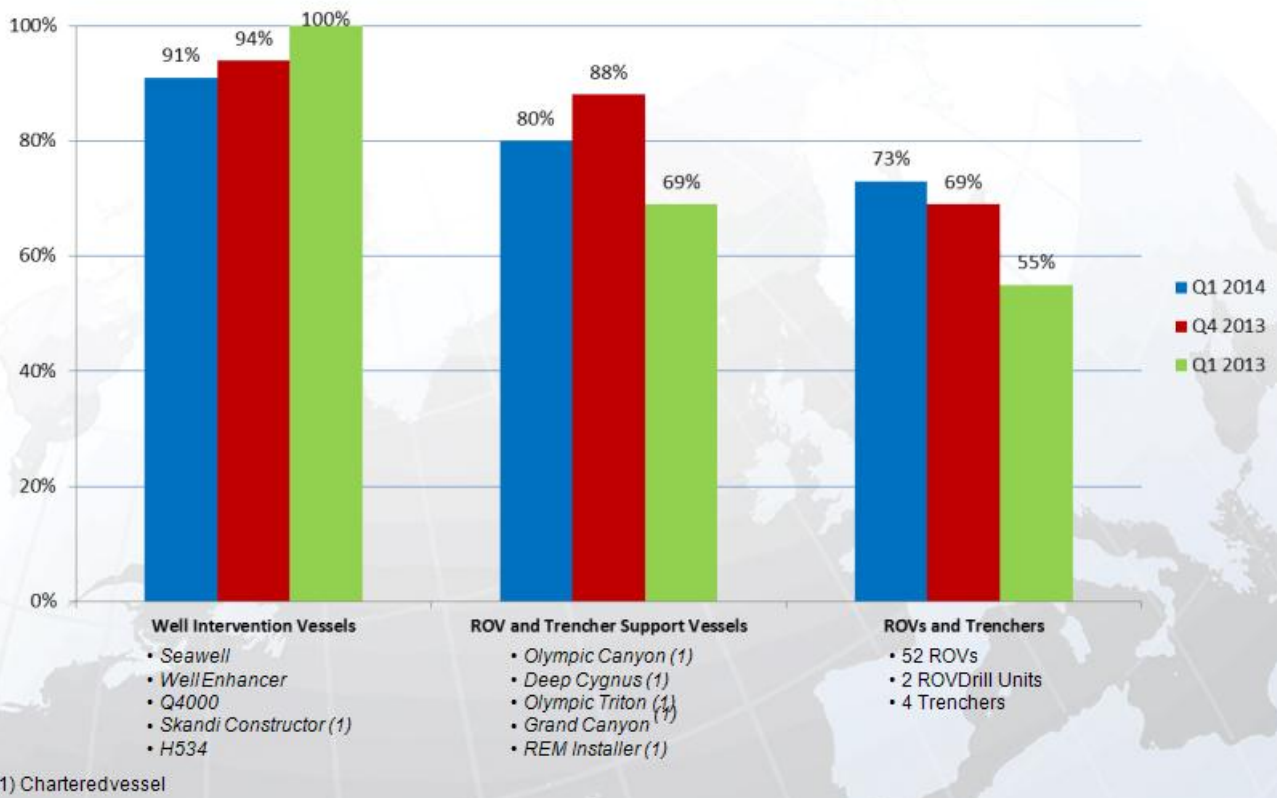
Olympic Triton



Grand Canyon deploying the *T1200 Jet Trencher*

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Utilization



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Key Balance Sheet Metrics



Debt Instrument Profile



Total funded debt of \$586 million at end of Q1 2014:

- \$200 million Convertible Senior Notes - 3.25% (A)
(\$175 million net of unamortized debt discount)
- \$289 million Term Loan - LIBOR + 2.50% (B)
 - Annual amortization payments of 5% in years 1 and 2, 10% per annum in years 3 through 5
- \$97 million MARAD Debt - 4.93%
 - Semi-annual amortization payments

Debt Instrument Profile at 03/31/2014
(\$ amounts in millions)



- (A) Stated maturity 2032. First put / call date - March 2018.
(B) We have fixed the LIBOR interest rate on 50% of the Term Loan debt at 0.75%, utilizing interest rate swaps, through October 2016.

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Debt and Liquidity Profile



Liquidity of approximately \$1.1 billion at 03/31/2014

- (A) Includes impact of unamortized debt discount under our convertible senior notes.
- (B) We define liquidity as the total of cash and cash equivalents (\$470 million) plus unused capacity under our revolving credit facility (\$582 million).

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2014 Outlook

2014 Outlook



(\$ in millions, except per share data)

| | 2014 Outlook | 2013 Actual |
|--|-------------------------|------------------------|
| Revenues (on-going operations) | \$ 1,040 | \$ 805 |
| EBITDA | ≥ 350 | 300 |
| CAPEX | ~ 400 | 343 |
| <i>Earnings Per Share</i> ^(A) | \$1.60 – \$1.70 | \$1.04 |
| Revenue Split: | | |
| Well Intervention | \$ 620 | \$ 452 |
| Robotics | 370 | 333 |
| Production Facilities | 95 | 88 |
| Elims | (45) | (68) |
| On-going Operations | \$ 1,040 | \$ 805 |
| Oil and Gas | - | 49 |
| Subsea Construction | - | 71 |
| Total Revenues | \$ 1,040 | \$ 925 |

(A) Earnings per share estimates based on a corporate tax rate ranging from 25% - 30%.

Built for success, positioned for growth

2014 Outlook



- Total backlog as of March 31, 2014 was approximately \$2.9 billion, of which approximately \$2.7 billion associated with our Contracting Services businesses
- Utilization expected to remain strong for the well intervention fleet
- Q4000 backlog through 2015; negotiations ongoing to extend commitments into 2017
- *Helix 534* has full backlog through 2015, with visibility into 2017
- Q5000 backlog currently a minimum of 270 days annually in first 5 years of operations
- *Well Enhancer* and *Seawell* have high levels of backlog in 2014 with contracts extending into 2015
- *Seawell* re-fit dry dock expected to commence in December 2014
- *Skandi Constructor* scheduled to commence first campaign in Canada Q2 / Q3 2014
 - *Skandi Constructor* scheduled for ~30 day dry dock in Q4 of 2014

2014 Outlook



- Robust 2014 trenching market in the North Sea, Norwegian Continental Shelf and Middle East
- Newbuild 1,500hp jet trencher (*T1500*) expected to enter fleet in mid Q2 2014 with healthy backlog
- “Walk-to-work” accommodations project in the North Sea utilizing the *REM Installer* commenced March 2014; expected duration of approximately six months
- *Grand Canyon*, *T1200* and *i-Trencher* scheduled to commence cable burial offshore Qatar mid Q4 2014 through the end of 2015
- *Grand Canyon II* vessel now expected to enter Robotics long-term chartered fleet early 2015

2014 Outlook - Capex



- Total capital expenditures budgeted at approximately \$400 million for 2014; \$70 million (including capitalized interest) incurred in Q1, including:
 - Approximately \$20 million to acquire the minority interest in the *Helix Producer 1* in February 2014
 - Approximately \$17 million for the *Helix 534* prior to the vessel being placed in service in mid February
 - Approximately \$12 million for ROVs and *T1500* jet trencher
 - Approximately \$10 million incurred on well intervention newbuilds, including intervention riser systems
 - Approximately \$11 million of maintenance capex, including the *Well Enhancer* dry docking and *Seawell* life extension
- Growth capital of approximately \$320 million
 - Maintenance capital of approximately \$55 million
 - Other capital includes \$5 million in IT and leasehold improvements; and the aforementioned \$20 million to acquire the minority interest in the *Helix Producer 1*

Non-GAAP Reconciliations



Non-GAAP Reconciliations



(\$ in millions)

| | Quarter Ended | | |
|---|---------------|--------------|--------------|
| | 3/31/2014 | 3/31/2013 | 12/31/2013 |
| Net income from continuing operations | \$ 54 | \$ 1 | \$ 37 |
| Adjustments: | | | |
| Income tax provision | 21 | 1 | 16 |
| Net interest expense and other | 5 | 17 | 3 |
| Depreciation and amortization | 25 | 24 | 27 |
| EBITDA | \$ 105 | \$ 43 | \$ 83 |
| Adjustments: | | | |
| Noncontrolling interests | (1) | (1) | (1) |
| Gain on sale of assets | (11) | - | - |
| Adjusted EBITDA from continuing operations | \$ 93 | \$ 42 | \$ 82 |

We calculate Adjusted EBITDA from continuing operations as earnings before net interest expense and other, taxes, depreciation and amortization. This non-GAAP measure is useful to investors and other internal and external users of our financial statements in evaluating our operating performance; it is widely used by investors in our industry to measure a company's operating performance without regard to items which can vary substantially from company to company, and help investors meaningfully compare our results from period to period. Adjusted EBITDA from continuing operations should not be considered in isolation or as a substitute for, but instead is supplemental to, income from operations, net income and other income data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions which are excluded from this measure.

An offshore oil rig is silhouetted against a vibrant sunset sky with shades of orange, pink, and purple. The rig's lights are on, and its cranes are visible against the horizon.

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