TIDEWATER INC
Form 10-K
May 28, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2015

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number: 1-6311

Tidewater Inc.

(Exact name of registrant as specified in its charter)

Delaware	**72-048776**
(State of incorporation)	**(I.R.S. Employer Identification No.)**

601 Poydras St., Suite 1500

New Orleans, Louisiana	**70130**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: (504) 568-1010

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.10	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

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

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of September 30, 2014, the aggregate market value of the registrant s common stock held by non-affiliates of the registrant was $1,924,107,380 based on the closing sales price as reported on the New York Stock Exchange of $39.03.

As of April 30, 2015, 47,029,359 shares of the registrant s common stock $0.10 par value per share were outstanding. Registrant has no other class of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant s definitive proxy statement for its 2015 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of the Registrant s last fiscal year are incorporated by reference into Part III of this Annual Report on Form 10-K.

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FORWARD-LOOKING STATEMENT

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the company notes that this Annual Report on Form 10-K and the information incorporated herein by reference contain certain forward-looking statements which reflect the company s current view with respect to future events and future financial performance. All such forward-looking statements are subject to risks and uncertainties, and the company s future results of operations could differ materially from its historical results or current expectations reflected by such forward-looking statements. Some of these risks are discussed in this Annual Report on Form 10-K including in Item 1A. Risk Factors and include, without limitation, volatility in worldwide energy demand and oil and gas prices; consolidation of our customer base: fleet additions by competitors and industry overcapacity; our views with respect to the need for and timing of the replenishment of our asset base, including through acquisitions or vessel construction; changes in capital spending by customers in the energy industry for offshore exploration, field development and production; loss of a major customer: changing customer demands for vessel specifications, which may make some of our older vessels technologically obsolete for certain customer projects or in certain markets; delays and other problems associated with vessel construction and maintenance: uncertainty of global financial market conditions and difficulty in accessing credit or capital; acts of terrorism and piracy; integration of acquired businesses and entry into new lines of business; disagreements with our joint venture partners; significant weather conditions; unsettled political conditions, war, civil unrest and governmental actions, such as expropriation or enforcement of customs or other laws that are not well developed or consistently enforced, or requirements that services provided locally be paid in local currency, in each case especially in higher political risk countries where we operate; foreign currency fluctuations; labor changes proposed by international conventions; increased regulatory burdens and oversight; changes in laws governing the taxation of foreign source income; retention of skilled workers; and enforcement of laws related to the environment, labor and foreign corrupt practices.

Forward-looking statements, which can generally be identified by the use of such terminology as may, can, potential, expect, project, anticipate, estimate, forecast, believe, think, could, continue, intend, seek, plan, and similar expressions contained in this Ann 10-K, are not guarantees of future performance or events. Any forward-looking statements are based on the company s assessment of current industry, financial and economic information, which by its nature is dynamic and subject to rapid and possibly abrupt changes, which the company may or may not be able to control. Further, the company may make changes to its business plans that could or will affect its results. While management believes that these forward-looking statements are reasonable when made, there can be no assurance that future developments that affect us will be those that we anticipate and have identified. The forward-looking statements should be considered in the context of the risk factors listed above and discussed in greater detail elsewhere in this Annual Report on Form 10-K. Investors and prospective investors are cautioned not to rely unduly on such forward-looking statements, which speak only as of the date hereof. Management disclaims any obligation to update or revise any forward-looking statements contained herein to reflect new information, future events or developments.

In certain places in this Annual Report on Form 10-K, the company may refer to reports published by third parties that purport to describe trends or developments in energy production and drilling and exploration activity. The company does so for the convenience of its investors and potential investors and in an effort to provide information available in the market that will lead to a better understanding of the market environment in which the company operates. The company specifically disclaims any responsibility for the accuracy and completeness of such information and undertakes no obligation to update such information.

PART I

ITEM 1. BUSINESS

Tidewater Inc., a Delaware corporation that is a listed company on the New York Stock Exchange under the symbol TDW , provides offshore service vessels and marine support services to the global offshore energy industry through the operation of a diversified fleet of marine service vessels. The company was incorporated in 1956 and conducts its operations through wholly-owned United States (U.S.) and international subsidiaries, as

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well as through joint ventures in which Tidewater has majority and sometimes non-controlling interests (generally where required to satisfy local ownership or local content requirements). Unless otherwise required by the context, the term company as used herein refers to Tidewater Inc. and its consolidated subsidiaries.

About Tidewater

The company s vessels and associated vessel services provide support of all phases of offshore exploration, field development and production. These services include towing of, and anchor handling for, mobile offshore drilling units; transporting supplies and personnel necessary to sustain drilling, workover and production activities; offshore construction, remotely operated vehicle (ROV) operations, and seismic and subsea support; and a variety of specialized services such as pipe and cable laying. The company s offshore support vessel fleet includes vessels that are operated under joint ventures, as well as vessels that have been stacked or withdrawn from service.

The company has one of the broadest geographic operating footprints in the offshore energy industry with operations in most of the world s significant offshore crude oil and natural gas exploration and production offshore regions. Our global operating footprint allows us to react quickly to changing local market conditions and to respond to the changing requirements of the many customers with which we believe we have strong relationships. The company is also one of the most experienced international operators in the offshore energy industry with over five decades of international experience.

At March 31, 2015, the company owned or chartered 289 vessels (of which 10 were owned by joint ventures and 21 were stacked) and eight ROVs available to serve the global energy industry. Please refer to Note (1) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional information regarding our stacked vessels and vessels withdrawn from service.

Historically, the company operated two shipyards that performed repairs and new construction work for third-party customers, as well as the construction, repair and modification of the company s own vessels. However, one of the two shipyards was sold during fiscal 2013 and the remaining shipyard was sold during the first quarter of fiscal 2014.

Our revenues, net earnings and cash flows from operations are largely dependent upon the activity level of our offshore support vessel fleet. As is the case with other energy service companies, our business activity is largely dependent on the level of crude oil and natural gas and exploration, field development and production activity by our customers. Our customers business activity, in turn, is dependent on crude oil and natural gas prices, which fluctuate depending on expected future levels of supply and demand for crude oil and natural gas, and on estimates of the cost to find, develop and produce reserves.

Offices and Facilities

The company s worldwide headquarters and principal executive offices are located at 601 Poydras Street, Suite 1500, New Orleans, Louisiana 70130, and its telephone number is (504) 568-1010. The company s U.S. marine operations are based in Amelia, Louisiana; Oxnard, California; and Houston, Texas. We conduct our international operations through facilities and offices located in over 30 countries. Our principal international offices and/or warehouse facilities, most of which are leased, are located in Rio de Janeiro and Macae, Brazil; Ciudad Del Carmen, Mexico; Port of Spain, Trinidad; Aberdeen, Scotland; Cairo, Egypt; Luanda and Cabinda, Angola; Lagos and Onne Port, Nigeria; Douala, Cameroon; Singapore; Perth, Australia; Shenzhen, China; Al Khobar, Kingdom of Saudi Arabia; Dubai, United Arab Emirates, and Oslo and Tromso, Norway. The company s operations generally do not require highly specialized facilities, and suitable facilities are generally available on a lease basis as required.

Business Segments

We manage and measure our business performance in four distinct operating segments that we have established and that are based on our geographical organization: Americas, Asia/Pacific, Middle East/North Africa, and Sub-Saharan Africa/Europe. These segments are consistent with how the company s chief operating decision maker (CODM) reviews operating results for the purposes of allocating resources and assessing performance. The company s CODM is its Chief Executive Officer.

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Our Americas segment includes the activities of our North American operations, which include operations in the U.S. Gulf of Mexico (GOM) and U.S. and Canadian coastal waters of the Pacific and Atlantic oceans, as well as operations in Mexico, Trinidad and Brazil. The Asia/Pacific segment includes our Australian and Southeast Asian and Western Pacific operations. Middle East/North Africa includes our operations in the Mediterranean and Red Seas, the Black Sea, the Arabian Gulf and offshore India. Lastly, our Sub-Saharan Africa/Europe segment includes operations conducted along the East and West Coasts of Africa as well as operations in and around the Caspian Sea, the North Sea and certain other arctic/cold water markets.

Our principal customers in each of these business segments are large, international oil and natural gas exploration, field development and production companies (IOCs); select independent exploration and production (E&P) companies; foreign government-owned or government-controlled organizations and other companies that explore for, develop and produce oil and natural gas (NOCs); drilling contractors; and other companies that provide various services to the offshore energy industry, including but not limited to, offshore construction companies, diving companies and well stimulation companies.

The company s vessels are dispersed throughout the major offshore crude oil and natural gas exploration, field development and production areas of the world. Although the company considers, among other things, mobilization costs and the availability of suitable vessels in its fleet deployment decisions, and cabotage rules in certain countries occasionally restrict the ability of the company to move vessels between markets, the company s diverse, mobile asset base and the wide geographic distribution of its vessel assets generally enable the company to respond relatively quickly to changing market conditions and customer requirements.

Revenues in each of our segments are derived primarily from vessel time charter or similar contracts that are generally three months to four years in duration as determined by customer requirements, and, to a lesser extent, from vessel time charter contracts on a spot basis, which is a short-term (one day to three months) agreement to provide offshore marine services to a customer for a specific short-term job. The base rate of hire for a term contract is generally a fixed rate, though some charter arrangements allow the company to recover specific additional costs.

In each of our business segments, and depending on vessel capabilities and availability, our vessels operate in the shallow, intermediate and deepwater offshore markets of the respective regions. In recent years, the deepwater offshore market has been a growing sector in the offshore crude oil and natural gas markets due to technological developments that have made deepwater exploration and development feasible. It is the one sector that did not experience significant negative effects from the 2008-2009 global economic recession, largely because deepwater exploration and development projects involve significant capital investment and multi-year development plans. Such projects are generally underwritten by the participating exploration, development and production companies using relatively conservative assumptions in regards to crude oil and natural gas prices and, therefore, have not been as susceptible to short-term fluctuations in the price of crude oil and natural gas. However, the 2010 *Deepwater Horizon* incident did negatively affect the level of deepwater drilling activity of the U.S. GOM while the U.S. Department of the Interior, through the Bureau of Ocean Energy Management Regulation and Enforcement (BOEMRE), evaluated the causes of the incident and announced plans for enhanced regulatory and safety oversight as a condition to granting additional drilling and exploration permits. The BOEMRE resumed deepwater exploration and drilling permitting by February 2011, although the pace of permitting was initially slow. Within our Americas segment, in recent years, drilling activity in the shallow and intermediate waters of the U.S. GOM has also been negatively impacted by low natural gas prices. More broadly, the recent rapid and significant decline in crude oil and natural gas prices is expected to negatively impact exploration, development and possibly production activity, both in deepwater and non-deepwater markets, in 2015 and possibly beyond 2015.

As of March 31, 2015, there were approximately 85 deepwater offshore rigs under construction, however, there is uncertainty as to how many of those rigs, most of which are expected to enter service within the next two years, will increase the working fleet and how many of those rigs will replace older, less productive drilling units. The dayrates and the overall utilization of the worldwide deepwater offshore supply vessel fleet, which is also expected to increase in size, will, at least in part, depend upon the overall net growth in the number of working deepwater rigs.

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Please refer to Item 7 of this Annual Report on Form 10-K for a greater discussion of the company s segments, including the macroeconomic environment in which we operate. In addition, please refer to Note (15) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for segment, geographical data and major customer information.

Geographic Areas of Operation

The company s fleet is deployed in the major global offshore oil and gas areas of the world. The principal areas of the company s operations include the U.S. GOM, the Arabian Gulf, the Mediterranean Sea and areas offshore Australia, Brazil, India, Malaysia, Mexico, Norway, the United Kingdom, Thailand, Trinidad, and West and East Africa.

Revenues and operating profit derived from our operations along with total marine assets for our segments for the fiscal years ended March 31 are summarized below:

(In thousands)

		2015	2014	2013
Revenues:				
Vessel revenues:				
Americas	$	505,699	410,731	327,059
Asia/Pacific		150,820	154,618	184,014
Middle East/North Africa		205,787	186,524	149,412
Sub-Saharan Africa/Europe		606,052	666,588	569,513
Other operating revenues		27,159	16,642	14,167
	$	1,495,517	1,435,103	1,244,165
Vessel operating profit:				
Americas	$	122,988	90,936	40,318
Asia/Pacific		11,541	29,044	43,704
Middle East/North Africa		37,258	42,736	39,069
Sub-Saharan Africa/Europe		122,169	136,092	129,460
		293,956	298,808	252,551
Other operating profit/(loss)		(8,022)	(1,930)	(833)
		285,934	296,878	251,718
Corporate general and administrative expenses		(40,621)	(47,703)	(48,704)
Corporate depreciation		(4,014)	(3,073)	(3,391)
Corporate expenses		(44,635)	(50,776)	(52,095)
Gain on asset dispositions, net		9,271	11,722	6,609
Goodwill impairment		(283,699)	(56,283)	
Restructuring charge		(4,052)		
Operating income/(loss)	$	(37,181)	201,541	206,232
Total marine assets:				
Americas	$	1,016,133	1,017,736	880,368
Asia/Pacific		506,265	421,379	607,546
Middle East/North Africa		666,983	613,303	507,124
Sub-Saharan Africa/Europe		2,064,010	2,383,507	1,706,355
Other		49,554	31,545	5,102
Total marine assets	$	4,302,945	4,467,470	3,706,495

Please refer to Item 7 of this Annual Report on Form 10-K and Note (15) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further disclosure of segment revenues, operating profits, and total assets by geographical areas in which the company operates.

Our Global Vessel Fleet

Over the last 15 years, the company has maintained a vessel construction, acquisition and replacement program, with the intent of being able to operate in nearly all major oil and gas producing regions of the world by replacing older vessels in the company s fleet with larger, more technologically sophisticated vessels. Since calendar 2000, the company has purchased and/or constructed 280 vessels at a total cost of approximately $4.7 billion (including 26 vessels at a cost of $270.8 million which were subsequently sold in transactions other than sale/lease transactions). Although the company is near the completion of its vessel construction, acquisition and replacement program, at March 31, 2015 the company had an additional 24 vessels under

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construction (including three that have since been cancelled) for a total cost of approximately $690.7 million. To date, the company has generally funded its vessel programs from its operating cash flows, together with funds provided by four private debt placements of senior unsecured notes and borrowings under bank credit facilities, proceeds from the disposition of (generally older) vessels, and various vessel sale-leaseback arrangements.

The company s strategy contemplates both organic growth through the construction of vessels at a variety of shipyards worldwide and possible strategic acquisitions of recently built vessels and/or other vessel owners and operators. The company has the largest number of new offshore support vessels among its competitors in the industry. The company is nearing the successful completion of its long-term fleet replenishment and modernization strategy, and will continue to carefully consider whether future proposed investments and transactions have the appropriate risk/return-on-investment profile.

The average age of the company s 279 owned or chartered vessels (excluding joint-venture vessels) at March 31, 2015 is approximately 9.5 years. The average age of 254 newer vessels in the fleet (defined as those that have been acquired or constructed since calendar year 2000 as part of the company s new build and acquisition program as discussed below) is approximately 7.7 years. The remaining 25 vessels have an average age of 28.4 years. Of the company s 279 vessels, 99 are deepwater platform supply vessels (PSVs) or deepwater anchor handling towing supply (AHTS) vessels, and 117 vessels are non-deepwater towing-supply vessels, which include both smaller PSVs and smaller AHTS vessels that primarily serve the jackup drilling market. Sixty-three vessels are included within our other vessel class, which is primarily comprised of crew boats and offshore tugs.

At March 31, 2015, the company had commitments to build 24 vessels at a number of different shipyards around the world at a total cost, including contract costs and other incidental costs, of approximately $690.7 million. At March 31, 2015, the company had invested approximately $310.6 million in progress payments towards the construction of the 24 vessels, and the remaining expenditures necessary to complete construction was estimated at $380.1 million. Of the 24 new construction commitment vessels, 17 were PSVs ranging between 3,800 and 6,000 deadweight tons of cargo capacity, six were non-deepwater towing supply class vessels with 7,145 brake horsepower (BHP) and one is a fast supply vessel. Scheduled delivery for these newbuild vessels began in April 2015, with delivery of the final vessel expected in September 2016.

In April 2015, the company notified an international shipyard that it was terminating three towing-supply vessel construction contracts as a result of late delivery and requested the return of approximately $36 million in aggregate installment payments together with interest on those installments. There was approximately $13 million in remaining expenditures to be made on these three vessels at the time of the termination. In May 2015, the company and another international shipyard that is constructing two of the 275-foot deepwater PSVs came to an agreement that provides the company an option to take delivery of one or both vessels at any time prior to June 30, 2016 or receive the return of installments aggregating $5.7 million per vessel at the end of this period. There were approximately $41 million of remaining costs to be incurred on these two vessels at the time of the agreement. Also, a partially constructed fast supply boat under construction in Brazil was originally scheduled to be delivered in September 2009 and has experienced substantial delay. Further discussions of these matters are disclosed in the Vessel Count, Dispositions, Acquisitions and Construction Programs section of Item 7 and Note (12) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

A discussion of the company s capital commitments, scheduled delivery dates and vessel sales is disclosed in the Vessel Count, Dispositions, Acquisitions and Construction Programs section of Item 7 and Note (12) of Notes to Consolidated Financial Statements included in Item 8 of this Annual report on Form 10-K. The Vessel Count, Dispositions, Acquisitions and Construction Programs section of Item 7 also contains a table comparing the actual March 31, 2015 vessel count and the average number of vessels by class and geographic distribution during the three years ended March 31, 2015, 2014 and 2013.

Between April 1999 and March 2015, the company also disposed of 696 vessels. Most of the vessels were sold at prices that exceeded their carrying values. In aggregate, proceeds from, and pre-tax gains on, vessel dispositions during this period approximated $784 million and $326 million, respectively.

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Our Vessel Classifications

Our vessels routinely move from one geographic region and reporting segment to another, and from one operating area to another operating area within the geographic regions and reporting segments. We disclose our vessel statistical information, including revenue, utilization and average day rates, by vessel class. Listed below are our three major vessel classes along with a description of the type of vessels categorized in each vessel class and the services the respective vessels typically perform. Tables comparing the average size of the company s marine fleet by class and geographic distribution for the last three fiscal years are included in Item 7 of this Annual Report on Form 10-K.

Deepwater Vessels

Deepwater vessels, in the aggregate, are currently the company s largest contributor to consolidated vessel revenue and vessel operating margin. Included in this vessel class are large (typically greater than 230-feet and/or with greater than 2,800 tons in dead weight cargo carrying capacity) PSVs and large, higher-horsepower (generally greater than 10,000 horsepower) AHTS vessels. These vessels are generally chartered to customers for use in transporting supplies and equipment from shore bases to deepwater and intermediate water depth offshore drilling rigs and production platforms and for otherwise supporting intermediate and deepwater drilling, production, construction and maintenance operations. Deepwater PSVs generally have large cargo capacities, both below deck (liquid mud tanks and dry bulk tanks) and above deck. Deepwater AHTS vessels are equipped to tow drilling rigs and other marine equipment, as well as to set anchors for the positioning and mooring of drilling rigs that generally are without dynamic positioning capabilities. Many of our deepwater PSVs and AHTS vessels are outfitted with dynamic positioning capabilities, which allow the vessel to maintain an absolute or relative position when mooring to an offshore installation, rig or another vessel is deemed unsafe, impractical or undesirable. Many of our deepwater vessels also have oil recovery, firefighting, standby rescue and/or other specialized equipment. Our customers demand a high level of safety and technological advancements to meet the more stringent regulatory standards, especially in the wake of the 2010 *Deepwater Horizon* incident.

Our deepwater class of vessel also includes specialty vessels that can support offshore well stimulation, construction work, subsea services and/or serve as remote accommodation facilities. These vessels are generally available for routine supply and towing services, but these vessels are also outfitted, and primarily intended, for specialty services. For example, these vessels can be equipped with a variety of lifting and deployment systems, including large capacity cranes, winches or reel systems. Included in the specialty vessel category is the company s one multi-purpose platform supply vessel (MPSV). Our MPSV is approximately 311 feet in length, has a 100-ton active heave compensating crane, a moonpool and a helideck and is designed for subsea service and light construction support activities. This vessel is significantly larger in size, more versatile, and more specialized than the PSVs discussed above. The MPSV typically commands a higher day rate because the vessel has more capabilities, and because the vessel has a higher construction cost and higher operating costs.

Towing-Supply Vessels

This is currently the company s largest fleet class by number of vessels. Included in this class are non-deepwater towing-supply vessels with horsepower below 10,000 BHP, and non-deepwater supply vessels that are generally less than 230 feet. The vessels in this class perform the same respective functions and services as deepwater AHTS vessels and deepwater PSVs except non-deepwater towing-supply vessels and non-deepwater supply vessels are generally chartered to customers for use in intermediate and shallow waters.

Other Vessels

The company s Other vessels include crew boats, utility vessels and offshore tugs. Crew boats and utility vessels are chartered to customers for use in transporting personnel and supplies from shore bases to offshore drilling rigs, platforms and other installations. These vessels are also often equipped for oil field security missions in markets where piracy, kidnapping or other potential violence presents a concern. Offshore tugs are used to tow floating drilling rigs and barges; to assist in the docking of tankers; and to assist pipe laying, cable laying and construction barges.

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Revenue Contribution of Main Classes of Vessels

Revenues from vessel operations were derived from the following classes of vessels in the following percentages:

	Year Ended March 31,		
	2015	2014	2013
Deepwater	58.4%	55.2%	49.2%
Towing-supply	34.5%	37.1%	42.4%
Other	7.1%	7.7%	8.4%

Subsea Services

Historically, the company s subsea services were composed primarily of seismic and subsea vessel support. During fiscal 2014 the company expanded its subsea services capabilities by hiring a dedicated group of employees with substantial ROV and subsea expertise and by purchasing six work-class ROVs. Two additional higher specification work-class ROVs were added to the company s fleet in fiscal 2015. Each ROV is capable of being deployed and redeployed worldwide on a variety of vessels and platforms and we began ROV deployment and operations in fiscal 2015. Our expanded subsea services capabilities include services and engineering solutions in all phases of the life of a subsea well, including exploration; construction and installation; and maintenance, repair and inspection, in water depths of up to 13,000 feet. In connection with the purchase of ROVs, the company has developed a proprietary operations management system customized for the operation of ROVs. Tidewater intends to continue expanding its subsea services capabilities to meet customer demand, and that expansion may include organic growth through commissioning the construction of additional ROVs or acquisitions of recently built ROVs and/or other ROV owners and operators.

Shipyard Operations

Quality Shipyards, L.L.C., a wholly-owned subsidiary of the company, operated two shipyards in Houma, Louisiana, that constructed, upgraded and repaired vessels. The shipyards performed repair work and new construction work for third-party customers, as well as the construction, repair and modification of the company s own vessels. One of the two shipyards was sold during fiscal 2013, and the remaining shipyard was sold during the first quarter of fiscal 2014. During fiscal 2013, one partially constructed, deepwater PSV was transferred to another unaffiliated U.S. shipyard for completion. That vessel was delivered into the company s owned and operated offshore support vessel fleet in March 2015.

Customers and Contracting

The company s operations are materially dependent upon the levels of activity in offshore crude oil and natural gas exploration, field development and production throughout the world, which is affected by trends in global crude oil and natural gas pricing, including expectations of future commodity pricing, which is ultimately influenced by the supply and demand relationship for these natural resources. The activity levels of our customers are also influenced by the cost of exploring for and producing crude oil and natural gas, which can be affected by environmental regulations, technological advances that affect energy production and consumption, significant weather conditions, the ability of our customers to raise capital, and local and international economic and political environments, including government mandated moratoriums. A discussion of current market conditions and trends appears under Macroeconomic Environment and Outlook in Item 7 of this Annual Report on Form 10-K.

The company s principal customers are IOCs; select independent E&P companies; NOCs; drilling contractors; and other companies that provide various services to the offshore energy industry, including but not limited to, offshore construction companies, diving companies and well stimulation companies.

Our primary source of revenue is derived from time charter contracts on our vessels on a rate per day of service basis; therefore, vessel revenues are recognized on a daily basis throughout the contract period. As noted above, these time charter contracts are generally either on a term or spot basis. There are no material differences in the cost structure of the company s contracts based on whether the contracts are spot or term because the operating costs are generally the same without regard to the length of a contract.

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The following table discloses our customers that accounted for 10% or more of total revenues during any of our last three fiscal years:

	2015	2014	2013
Chevron Corporation	12.7%	18.1%	17.8%
Petroleo Brasileiro SA	11.8%	8.6%	8.6%
BP plc	10.1%	8.9%	7.9%

While it is normal for our customer base to change over time as our vessel time charter contracts turn over, the unexpected loss of either or both of these two significant customers could, at least in the short term, have a material adverse effect on the company s vessel utilization and its results of operations. Our five largest customers in aggregate accounted for approximately 45% of our fiscal 2015 total revenues, while the 10 largest customers in aggregate accounted for approximately 62% of the company s fiscal 2015 total revenues.

Consolidation activity amongst exploration, development, and production companies can reduce the number of customers for the company s vessels and services and may negatively affect exploration, field development and production activity as consolidated companies generally focus, at least initially, on increasing efficiency and reducing costs and delay or abandon exploration activity with less promise. Such activity can adversely affect demand for our vessels, and reduce the company s revenues.

Competition

The principal competitive factors for the offshore vessel service industry are the suitability and availability of vessel equipment, price and quality of service. In addition, the ability to demonstrate a strong safety record and attract and retain qualified and skilled personnel are also important competitive factors. The company has numerous competitors in all areas in which it operates around the world, and the business environment in all of these markets is highly competitive.

The company s diverse, mobile asset base and the wide geographic distribution of its assets generally enable the company to respond relatively quickly to changes in market conditions and to provide a broad range of vessel services to its customers around the world. We believe the company has a competitive advantage because of the size, diversity and geographic distribution of our vessel fleet. Economies of scale and experience level in the many areas of the world in which we operate are also considered competitive advantages as is the company s strong financial position.

An increase in worldwide vessel capacity could have the effect of lowering charter rates, particularly when there are lower levels of exploration, field development and production activity. According to IHS-Petrodata, the global offshore support vessel market at the end of March 2015 had approximately 540 new-build offshore support vessels (deepwater PSVs, deepwater AHTS vessels and towing-supply vessels only) either under construction (420 vessels), on order or planned as of April 2015, that are expected to be delivered into the worldwide offshore vessel market primarily over the next three years. The current worldwide fleet of these classes of vessels is estimated at approximately 3,270 vessels, of which Tidewater estimates more than 10% are stacked or are not being actively marketed by the vessels owners. The worldwide offshore marine vessel industry, however, also has a large number of aged vessels, including approximately 650 vessels, or 20%, of the worldwide offshore fleet, that are at least 25 years old and nearing or exceeding original expectations of their estimated economic lives. These older vessels, of which Tidewater estimates 40% to 50% are either already stacked or are not being actively marketed by the vessels owners, could potentially be removed from the market within the next few years as the cost of extending these vessels lives may not be economically justifiable. Although the future attrition rate of these aging vessels cannot be determined with absolute certainty, the company believes that the retirement of a sizeable portion of these aged vessels could mitigate the potential negative effects of new-build vessels on vessel utilization and vessel pricing.

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Challenges We Confront as an International Offshore Vessel Company

We operate in many challenging operating environments around the world that present varying degrees of political, social, economic and other uncertainties. We operate in markets where risks of expropriation, confiscation or nationalization of our vessels or other assets, terrorism, piracy, civil unrest, changing foreign currency exchange rates and controls, and changing political conditions may adversely affect our operations. Although the company takes what it believes to be prudent measures to safeguard its property, personnel and financial condition against these risks, it cannot eliminate entirely the foregoing risks, though the wide geographic dispersal of the company s vessels helps reduce the overall potential impact of these risks. In addition, immigration, customs, tax and other regulations (and administrative and judicial interpretations thereof) can have a material impact on our ability to work in certain countries and on our operating costs.

In some international operating environments, local customs or laws may require or make it advisable that the company form joint ventures with local owners or use local agents. The company is dedicated to carrying out its international operations in compliance with the rules and regulations of the Office of Foreign Assets Control (OFAC), the Trading with the Enemy Act, the Foreign Corrupt Practices Act (FCPA), and other applicable laws and regulations. The company has adopted policies and procedures to mitigate the risks of violating these rules and regulations.

Sonatide Joint Venture

As previously reported, in November 2013, a subsidiary of the company and its joint venture partner in Angola, Sonangol Holdings Lda. (Sonangol), executed a new joint venture agreement for their joint venture, Sonatide. The new joint venture agreement is currently effective and will expire, unless extended, two years after an Angolan entity, which is intended to be one of the Sonatide group of companies, has been incorporated. The Angolan entity is expected to be incorporated by late 2015 after certain Angolan regulatory approvals have been obtained.

The challenges for the company to successfully operate in Angola remain significant. As the company has previously reported, on July 1, 2013, elements of new legislation (the forex law) became effective that generally require oil companies that engage in exploration and production activities offshore Angola through governmental concessions to pay for goods and services provided by foreign exchange residents in Angolan kwanzas that are initially deposited into an Angolan bank account. The forex law also imposes documentation and other requirements on service companies such as Sonatide in order to effect payments that are denominated in currencies other than Angolan kwanzas. The forex law has resulted in, and will likely continue to result in, substantial customer payments being made to Sonatide in Angolan kwanzas. This cumbersome payment process has imposed and could continue to impose a burden on Tidewater s management of its cash and liquidity, because of the risks that the conversion of Angolan kwanzas into U.S. dollars and the subsequent expatriation of the funds could result in payment delays and currency devaluation prior to conversion of kwanzas to dollars, as well as burden the company with additional operating costs to convert kwanzas into dollars and potentially additional taxes.

In response to the new forex law, Tidewater and Sonangol negotiated and signed an agreement that is set to expire, unless extended, in November 2015 (the consortium agreement) that is intended to allow the Sonatide joint venture to enter into contracts with customers that allocate billings for services provided by Sonatide between (i) billings for local services that are provided by a foreign exchange resident (that must be paid in kwanzas), and (ii) billings for services provided by offshore residents (that can be paid in dollars). Sonatide successfully converted select customer contracts to this split billing arrangement during the quarter ended March 31, 2015 and continues to discuss this type of billing arrangement with other customers. We are unable to determine the impact that an inability to extend the consortium agreement would have on the existing split billing arrangements, and the ability to enter into new split billing arrangements. In addition, it is not clear if this type of contracting will be available to Sonatide over the longer term.

In November 2014, the National Bank of Angola issued new regulations controlling the sale of foreign currency. These regulations generally require oil companies to sell U.S. dollars to the National Bank of Angola to buy kwanzas that are required to be used to pay for goods and services provided by foreign exchange resident oilfield service companies. These foreign exchange resident oilfield service companies, in turn, are required to source U.S. dollars in order to pay for goods and services provided offshore. The regulations continue to permit tripartite agreements among oil companies, commercial banks and service companies that provide for

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the sale of U.S. dollars by an oil company to a commercial bank in exchange for kwanzas. These same U.S. dollars are then sold onward by the commercial bank to the service company. The implementing regulations do, however, place constraints on those tripartite agreements that did not previously exist, and the period of time that the tripartite agreements will be allowed remains uncertain. If tripartite agreements or similar arrangements are not available to service companies in Angola that have a need for dollars, then such service companies will be required to source dollars exclusively through the National Bank of Angola. Sonatide has had limited success to date negotiating tripartite agreements but it continues its discussions with customers, commercial banks and the National Bank of Angola regarding these arrangements.

For the fiscal year ended March 31, 2015, the company collected (primarily through Sonatide) approximately $338 million from its Angola operations, which is slightly less than the approximately $351 million of revenue recognized for the same period. Of the $338 million collected approximately $159 million represented U.S. dollars received by Sonatide on behalf of the company or dollars directly received by the company from customers. The balance of $179 million collected resulted from Sonatide s converting kwanza into dollars and subsequently expatriating the dollars to Tidewater. Additionally, the company received an approximate $10 million dividend payment from the Sonatide joint venture during the third quarter of fiscal 2015.

Though Sonatide experienced a substantially reduced ability to convert kwanzas to dollars during parts of the quarter ended December 31, 2014 (possibly due to holiday season and/or the newly enhanced role of the National Bank of Angola from November 2014 in the conversion process), the company believes that the process for converting kwanzas has functioned reasonably well for much of fiscal 2015, particularly given that the conversion process was still developing. Sonatide continues to press its commercial bank relationships to increase the amount of dollars that are made available to Sonatide.

As of March 31, 2015, the company had approximately $420 million in amounts due from Sonatide, with approximately half of the balance reflecting invoiced but unpaid vessel revenue related to services performed by the company through the Sonatide joint venture. Remaining amounts due to the company from Sonatide include cash (primarily denominated in Angolan kwanzas) held by Sonatide that is pending conversion into U.S. dollars and the subsequent expatriation of such funds. Cash held by Sonatide began to accumulate in late calendar 2012, when the initial provisions of the forex law relating to payments for goods and services provided by foreign exchange residents took effect (and payments were required to be paid into local bank accounts). Beginning in July 2013, when the second provision of the forex law took effect (and the local payments had to be made in kwanza), Sonatide generally accrued for but did not deliver invoices to customers for vessel revenue related to Sonatide and the company s collective Angolan operations in order to minimize the exposure that Sonatide would be paid for a substantial amount of charter hire in kwanzas and into an Angolan bank. During this time, the company began using its credit facility and other arrangements to fund the substantial working capital requirements related to its Angola operations.

Beginning in the first quarter of fiscal 2015, Sonatide began sending invoices to those customers that insisted on paying U.S. dollar denominated invoices in kwanza. As invoices are paid in kwanza, Sonatide seeks to convert those kwanzas into U.S. dollars and subsequently utilize those U.S. dollars to pay the amounts that Sonatide owes the company. This conversion and expatriation process is subject to those risks and considerations set forth above.

For the fiscal year ended March 31, 2015, Tidewater s Angolan operations generated vessel revenues of approximately $351 million, or 23%, of its consolidated vessel revenue, from an average of approximately 80 Tidewater-owned vessels that are marketed through the Sonatide joint venture (8 of which were stacked on average during the year ended March 31, 2015), and, for the year ended March 31, 2014, generated vessel revenues of approximately $357 million, or 25%, of consolidated vessel revenue, from an average of approximately 90 Tidewater-owned vessels (five of which were stacked on average during the year ended March 31, 2014).

Sonatide joint venture owns nine vessels (three of which are currently stacked) and certain other assets, in addition to earning commission income from Tidewater-owned vessels marketed through the Sonatide joint venture (owned 49% by Tidewater). In addition, as of March 31, 2015, Sonatide maintained the equivalent of approximately $150 million of kwanza-denominated deposits in Angolan banks, largely related to customer receipts that had not yet been converted to U.S. dollars, expatriated and then remitted to the company. As of

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March 31, 2015 and March 31, 2014, the carrying value of Tidewater s investment in the Sonatide joint venture, which is included in Investments in, at equity, and advances to unconsolidated companies, is approximately $67 million and $62 million, respectively.

Due from affiliate at March 31, 2015 and March 31, 2014 of approximately $420 million and $430 million, respectively, represents cash received by Sonatide from customers and due to the company, amounts due from customers that are expected to be remitted to the company through Sonatide and, finally, reimbursable costs paid by Tidewater on behalf of Sonatide. The collection of the amounts due from customers and the subsequent conversion and expatriation process are subject to those risks and considerations set forth above.

Due to affiliate at March 31, 2015 and March 31, 2014 of approximately $186 million and $86 million, respectively, represents amounts due to Sonatide for commissions payable (approximately $66 million and $43 million, respectively) and other costs paid by Sonatide on behalf of the company.

A new presidential decree regulating maritime transportation activities was enacted in Angola earlier this year. Following recent discussions with port state authorities and local counsel, the company is uncertain whether the authorities will interpret the decree to require one hundred percent Angolan ownership of local vessel operators such as Sonatide. This interpretation may result in the need to work with Sonangol to further restructure our Sonatide joint venture and our operations in Angola. The company has been informed by the authorities that the deadline for foreign vessel operators to comply with any rules implementing the decree has been set for June 2015. The company is seeking further clarification of the new decree and has been advised that a grace period for compliance will be granted until such clarifications are published. The company is exploring potential alternative structures in order to comply.

The Angolan government has included a proposal for a new levy in its most recent budget that could impose an additional 10-20% surcharge on foreign exchange transactions. We understand that a new decree imposing a levy could be published soon. The specific details of the levy have not yet been disclosed and it is not clear if this new decree would apply to Sonatide s scope of operations. The company has undertaken efforts to mitigate the effects of the levy, in the event the levy is enacted into law, including successfully negotiating rate adjustments and termination rights with some of its customers. The company will be unlikely to completely mitigate the effects of the levy, resulting in increased costs and lower margins, if the levy is enacted.

Management continues to explore ways to profitably participate in the Angolan market while looking for opportunities to reduce the overall level of exposure to the increased risks that the company believes currently characterize the Angolan market. Included among mitigating measures taken by the company to address these risks is the redeployment of vessels from time to time to other markets where there is adequate demand for the company s vessels. During the year ended March 31, 2014, the company redeployed vessels from its Angolan operations to other markets and also transferred vessels into its Angolan operations from other markets resulting in a net increase of one vessel operating in Angola. Redeployment of vessels to and from Angola in the year ended March 31, 2015 has resulted in a net 13 vessels transferred out of Angola, including four smaller crewboats that were stacked outside of Angola.

As the company considers the redeployment of additional vessels from Angola to other markets, there would likely be temporary negative financial effects associated with such redeployment, including mobilization costs and costs to redeploy Tidewater shore-based employees to other areas, in addition to lost revenues associated with potential downtime between vessel contracts. These financial impacts could, individually or in the aggregate, be material to our results of operations and cash flows for the periods when such costs would be incurred. The recent decline in crude oil and natural gas prices, the reduction in spending expectations among E&P companies, the number of new-build vessels which are expected to deliver within the next two years and the resulting potential overcapacity in the worldwide offshore support vessel market may exacerbate such negative financial effects, particularly if a large re-deployment were undertaken by the company in the near- to intermediate-term.

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International Labour Organization s Maritime Labour Convention

The International Labour Organization s Maritime Labour Convention, 2006 (the Convention) mandates globally, among other things, seafarer living and working conditions (accommodations, wages, conditions of employment, health and other benefits) aboard ships that are engaged in commercial activities. Since its initial entry into force on August 20, 2013, a total of 66 countries have ratified the Convention, with enforcement presently concentrated in Europe and Asia Pacific; however, a more diverse geographic footprint of enforcement is expected by the end of calendar 2015.

The company continues to work with its flag states to seek substantial equivalencies to comparable national and industry laws that meet the intent of the Convention. By seeking and obtaining these substantial equivalencies, the company is able to maintain its long-standing operational protocols that meet the requirements of the Convention and to mitigate changes in business processes that would offer no additional substantive benefits to crew members. The company continues prioritizing certification of its vessels to Convention requirements based on the dates of enforcement by countries in which the company has operations, performs maintenance and repairs at shipyards, or may make port calls during ocean voyages.

The company continues to assess its global seafarer labor relationships and fleet operational practices to not only ensure compliance with the Convention but also gauge the impact of effective enforcement as ratifications progress, the effects of which cannot be reasonably estimated at this time.

Government Regulation

The company is subject to various United States federal, state and local statutes and regulations governing the operation and maintenance of its vessels. The company s U.S. flagged vessels are subject to the jurisdiction of the United States Coast Guard, the United States Customs and Border Protection, and the United States Maritime Administration. The company is also subject to international laws and conventions and the laws of international jurisdictions where the company and its offshore vessels operate.

Under the citizenship provisions of the Merchant Marine Act of 1920 and the Shipping Act, 1916, as amended, the company would not be permitted to engage in the U.S. coastwise trade if more than 25% of the company s outstanding stock were owned by non-U.S. citizens. For a company engaged in the U.S. coastwise trade to be deemed a U.S. citizen: (i) the company must be organized under the laws of the United States or of a state, territory or possession thereof, (ii) each of the chief executive officer and the chairman of the board of directors of such corporation must be a U.S. citizen, (iii) no more than a minority of the number of directors of such corporation necessary to constitute a quorum for the transaction of business can be non-U.S. citizens and (iv) at least 75% of the interest in such company must be owned by U.S. citizens. The company has a dual stock certificate system to protect against non-U.S. citizens owning more than 25% of its common stock. In addition, the company s charter provides the company with certain remedies with respect to any transfer or purported transfer of shares of the company s common stock that would result in the ownership by non-U.S. citizens of more than 24% of its common stock. Based on information supplied to the company by its transfer agent, approximately 12% of the company s outstanding common stock was owned by non-U.S. citizens as of March 31, 2015.

The company s vessel operations in the U.S. GOM are considered to be coastwise trade. United States law requires that vessels engaged in the U.S. coastwise trade must be built in the U.S. and registered under U.S flag. In addition, once a U.S. built vessel is registered under a non-U.S. flag, it cannot thereafter engage in U.S. coastwise trade. Therefore, the company s non-U.S. flagged vessels must operate outside of the U.S. coastwise trade zone. Of the total 289 vessels owned or operated by the company at March 31, 2015, 261 vessels were registered under flags other than the United States and 28 vessels were registered under the U.S. flag.

All of the company s offshore vessels are subject to either United States or international safety and classification standards or sometimes both. U.S. flag deepwater PSVs, deepwater AHTS vessels, towing-supply vessels, supply vessels and crewboats are required to undergo periodic inspections twice within every five year period pursuant to U.S. Coast Guard regulations. Vessels registered under flags other than the United States are subject to similar regulations and are governed by the laws of the applicable international jurisdictions and the rules and requirements of various classification societies, such as the American Bureau of Shipping.

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The company is in compliance with the International Ship and Port Facility Security Code (ISPS), an amendment to the Safety of Life at Sea (SOLAS) Convention (1974/1988), and further mandated in the Maritime Transportation and Security Act of 2002 to align United States regulations with those of SOLAS and the ISPS Code. Under the ISPS Code, the company performs worldwide security assessments, risk analyses, and develops vessel and required port facility security plans to enhance safe and secure vessel and facility operations. Additionally, the company has developed security annexes for those U.S. flag vessels that transit or work in waters designated as high risk by the United States Coast Guard pursuant to the latest revision of Marsec Directive 104-6.

Environmental Compliance

During the ordinary course of business, the company s operations are subject to a wide variety of environmental laws and regulations that govern the discharge of oil and pollutants into navigable waters. Violations of these laws may result in civil and criminal penalties, fines, injunctions and other sanctions. Compliance with the existing governmental regulations that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment has not had, nor is expected to have, a material effect on the company. Environmental laws and regulations are subject to change, however, and may impose increasingly strict requirements, and, as such, the company cannot estimate the ultimate cost of complying with such potential changes to environmental laws and regulations.

The company is also involved in various legal proceedings that relate to asbestos and other environmental matters. The amount of ultimate liability, if any, with respect to these proceedings is not expected to have a material adverse effect on the company s financial position, results of operations, or cash flows. The company is proactive in establishing policies and operating procedures for safeguarding the environment against any hazardous materials aboard its vessels and at shore-based locations.

Whenever possible, hazardous materials are maintained or transferred in confined areas in an attempt to ensure containment, if accidents were to occur. In addition, the company has established operating policies that are intended to increase awareness of actions that may harm the environment.

Safety

We are dedicated to ensuring the safety of our operations for both our employees and our customers. Tidewater s principal operations occur in offshore waters where the workplace environment presents many safety challenges. Management communicates frequently with company personnel to promote safety and instill safe work habits through the use of company media directed at, and regular training of, both our seamen and shore-based personnel. Personnel and resources are dedicated to ensure safe operations and regulatory compliance. Our Director of Health, Safety, Environment and Security (HSES) Management is involved in numerous proactive efforts to prevent accidents and injuries from occurring. The HSES Director also reviews all incidents that occur throughout the company, focusing on lessons that can be learned from such incidents and opportunities to incorporate such lessons into the company s on-going safety-related training. In addition, the company employs safety personnel in every operating region to be responsible for administering the company s safety programs and fostering the company s safety culture. We believe that every Tidewater employee is a safety supervisor, who has the authority and the obligation to stop any operation that they deem to be unsafe.

Risk Management

The operation of any marine vessel involves an inherent risk of marine losses (including physical damage to the vessel) attributable to adverse sea and weather conditions, mechanical failure, and collisions. In addition, the nature of our operations exposes the company to the potential risks of damage to and loss of drilling rigs and production facilities: hostile activities attributable to war, sabotage, piracy and terrorism, as well as business interruption due to political action or inaction, including nationalization of assets by foreign governments. Any such event may lead to a reduction in revenues or increased costs. The company s vessels are generally insured for their estimated market value against damage or loss, including war, acts of terrorism, and pollution risks, but the company does not directly or fully insure for business interruption. The company also carries workers compensation, maritime employer s liability, director and officer liability, general liability (including third party pollution) and other insurance customary in the industry.

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The company seeks to secure appropriate insurance coverage at competitive rates, in part, by maintaining self-insurance up to certain individual and aggregate loss limits. The company carefully monitors claims and participates actively in claims estimates and adjustments. Estimated costs of self-insured claims, which include estimates for incurred but unreported claims, are accrued as liabilities on our balance sheet.

The continued threat of terrorist activity and other acts of war or hostility have significantly increased the risk of political, economic and social instability in some of the geographic areas in which the company operates. It is possible that further acts of terrorism may be directed against the United States domestically or abroad, and such acts of terrorism could be directed against properties and personnel of U.S. headquartered companies such as ours. The resulting economic, political and social uncertainties, including the potential for future terrorist acts and war, could cause the premiums charged for our insurance coverage to increase. The company currently maintains war risk coverage on its entire fleet.

Management believes that the company s insurance coverage is adequate. The company has not experienced a loss in excess of insurance policy limits; however, there is no assurance that the company s liability coverage will be adequate to cover potential claims that may arise. While the company believes that it should be able to maintain adequate insurance in the future at rates considered commercially acceptable, it cannot guarantee that such insurance will continue to be available at commercially acceptable rates given the markets in which the company operates.

Seasonality

The company s global vessel fleet generally has its highest utilization rates in the warmer months when the weather is more favorable for offshore exploration, field development and construction work. Hurricanes, cyclones, the monsoon season, and other severe weather can negatively or positively impact vessel operations. In particular, the company s U.S. GOM operations can be impacted by the Atlantic hurricane season from the months of June through November, when offshore exploration, field development and construction work tends to slow or halt in an effort to mitigate potential losses and damage that may occur to the offshore oil and gas infrastructure should a hurricane enter the area. However, demand for offshore marine vessels typically increases in the U.S. GOM in connection with repair and remediation work that follows any hurricane damage to offshore crude oil and natural gas infrastructure. The company s vessels that operate offshore India in Southeast Asia and in the Western Pacific are impacted by the monsoon season, which moves across the region from November to April. Vessels that operate in the North Sea can be impacted by a seasonal slowdown in the winter months, generally from November to March. Vessels that operate in Australia are impacted by cyclone season from November to April. Customers in this region, where possible, plan business activities around the cyclone season; however, Australia generally has high trade winds even during the non-cyclone season and, as such, the impact of the cyclone season on our operations is not significant. Although hurricanes, cyclones, monsoons and other severe weather can have a seasonal impact on operations, the company s business volume is more dependent on crude oil and natural gas pricing, global supply of crude oil and natural gas, and demand for the company s offshore support vessel and other services than on any seasonal variation.

Employees

As of March 31, 2015, the company had approximately 8,500 employees worldwide. The company strives to maintain excellent relations with its employees. The company is not a party to any union contract in the United States but through several subsidiaries is a party to union agreements covering local nationals in several countries other than the United States. In the past, the company has been the subject of a union organizing campaign for the U.S. GOM employees by maritime labor unions. These union organizing efforts have abated, although the threat has not been completely eliminated. If the employees in the U.S. GOM were to unionize, the company s flexibility in managing industry changes in the domestic market could be adversely affected.

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Executive Officers of the Registrant

The name of each of our executive officers, together with their respective age and all offices held as of March 31, 2015 is as follows:

Name	Age	Position
Jeffrey M. Platt	57	President and Chief Executive Officer since June 2012. Chief Operating Officer since March 2010. Executive Vice President since July 2006. Senior Vice President from 2004 to June 2006. Vice President from 2001 to 2004.
Jeffrey A. Gorski	54	Chief Operating Officer and Executive Vice President since June 2012. Senior Vice President from January 2012 to May 2012. Prior to January 2012, Mr. Gorski was a Vice-President of Global Accounts with Schlumberger Inc., a publicly-held oilfield services company.
Quinn P. Fanning	51	Chief Financial Officer since September 2008. Executive Vice President since July 2008. Prior to July 2008, Mr. Fanning was a Managing Director with Citigroup Global Markets Inc. and generally focused on advisory services for the energy industry.
Bruce D. Lundstrom	51	Executive Vice President since August 2008. Senior Vice President from September 2007 to July 2008. General Counsel and Secretary since September 2007.
Joseph M. Bennett	59	Executive Vice President since June 2008. Chief Investor Relations Officer since 2005. Senior Vice President from 2005 to May 2008. Principal Accounting Officer from 2001 to May 2008. Vice President from 2001 to 2005.

There are no family relationships between any of the directors or executive officers of the company or any arrangements or understandings between any of the executive officers and any other person pursuant to which any of the executive officers were selected as an officer. The company s executive officers are elected annually by the Board of Directors and serve for one-year terms or until their successors are elected.

Available Information

We make available free of charge, on or through our website (www.tdw.com), our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and amendments to such filings, as soon as reasonably practicable after each is electronically filed with, or furnished to, the Securities and Exchange Commission (the SEC). You may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the Commission at 1-800-SEC-0330. The SEC maintains a website that contains the company s reports, proxy and information statements, and the company s other SEC filings. The address of the SEC s website is www.sec.gov. Information appearing on the company s website is not part of any report that it files with the SEC.

The company has adopted a Code of Business Conduct and Ethics (Code), which is applicable to its directors, chief executive officer, chief financial officer, principal accounting officer, and other officers and employees on matters of business conduct and ethics, including compliance standards and procedures. The Code is publicly available on our website at www.tdw.com. We will make timely disclosure by a Current Report on Form 8-K and on our website of any change to, or waiver from, the Code for our chief executive officer, chief financial officer and principal accounting officer. Any changes or waivers to the Code will be maintained on the company s website for at least 12 months. A copy of the Code is also available in print to any stockholder upon written request addressed to Tidewater Inc., 601 Poydras Street, Suite 1500, New Orleans, Louisiana 70130.

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ITEM 1A. RISK FACTORS

We operate globally in challenging and highly competitive markets and thus our business is subject to a variety of risks. Listed below are some of the more critical or unique risk factors that we have identified as affecting or potentially affecting our company and the offshore marine service industry which could cause our actual results to differ materially from those anticipated, projected or assumed in the forward-looking statement. You should consider all risks when evaluating any of the company s forward-looking statements. The effect of any one risk factor or a combination of several risk factors could materially affect the company s results of operations, financial condition and cash flows and the accuracy of any forward-looking statements made in this Annual Report on Form 10-K.

Volatility of Oil and Gas Prices; Recent Depressed Prices for Oil and Gas

Even in a more favorable commodity pricing climate, prices for crude oil and natural gas are highly volatile and extremely sensitive to the respective supply/demand relationship for crude oil and natural gas. High demand for crude oil and natural gas, reductions in supplies and/or low inventory levels for these resources, as well as any perceptions about future supply interruptions can cause prices for crude oil and natural gas to rise. Conversely, low demand for crude oil and natural gas, increases in supplies and/or increases in crude oil and natural gas inventories can cause prices for crude oil and natural gas to decrease. In addition, global military, political, and economic events, including civil unrest in the oil producing and exporting countries of the Middle East and North Africa, have historically contributed to crude oil and natural gas price volatility.

Factors that affect the supply of crude oil and natural gas include, but are not limited to, the following: global demand for hydrocarbons; the Organization of Petroleum Exporting Countries (OPEC) ability to control crude oil production levels and pricing, as well as the level of production by non-OPEC countries; sanctions imposed by the U.S., the European Union, or other governments against oil producing countries; political and economic uncertainties (including wars, terrorist acts or security operations); advances in exploration and field development technologies (such as fracking); increased availability of shale gas and other non-traditional energy resources; significant weather conditions; and governmental policies/restrictions placed on the exploration and production of natural resources.

The significant recent decrease in oil and natural gas prices is expected to cause a reduction in many of our customers drilling, completion and other production activities and related spending on our services in 2015. If oil and natural gas prices remain at their current levels or decline further, this reduction in activity levels and spending could persist and accelerate through 2015 and beyond. It is difficult to predict how long the current commodity price conditions will continue, or to what extent low commodity prices will affect our business. Because a prolonged material downturn in crude oil and natural gas prices and/or perceptions of long-term lower commodity prices can negatively impact the development plans of exploration and production companies given the long-term nature of large-scale development projects, a downturn of any such duration would likely result in a significant decline in demand for offshore support services. In such event, we could experience further erosion in charter rates and/or utilization rates, which would have a material adverse effect on our results of operations, cash flows and financial condition. Higher commodity prices, however, do not necessarily translate into increased demand for offshore support services or sustained higher pricing for offshore support vessel services. Increased commodity demand can be satisfied by land-based energy resources and increased demand for offshore support vessel services can be more than offset by an increased supply of offshore support vessels resulting from the construction of additional offshore support vessels.

Crude oil pricing volatility has increased in recent years as crude oil has emerged as a widely-traded financial asset class. To the extent speculative trading of crude oil causes excessive crude oil pricing volatility, our results of operations could potentially be negatively impacted if such price volatility affects spending and investment decisions of offshore exploration, development and production companies.

Changes in the Level of Capital Spending by Our Customers

Demand for our offshore services, and thus our results of operations, are highly dependent on the level of spending and investment in regards to offshore exploration, development and production by the companies that operate in the energy industry. The energy industry s level of capital spending is substantially related to current and expected future demand for hydrocarbons and the prevailing commodity prices of crude oil and, to a lesser extent, natural gas. Demand for hydrocarbons has softened while supply has steadily increased, resulting in

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significant declines in crude oil prices. When commodity prices are low, or when our customers believe that they will be low in the future, our customers generally reduce their capital spending budgets for onshore and offshore drilling, exploration and field development. The recent, precipitous decline in crude oil prices has already resulted in a decrease in the energy industry s level of capital spending and, if prices continue to decline or remain depressed for a sustained period of time, capital spending and demand for our services may remain similarly depressed. Indications are that certain major oil producing nations do not intend to reduce crude oil output. As a result, the current environment of over-supply may continue for the foreseeable future unless there is a significant increase in worldwide demand, which may not occur. The level of offshore crude oil and natural gas exploration, development and production activity has historically been volatile, and that volatility is likely to continue.

Other factors that influence the level of capital spending by our customers that are beyond our control include: worldwide demand for crude oil and natural gas; the cost of offshore exploration and production of crude oil and natural gas, which can be affected by environmental regulations; significant weather conditions; technological advances that affect energy production and consumption; the local and international economic and political environment; the technological feasibility and relative cost of developing non-hydrocarbon based energy resources; the relative cost of developing offshore and onshore crude oil and natural gas resources; and the availability and cost of financing.

Consolidation of the Company s Customer Base

Oil and natural gas companies and other energy companies and energy services companies have undergone consolidation, and additional consolidation is possible. Consolidation reduces the number of customers for the company s equipment, and may negatively affect exploration, development and production activity as consolidated companies focus, at least initially, on increasing efficiency and reducing costs and delay or abandon exploration activity with less promise. Such activity could adversely affect demand for the company s offshore services.

High Level of Competition in the Offshore Marine Service Industry

We operate in a highly competitive industry, which could depress charter and utilization rates and adversely affect our financial performance. We compete for business with our competitors on the basis of price; reputation for quality service; quality, suitability and technical capabilities of our vessels and ROVs; availability of vessels and ROVs; safety and efficiency; cost of mobilizing vessels and ROVs from one market to a different market; and national flag preference. In addition, competition in international markets may be adversely affected by regulations requiring, among other things, local construction, flagging, ownership or control of vessels, the awarding of contracts to local contractors, the employment of local citizens and/or the purchase of supplies from local vendors.

Loss of a Major Customer

We derive a significant amount of revenue from a relatively small number of customers. For the fiscal years ended March 31, 2015, 2014 and 2013, the five largest customers accounted for approximately 45%, 45%, and 42%, respectively, of the company s total revenues, while the 10 largest customers accounted for approximately 62%, 62%, and 57%, respectively, of our total revenues. While it is normal for our customer base to change over time as our time charter contracts expire and are replaced, our results of operations, financial condition and cash flows could be materially adversely affected if one or more of these customers were to decide to interrupt or curtail their activities, in general, or their activities with us; terminate their contracts with us; fail to renew existing contracts; and/or refuse to award new contracts.

Unconventional Crude Oil and Unconventional Natural Gas Production Can Exert Downward Pricing Pressures on the Price of Crude Oil and Natural Gas

The rise in production of unconventional crude oil and gas resources in North America and the commissioning of a number of new large Liquefied Natural Gas (LNG) export facilities around the world are, at least to date, primarily contributing to an over-supplied natural gas market. While production of crude oil and natural gas from unconventional sources is still a relatively small portion of the worldwide crude oil and natural gas production, production from unconventional resources is increasing because improved drilling efficiencies are lowering the costs of extraction. There is an oversupply of natural gas inventories in the United States in part due to the increased development of unconventional crude oil and natural gas resources. Prolonged increases in the

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worldwide supply of crude oil and natural gas, whether from conventional or unconventional sources, will likely continue to weigh crude oil and natural gas prices. A prolonged period of low natural gas prices would likely have a negative impact on development plans of exploration and production companies), which in turn, may result in a decrease in demand for offshore support vessel services.

Challenging Macroeconomic Conditions

Uncertainty about future global economic market conditions makes it challenging to forecast operating results and to make decisions about future investments. The success of our business is both directly and indirectly dependent upon conditions in the global financial and credit markets that are outside of our control and difficult to predict. Uncertain economic conditions may lead our customers to postpone capital spending in response to tighter credit and reductions in our customers income or asset values. Similarly, when lenders and institutional investors reduce, and in some cases, cease to provide funding to corporate and other industrial borrowers, the liquidity and financial condition of our customers can be adversely impacted. These factors may also adversely affect our liquidity and financial condition. Factors such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls, and national and international political circumstances (including wars, terrorist acts, security operations, and seaborne refugee issues) can have a material negative effect on our business, revenues and profitability.

Prolonged material downturns in crude oil and natural gas prices can negatively affect the development plans of exploration and production companies. In addition, a prolonged recession may result in a decrease in demand for offshore support vessel services and a reduction in charter rates and/or utilization rates, which would have a material adverse effect on the company s results of operations, cash flows and financial condition.

Potential Overcapacity in the Offshore Marine Industry

Over the past decade, as offshore exploration and production activities increasingly focused on deepwater exploration, field development and production, offshore service companies, such as ours, constructed specialized offshore vessels that are capable of supporting complex deepwater and deep well (defined by well depth rather than water depth) projects that are generally located in challenging environments. During this time, construction of offshore vessels increased significantly in order to meet projected requirements of customers and potential customers. Excess offshore support vessel capacity usually exerts downward pressure on charter day rates. Excess capacity can occur when newly constructed vessels enter the worldwide offshore support vessel market and also when vessels migrate between markets. The company has also sold and/or scrapped a significant number of vessels over the last several years. A discussion about the aging of the company s fleet, which has necessitated the company s new vessel construction programs, appears in the Vessel Count, Dispositions, Acquisitions and Construction Programs section of Item 7 in this Annual Report on Form 10-K.

The offshore support vessel market has approximately 540 new-build offshore support vessels (deepwater PSVs, deepwater AHTS vessels and towing-supply vessels only) either under construction (420 vessels), on order or planned as of April 2015, which are expected to be delivered to the worldwide offshore support vessel market primarily over the next two years, according to IHS-Petrodata. The current worldwide fleet of these classes of vessels is estimated at approximately 3,270 vessels, according to the same source. An increase in vessel capacity without a corresponding increase in the working offshore rig count could exacerbate the industry s currently oversupplied condition which may have the effect of lowering charter rates and utilization rates, which, in turn, would result in lower revenues to the company.

In addition, the provisions U.S. shipping laws restricting engagement of U.S. coastwise trade to vessels controlled by U.S. citizens may from time to time be circumvented by foreign competitors that seek to engage in trade reserved for vessels controlled by U.S. citizens and otherwise qualifying for coastwise trade. A repeal, suspension or significant modification of U.S. shipping laws, or the administrative erosion of their benefits, permitting vessels that are either foreign-flagged, foreign-built, foreign-owned, foreign-controlled or foreign-operated to engage in the U.S. coastwise trade, could also result in excess vessel capacity and increased competition, especially for our vessels that operate in North America.

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Vessel Construction and Maintenance

The company has a number of vessels currently under construction, and it may construct additional vessels in response to future market conditions. In addition, the company routinely engages shipyards to drydock vessels for regulatory compliance and to provide repair and maintenance services. Construction projects and drydockings are subject to risks of delays and cost overruns, resulting from shortages and/or delivery delays in regards to equipment, materials and skilled labor, including third-party service technicians. In addition, the cost, timing and duration of drydockings and repairs and maintenance can be negatively impacted by lack of shipyard availability, unforeseen design and engineering problems, work stoppages, weather, financial, labor and other difficulties at shipyards, including the inability to obtain necessary certifications and approvals.

A significant delay in either construction or drydockings of vessels could negatively impact our ability to fulfill contractual commitments. Significant cost overruns or delays for vessels under construction could also adversely affect the company s financial condition, results of operations or cash flows. The demand for vessels currently under construction may also diminish from levels originally anticipated. If the company fails to obtain favorable contracts for newly constructed vessels, such failure could have a negative impact on the company s revenues and profitability.

Difficult economic market conditions and/or prolonged distress in credit and capital markets may also hamper the ability of shipyards to meet their scheduled deliveries of new vessels or the ability of the company to renew its fleet through new vessel construction or acquisitions. In addition, while we seek some form of security to safeguard progress payments made to shipbuilders, there is a risk of insolvency of the shipyards that construct, repair or drydock our vessels, which could adversely affect our new construction or repair programs, and consequently, could adversely affect our financial condition, results of operations or cash flows.

Operating Internationally

We operate in various regions throughout the world and are exposed to many risks inherent in doing business in countries other than the United States, some of which risks have recently become more pronounced. Our customary risks of operating internationally include political and economic instability within the host country; possible vessel seizures or nationalization of assets and other governmental actions by the host country (please refer to Item 7 in this Annual Report on Form 10-K and Note (12) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a discussion of our Venezuelan operations regarding vessel seizures and Item 1 and Note (12) of Notes to Consolidated Financial Statements included in Item 8 in this Annual Report on Form 10-K for a discussion of our Sonatide joint venture in Angola), including enforcement of customs, immigration or other laws that are not well developed or consistently enforced; foreign government regulations that favor or require the awarding of contracts to local competitors; an inability to recruit, retain or obtain work visas for managers of international operations; difficulties or delays in collecting customer and other accounts receivable; changing taxation policies; fluctuations in currency exchange rates; foreign currency revaluations and devaluations; restrictions on converting foreign currencies into U.S. dollars; expatriating customer and other payments made in jurisdictions outside of the United States; and import/export quotas and restrictions or other trade barriers, most of which are beyond the control of the company.

The company is also subject to acts of piracy and kidnappings that put its assets and personnel at risk. The increase in the level of these criminal or terrorist acts over the last several years has been well-publicized. As a marine services company that operates in offshore, coastal or tidal waters in challenging areas, the company is particularly vulnerable to these kinds of unlawful activities. Although the company takes what it considers to be prudent measures to protect its personnel and assets in markets that present these risks, it has confronted these kinds of incidents in the past, and there can be no assurance it will not be subjected to them in the future.

The continued threat of terrorist activity, other acts of war or hostility and civil unrest have significantly increased the risk of political, economic and social instability in some of the geographic areas in which the company operates. It is possible that further acts of terrorism or civil unrest may be directed against the United States domestically or abroad, and such acts of terrorism or civil unrest could be directed against properties and personnel of U.S. headquartered companies such as ours. To date, the company has not experienced any material adverse effects on its results of operations and financial condition as a result of terrorism, political instability, civil unrest or war.

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Risks Inherent in Acquiring Businesses

Acquisitions have been and we believe will continue to be, an element of our business strategy. We cannot assure that we will be able to identify and acquire acceptable acquisition candidates on terms favorable to us in the future. We may be required to incur substantial indebtedness or issue equity to finance future acquisitions. Such additional debt service requirements may impose a significant burden on our results of operations and financial condition, and any equity issuance could have a dilutive impact on our stockholders. We cannot be certain that we will be able to successfully consolidate the operations and assets of any acquired business with our own business. Acquisitions may not perform as expected when the transaction was consummated and may be dilutive to our overall operating results. In addition, our management may not be able to effectively manage a substantially larger business or successfully operate a new line of business.

Entry into New Lines of Business

Historically, the company s operations and acquisitions focused primarily on offshore marine vessel services for the oil and gas industry. We have recently expanded our capability to provide subsea services through the acquisition of employees with specialized subsea skills and ROVs. The company may expand its subsea capabilities further and enter into additional lines of business. Entry into, or further development of, lines of business in which the company has not historically operated may expose us to business and operational risks that are different from those we have experienced historically. Our management may not be able to effectively manage these additional risks or implement successful business strategies in new lines of business. Additionally, our competitors in these lines of business may possess substantially greater operational knowledge, resources and experience than the company.

Doing Business through Joint Venture Operations

The company operates in several foreign areas through a joint venture with a local company, in some cases as a result of local laws requiring local company ownership. While the joint venture partner may provide local knowledge and experience, entering into joint ventures often requires us to surrender a measure of control over the assets and operations devoted to the joint venture, and occasions may arise when we do not agree with the business goals and objectives of our partner, or other factors may arise that make the continuation of the relationship unwise or untenable. Any such disagreements or discontinuation of the relationship could disrupt our operations, put assets dedicated to the joint venture at risk, or affect the continuity of our business. If we are unable to resolve issues with a joint venture partner, we may decide to terminate the joint venture and either locate a different partner and continue to work in the area or seek opportunities for our assets in another market. The unwinding of an existing joint venture could prove to be difficult or time-consuming, and the loss of revenue related to the termination or unwinding of a joint venture and costs related to the sourcing of a new partner or the mobilization of assets to another market could adversely affect our financial condition, results of operations or cash flows. Please refer to Part 1, Item 1 and Part 1, Item 3 in this Annual Report on Form 10-K for additional discussion of our Sonatide joint venture in Angola and our joint venture in Nigeria, respectively.

International Operations Exposed to Currency Devaluation and Fluctuation Risk

Since we are a global company, our international operations are exposed to foreign currency exchange rate risks on all charter hire contracts denominated in foreign currencies. For some of our international contracts, a portion of the revenue and local expenses is incurred in local currencies and the company is at risk of changes in the exchange rates between the U.S. dollar and foreign currencies. In some instances, we receive payments in currencies which are not easily traded and may be illiquid. We generally do not hedge against any foreign currency rate fluctuations associated with foreign currency contracts that arise in the normal course of business, which exposes us to the risk of exchange rate losses. Gains and losses from the revaluation of our monetary assets and liabilities denominated in currencies other than the U.S. dollar are included in our consolidated statements of operations. Foreign currency fluctuations may cause the U.S. dollar value of our non-U.S. results of operations and net assets to vary with exchange rate fluctuations. This could have a negative impact on our results of operations and financial position. In addition, fluctuations in currencies relative to currencies in which the earnings are generated may make it more difficult to perform period-to-period comparisons of our reported results of operations.

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To minimize the financial impact of these items, we attempt to contract a significant majority of our services in U.S. dollars and, when feasible, the company attempts to not maintain large, non-U.S. dollar-denominated cash balances. In addition, the company attempts to minimize the financial impact of these risks by matching the currency of the company s operating costs with the currency of revenue streams when considered appropriate. We monitor the currency exchange risks associated with all contracts not denominated in U.S. dollars. As of March 31, 2015, Sonatide maintained the equivalent of approximately $150 million of Angola kwanza-denominated deposits in Angolan banks, largely related to customer receipts that had not yet been converted to U.S. dollars, expatriated and then remitted to the company. Any devaluation in the Angolan kwanza relative to the U.S. dollar will result in foreign exchange losses for Sonatide, a portion of which will be borne by the company as a 49% owner of Sonatide.

Operational Hazards Inherent to the Offshore Marine Vessel Industry

The operation of any offshore marine asset involves inherent risks that could adversely affect our financial performance if we are not adequately insured or indemnified. Our operations are also subject to various operating hazards and risks, including risk of catastrophic marine disaster; adverse sea and weather conditions; mechanical failure; navigation and operational errors; collisions and property losses to our marine assets; damage to and loss of drilling rigs and production facilities owned by others; war, sabotage, piracy and terrorism risks; and business interruption due to political action or inaction, including nationalization of assets by foreign governments.

These risks present a threat to the safety of our personnel and assets, cargo, equipment under tow and other property, as well as the environment. Any such event may result in a reduction in our revenues, increased costs, property damage, and additionally, third parties may have significant claims against us for damages due to personal injury, death, property damage, pollution and loss of business. We carry what we consider to be prudent levels of liability insurance, and our vessels and ROVs are generally insured for their estimated market value against damage or loss, including war, terrorism acts, and pollution risks, but the company does not directly or fully insure for business interruption. Our insurance coverages are subject to deductibles and certain exclusions. Further, we can provide no assurance that our insurance coverages will be available beyond current contractual terms, that we will be able to obtain insurance for all operational risks and that our insurance policies will be adequate to cover future claims that may arise.

Our offshore oilfield operations involve a variety of operating hazards and risks that could cause losses.

The company s operations are subject to the hazards inherent in the offshore oilfield business. These include blowouts, explosions, fires, collisions, capsizings, sinkings, groundings and severe weather conditions. These hazards could result in personal injury and loss of life, severe damage to or destruction of property and equipment (including to the property and equipment of third parties), pollution or environmental damage and suspension of operations. Damages arising from such occurrences may result in lawsuits alleging large claims, and the company may incur substantial liabilities or losses as a result of these hazards.

Our exposure to operating hazards may increase significantly with the expansion of its subsea operations, including through the ownership and operation of ROVs. For example, the company may lose equipment, including ROVs, in the course of our subsea operations. This equipment may be difficult or costly to replace, and such losses may result in work stoppages or the loss of customers. Additionally, many of our subsea operations will be performed on or near existing oil and gas infrastructure. These operations may expose us to new or increased liability relating to explosions, blowouts and cratering; mechanical problems, including pipe failure; and environmental accidents, including oil spills, gas leaks or ruptures, uncontrollable flows of oil, gas, brine or well fluids, or other discharges of toxic gases or other pollutants.

While we maintain insurance protection against some of these risks, and seeks to obtain indemnity agreements from our customers requiring the customers to hold the company harmless from some of these risks, the company s insurance and contractual indemnity protection may not be sufficient or effective to protect us under all circumstances or against all risks. The occurrence of a significant event not fully insured or indemnified against or the failure of a customer to meet its indemnification obligations to the company could materially and adversely affect our results of operations and financial condition. Additionally, while we believe that we should

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be able to maintain adequate insurance in the future at rates considered commercially acceptable, we cannot guarantee that such insurance will continue to be available at commercially acceptable rates given the markets in which the company operates.

Compliance with the Foreign Corrupt Practices Act and Similar Worldwide Anti-Bribery Laws

Our global operations require us to comply with a number of U.S. and international laws and regulations, including those involving anti-bribery and anti-corruption. As a U.S. corporation, we are subject to the regulations imposed by the Foreign Corrupt Practices Act (FCPA), which generally prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business or obtaining an improper business benefit. We have adopted proactive procedures to promote compliance with the FCPA, but we may be held liable for actions taken by local partners or agents even though these partners or agents may themselves not be subject to the FCPA. Any determination that we have violated the FCPA (or any other applicable anti-bribery laws in countries in which the company does business) could have a material adverse effect on our business and business reputation, as well as our results of operations, and cash flows.

Compliance with Complex and Developing Laws and Regulations

Our operations are subject to many complex and burdensome laws and regulations. Stringent federal, state, local and foreign laws and regulations governing worker health and safety and the manning, construction and operation of vessels significantly affect our operations. Many aspects of the marine industry are subject to extensive governmental regulation by the United States Coast Guard and the United States Customs and Border Protection and their foreign equivalents and to standards imposed by private industry organizations such as the American Bureau of Shipping, the Oil Companies International Marine Forum, and the International Marine Contractors Association.

Our operations are also subject to federal, state, local and international laws and regulations that control the discharge of pollutants into the environment or otherwise relate to environmental protection. Compliance with such laws and regulations may require installation of costly equipment, increased manning or operational changes. Some environmental laws impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject the company to liability without regard to whether the company was negligent or at fault.

Further, many of the countries in which we operate have laws, regulations and enforcement systems that are largely undeveloped, and the requirements of these systems are not always readily discernible even to experienced and proactive participants. Further, these laws, the application and enforcement of these laws and regulations can be unpredictable and subject to frequent change or reinterpretation, sometimes with retroactive effect, and with associated taxes, fees, fines or penalties sought from the company based on that reinterpretation or retroactive effect. While the company endeavors to comply with applicable laws and regulations, our compliance efforts might not always be wholly successful, and failure to comply may result in administrative and civil penalties, criminal sanctions, imposition of remedial obligations or the suspension or termination of the company s operations. These laws and regulations may expose the company to liability for the conduct of, or conditions caused by, others, including charterers or third party agents. Moreover, these laws and regulations could be changed or be interpreted in new, unexpected ways that substantially increase costs that the company may not be able to pass along to its customers. Any changes in laws, regulations or standards that would impose additional requirements or restrictions could adversely affect the company s financial condition, results of operations or cash flows.

In order to meet the continuing challenge of complying with applicable laws and regulations in jurisdictions where it operates, several years ago we revitalized and strengthened our compliance training, making available and using a worldwide compliance reporting system and performing compliance auditing/monitoring. We appointed our general counsel as our chief compliance officer in fiscal 2008 to help organize and lead these compliance efforts. This strengthened compliance program may from time to time identify past practices that need to be changed or remediated. Such corrective or remedial measures could involve significant expenditures or lead to changes in operational practices that could adversely affect the company s financial condition, results of operations or cash flows.

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Changes in Laws Governing U.S. Taxation of Foreign Source Income

We operate globally through various subsidiaries which are subject to changes in applicable tax laws, treaties or regulations in the jurisdictions in which we conduct our business, including laws or policies directed toward companies organized in jurisdictions with low tax rates. We determine our income tax expense based on our interpretation of the applicable tax laws and regulations in effect in each jurisdiction for the period during which we operate and earn income. A material change in the tax laws, tax treaties, regulations or accounting principles, or interpretation thereof, in one or more countries in which we conduct business, or in which we are incorporated or a resident of, could result in a higher effective tax rate on our worldwide earnings, and such change could be significant to our financial results. In addition, our overall effective tax rate could be adversely and suddenly affected by lower than anticipated earnings in countries with lower statutory rates and higher than anticipated earnings in countries with higher statutory rates, or by changes in the valuation of our deferred tax assets and liabilities.

Approximately 88% of the company s revenues and a majority of the company s net income are generated by its operations outside of the United States. The company s effective tax rate has averaged approximately 20% since fiscal 2006, primarily a result of the passage of The American Jobs Creation Act of 2004, which excluded from the company s current taxable income in the U.S. income earned offshore through our controlled foreign subsidiaries.

Periodically, tax legislative initiatives are proposed to effectively increase U.S. taxation of income with respect to foreign operations. Whether any such initiatives will win congressional or executive approval and become law is presently unknown; however, if any such initiatives were to become law, and were such law to apply to the company s international operations, it could result in a materially higher tax expense, which would have a material impact on the company s financial condition, results of operations or cash flows, and which could cause the company to review the utility of continued U.S. domicile.

In addition, our income tax returns are subject to review and examination by the U.S. Internal Revenue Service and other tax authorities where tax returns are filed. The company routinely evaluates the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for taxes. We do not recognize the benefit of income tax positions we believe are more likely than not to be disallowed upon challenge by a tax authority. If any tax authority successfully challenges our operational structure or intercompany transfer pricing policies, or if the terms of certain income tax treaties were to be interpreted in a manner that is adverse to our structure, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings could increase, and our financial condition and results of operations could be materially and adversely affected.

Compliance with Environmental Regulations

A variety of regulatory developments, proposals and requirements have been introduced (and in some cases enacted) in the U.S. and various other countries that are focused on restricting the emission of carbon dioxide, methane and other gases. Any such regulations could result in the increased cost of energy as well as environmental and other costs, and capital expenditures could be necessary to comply with the limitations. These developments may curtail production and demand for hydrocarbons such as crude oil and natural gas in areas of the world where our customers operate and thus adversely affect future demand for the company s offshore support vessels, ROVs and other assets, which are highly dependent on the level of activity in offshore oil and natural gas exploration, development and production markets. Although it is unlikely that demand for oil and gas will lessen dramatically over the short-term, in the long-term, increased regulation of environmental emissions may create greater incentives for use of alternative energy sources. Unless and until regulations are implemented and their effects are known, we cannot reasonably or reliably estimate their impact on our financial condition, results of operations and ability to compete. However, any long term material adverse effect on the crude oil and natural gas industry may adversely affect our financial condition, results of operations and cash flows.

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Retention of a Sufficient Number of Skilled Workers

Our operations require personnel with specialized skills and experience. As a result, our ability to remain productive and profitable will, in part, depend upon our ability to employ and retain skilled workers. In addition, our ability to expand our operations depends in part on our ability to increase the size of our skilled labor force. The demand for skilled workers in our industry is high, and the supply is limited. We could be faced with shortages of experienced personnel as we expand our operations and enter new markets. In developed countries, many senior engineers, managers and other professionals are reaching retirement age, with no assurance that enough highly skilled graduates and younger workers will be available to replace them.

Unionization Efforts and Collective Bargaining Negotiations

Where locally required, the company has union workers, subject to collective bargaining agreements, that are periodically in negotiation. These negotiations could result in higher personnel expenses, other increased costs, or increased operational restrictions. Further, efforts have been made from time to time to unionize other portions of our workforce, including our U.S. GOM employees. We have also been subjected to threatened strikes or work stoppages and other labor disruptions in certain countries. Additional unionization efforts, new collective bargaining agreements or work stoppages could materially increase our costs and operating restrictions, reduce our revenues, or limit our flexibility.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Information on Properties is contained in Item 1 of this Annual Report on Form 10-K.

ITEM 3. LEGAL PROCEEDINGS

Arbitral Award for the Taking of the Company s Venezuelan Operations

On March 13, 2015, the three member tribunal constituted under the rules of the World Bank s International Centre for the Settlement of Investment Disputes (ICSID) has awarded subsidiaries of the company more than $62 million in compensation, including accrued interest and costs, for the Bolivarian Republic of Venezuela s (Venezuela) expropriation of the investments of those subsidiaries in Venezuela. The award, issued in accordance with the provisions of the Venezuela-Barbados Bilateral Investment Treaty (BIT), represented $46.4 million for the fair market value of the company s principal Venezuelan operating subsidiary, plus interest from May 8, 2009 to the date of payment of that amount accruing at an annual rate of 4.5% compounded quarterly ($13.9 million as of March 13, 2015) and $2.5 million for reimbursement of legal and other costs expended by the company in connection with the arbitration.

As previously reported by the company, on February 16, 2010, Tidewater and certain of its subsidiaries (collectively, the Claimants) filed with ICSID a Request for Arbitration against Venezuela. In May 2009, Petróleos de Venezuela, S.A. (PDVSA), the national oil company of Venezuela, took possession and control of (a) eleven of the Claimants vessels that were then supporting PDVSA operations in Lake Maracaibo, (b) the Claimants shore-based headquarters adjacent to Lake Maracaibo, (c) the Claimants operations in Lake Maracaibo, and (d) certain other related assets. In July 2009, Petrosucre, S.A., a subsidiary of PDVSA, took possession and control of the Claimants four vessels, operations, and related assets in the Gulf of Paria. It was Tidewater s position that, through those measures, Venezuela directly or indirectly expropriated the Claimants Venezuela investments, including the capital stock of the Claimants principal operating subsidiary in Venezuela. As a result of the seizures, the lack of further operations in Venezuela, and the continuing uncertainty about the timing and amount of the compensation the company might collect in the future, the company recorded a charge during the year ended March 31, 2010 to write off substantially all of the assets associated with the company s Venezuelan operations.

The Claimants alleged in the Request for Arbitration that the measures taken by Venezuela against the Claimants violated Venezuela s obligations under the BIT and rules and principles of Venezuelan law and international law. In the first phase of the case, the tribunal addressed Venezuela s objections to the tribunal s jurisdiction over the dispute. On February 8, 2013, the tribunal issued its decision on jurisdiction and found that

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it had jurisdiction over the claims under the BIT, including the claim for compensation for the expropriation of Tidewater s principal operating subsidiary, but that it did not have jurisdiction based on Venezuela s investment law. The practical effect of the tribunal s decision was to exclude from the ICSID arbitration proceeding the Claimants claims for expropriation of the fifteen vessels described above. While the tribunal determined that it did not have jurisdiction over the claim for the seizure of the fifteen vessels, Tidewater received during fiscal 2011 insurance proceeds for the insured value of those vessels (less an additional premium payment triggered by those proceeds).

The Company will take appropriate steps to enforce and collect the award, which is enforceable in any of the 150 member states that are party to the ICSID Convention. As an initial step, the company was successful in having the award recognized and entered on March 16, 2015 as a final judgment by the United States District Court for the Southern District of New York. The Company notes that Venezuela may seek annulment of the award and other post-award relief under the ICSID Convention and may seek a stay of enforcement of the award while those post-award remedial proceedings are pending. Even in the absence of a stay of enforcement, the company recognizes that collection of the award may present significant practical challenges, particularly in the short term. Because the award has yet to be satisfied and post-award relief may be sought by Venezuela, the net impact of these matters on the company cannot be reasonably estimated at this time and the company has not recognized a gain related to these matters as of March 31, 2015.

Nana Tide Sinking

On December 21, 2012, one of the company s anchor handling tugs, the NANA TIDE, sunk in shallow waters off the coast of the Democratic Republic of Congo (DRC). The cause of the loss is not certain. The NANA TIDE was raised and recovered in early February 2014. On November 3, 2014, the NANA TIDE departed DRC waters after receiving proper clearances. The NANA TIDE was towed to a scrapping facility in a nearby country and sold for scrap in December 2014.

Beginning in 2013 and through 2014, the company received correspondence from various DRC agencies fining the company or otherwise requesting the company to pay amounts aggregating several million dollars. The company vigorously opposed these fines/requests. Based on more recent DRC agency correspondence, the company believes that those DRC agencies will not seek to collect the majority of those fines or otherwise require the majority of those payments to be made. To the extent any amounts remain at issue with DRC agencies, the company believes they aggregate less than $1 million. Given the changing position of the DRC agencies and the fact that the company is still evaluating the legal basis for any remaining claims, the company has not concluded that any potential liability is both probable and reasonably estimable and thus no accrual been recorded as of March 31, 2015.

Nigeria Marketing Agent Litigation

On March 1, 2013, Tidewater filed suit in the London Commercial Court against Tidewater s Nigerian marketing agent for breach of the agent s obligations under contractual agreements between the parties. The alleged breach involves actions of the Nigerian marketing agent to discourage various affiliates of TOTAL S.A. from paying approximately $16 million (including U.S. dollar denominated invoices and Naira denominated invoices which have been adjusted for the devaluation of the Naira relative to the U.S. dollar) due to the company for vessel services performed in Nigeria. Shortly after the London Commercial Court filing, TOTAL commenced interpleader proceedings in Nigeria naming the Nigerian agent and the company as respondents and seeking an order which would allow TOTAL to deposit those monies with a Nigerian court for the respondents to resolve. On April 25, 2013, Tidewater filed motions in the Nigerian Federal High Court to stop the interpleader proceedings in Nigeria or alternatively stay them until the resolution of the suit filed in London. The company will continue to actively pursue the collection of those monies. On April 30, 2013, the Nigerian marketing agent filed a separate suit in the Nigerian Federal High Court naming Tidewater and certain TOTAL affiliates as defendants. The suit seeks various declarations and orders, including a claim for the monies that are subject to the above interpleader proceedings, and other relief. The company is seeking dismissal of this suit and otherwise intends to vigorously defend against the claims made. The company has not reserved for this receivable and believes that the ultimate resolution of this matter will not have a material effect on the consolidated financial statements. On or about December 30, 2014, the company received notice that the

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Nigerian marketing agent had filed an action in the Nigerian Federal High court seeking to prevent the continuation of the proceedings initiated by Tidewater in the London Commercial Court. The company intends to vigorously defend that action.

In October, 2012, Tidewater had notified the Nigerian marketing agent that it was discontinuing its relationship with the Nigerian marketing agent. The company has entered into a new strategic relationship with a different Nigerian counterparty that it believes will better serve the company s long term interests in Nigeria. This new strategic relationship is currently functioning as the company intended.

Other Items

Various legal proceedings and claims are outstanding which arose in the ordinary course of business. In the opinion of management, the amount of ultimate liability, if any, with respect to these actions, will not have a material adverse effect on the company s financial position, results of operations, or cash flows. Information related to various commitments and contingencies, including legal proceedings, is disclosed in Note (12) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

None

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PART II

ITEM 5. MARKET FOR THE REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Common Stock Market Prices

The company s common stock is traded on the New York Stock Exchange under the symbol TDW. At March 31, 2015, there were 681 record holders of the company s common stock, based on the record holder list maintained by the company s stock transfer agent. The closing price on the New York Stock Exchange Composite Tape on March 31, 2015 (last business day of the month) was $19.14. The following table sets forth for the periods indicated the high and low sales price of the company s common stock as reported on the New York Stock Exchange Composite Tape and the amount of cash dividends per share declared on Tidewater common stock.

Quarter ended	June 30	September 30	December 31	March 31
Fiscal 2015 common stock prices:				
High	$ 56.95	$ 56.46	$ 40.05	$ 33.82
Low	47.41	38.96	28.40	18.85
Dividend	.25	.25	.25	.25
Fiscal 2014 common stock prices:				
High	$ 61.57	$ 62.25	$ 63.20	$ 60.46
Low	46.90	53.11	54.34	45.51
Dividend	.25	.25	.25	.25

Issuer Repurchases of Equity Securities

In May 2015, the company s Board of Directors authorized an extension of its current common stock repurchase program from its original expiration date of June 30, 2015 to June 30, 2016. If shares are purchased in open market or privately-negotiated transactions pursuant to this share repurchase program, the Company will use its available cash and/or borrowings under its revolving credit facility or other borrowings to fund any share repurchases. As of March 31, 2015, the Company had $100 million remaining authorized under this repurchase program available to repurchase shares. The company evaluates share repurchase opportunities relative to other investment opportunities and in the context of current conditions in the credit and capital markets.

In May 2014, the company s Board of Directors authorized the company to spend up to $200 million to repurchase shares of its common stock in open-market or privately-negotiated transactions. The effective period for this authorization is July 1, 2014 through June 30, 2015. At March 31, 2015, $100 million remains available to repurchase shares under the May 2014 share repurchase program.

In May 2013, the company s Board of Directors authorized the company to spend up to $200 million to repurchase shares of its common stock in open-market or privately-negotiated transactions. The effective period for this authorization is July 1, 2013 through June 30, 2014. No shares were repurchased under the May 2013 program.

The value of common stock repurchased, along with number of shares repurchased, and average price paid per share for the years ended March 31, are as follows:

(In thousands, except share and per share data)	2015	2014	2013
Aggregate cost of common stock repurchased	$ 99,999		85,034
Shares of common stock repurchased	2,841,976		1,856,900
Average price paid per common share	$ 35.19		45.79

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Dividend Program

The declaration of dividends is at the discretion of the company s Board of Directors. The Board of Directors declared the following dividends for each of the last three years ended March 31, as follows:

(In thousands, except per share data)	2015	2014	2013
Dividends declared	$ 49,127	49,973	49,766
Dividend per share	1.00	1.00	1.00

Performance Graph

The following graph compares the cumulative total stockholder return on the company s common stock against the cumulative total return of the Standard & Poor s 500 Stock Index and the cumulative total return of the Value Line Oilfield Services Group Index (the Peer Group) over the last five fiscal years. The analysis assumes the investment of $100 on April 1, 2010, at closing prices on March 31, 2010, and the reinvestment of dividends into additional shares of the same class of equity securities at the frequency with which dividends are paid on such securities during the applicable fiscal year. The Value Line Oilfield Services Group consists of 26 companies including Tidewater Inc.

Indexed returns

Years ended March 31

Company name/Index	2010	2011	2012	2013	2014	2015
Tidewater Inc.	100	129.27	118.92	113.54	111.31	45.22
S&P 500	100	115.65	125.52	143.05	174.31	196.51
Peer Group	100	144.71	115.60	124.60	150.28	108.87

Investors are cautioned against drawing conclusions from the data contained in the graph, as past results are not necessarily indicative of future performance.

The above graph is being furnished pursuant to the Securities and Exchange Commission rules. It will not be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the company specifically incorporates it by reference.

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ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth a summary of selected financial data for each of the last five fiscal years. This information should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in Item 7 and the Consolidated Financial Statements of the company included in Item 8 of this Annual Report on Form 10-K.

Years Ended March 31

(In thousands, except ratio and per share amounts)

	2015 (A)	2014 (B)	2013 (D)	2012	2011 (E)
Statement of Earnings Data :					
Revenues:					
Vessel revenues	$ 1,468,358	1,418,461	1,229,998	1,060,468	1,051,213
Other operating revenues	27,159	16,642	14,167	6,539	4,175
	$ 1,495,517	1,435,103	1,244,165	1,067,007	1,055,388
Gain on asset dispositions, net	$ 9,271	11,722	6,609	17,657	13,228
Goodwill Impairment (C)	$ 283,699	56,283		30,932	
Loss on early extinguishment of debt	$	4,144			
Restructuring charge	$ 4,052				
Operating income (loss)	$ (37,181)	201,541	206,232	113,554	139,336
Net earnings (loss)	$ (65,190)	140,255	150,750	87,411	105,616
Basic earnings per common share	$ (1.34)	2.84	3.04	1.71	2.06
Diluted earnings per common share	$ (1.34)	2.82	3.03	1.70	2.05
Cash dividends declared per common share	$ 1.00	1.00	1.00	1.00	1.00
Balance Sheet Data (at end of period):					
Cash and cash equivalents	$ 78,568	60,359	40,569	320,710	245,720
Total assets	$ 4,756,162	4,885,829	4,168,055	4,061,618	3,748,116
Current maturities of long-term debt	$ 10,181	9,512			
Long-term debt	$ 1,524,295	1,505,358	1,000,000	950,000	700,000
Total stockholders equity	$ 2,474,488	2,679,384	2,561,756	2,526,357	2,513,944
Working capital (F)	$ 386,581	418,528	241,461	455,171	395,558
Current ratio (F)	1.80	2.04	1.91	2.91	3.15
Cash Flow Data:					
Net cash provided by operating activities	$ 358,713	104,617	213,923	222,421	264,206

Net cash used in investing activities	$ (231,418)	(403,685)	(413,487)	(315,081)	(569,943)
Net cash (used in) provided by financing activities	$ (109,086)	318,858	(80,577)	167,650	328,387

(A) During fiscal 2015, the company recorded a $23.8 million ($23.8 million after-tax, or $0.51 per common share) non-cash adjustment related to the valuation of deferred tax assets.

(B) During fiscal 2014, the company incurred transaction costs of $3.7 million ($2.4 million after tax, or $0.05 per common share) related to the purchase of Troms Offshore and a loss on early extinguishment of debt that was issued by Troms Offshore and retired by the company of $4.1 million, ($3 million after tax, or $0.06 per common share).

(C) During fiscal 2015, 2014 and 2012, the company recorded a $283.7 million ($214.9 million after-tax, or $4.43 per share), a $56.3 million ($43.4 million after-tax, or $0.87 per share) and a $30.9 million ($22.1 million after-tax, or $0.43 per share) non-cash goodwill impairment charge respectively, as disclosed in Note 16 of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

(D) During fiscal 2013, the company recorded a settlement charge of $5.2 million ($3.4 million after tax, or $0.07 per commons share) related to the payment of retirement benefits to a former Chief Executive Officer.

(E) Fiscal 2011 net earnings includes a $4.4 million, or $0.08 per common share, final settlement with the DOJ and a $6.3 million, or $0.12 per common share, settlement with the Federal Government of Nigeria related to the internal investigation as disclosed in Note (12) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

(F) Working capital and current ratio includes amounts due to and from affiliates, as disclosed in Note (12) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

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ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the accompanying consolidated financial statements as of March 31, 2015 and 2014 and for the years ended March 31, 2015, 2014 and 2013 that we included in Item 8 of this Annual Report on Form 10-K. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. The company s future results of operations could differ materially from its historical results or those anticipated in its forward-looking statements as a result of certain factors, including those set forth under Risk Factors in Item 1A and elsewhere in this Annual Report on Form 10-K. With respect to this section, the cautionary language applicable to such forward-looking statements described under Forward-Looking Statements found before Item 1 of this Annual Report on Form 10-K is incorporated by reference into this Item 7.

Fiscal 2015 Business Highlights and Key Focus

During fiscal 2015 the company continued to focus on enhancing its competitive advantages and its market share in U.S. and international markets and continued to modernize its vessel fleet to increase future earnings capacity while removing from active service certain older vessels that had more limited market opportunities. Key elements of the company s strategy continue to be the preservation of its strong financial position and the maintenance of adequate liquidity to fund the possible expansion of its fleet of newer vessels and the development of the company s subsea business, and to withstand the depressed business environment resulting from the precipitous drop in oil prices and E&P spending. Operating management focused on safe operations, minimizing unscheduled vessel downtime, improving the oversight over major repairs and maintenance projects and drydockings, maintaining disciplined cost control and identifying potential cost savings that could be realized in the context of lower crude oil prices and reduced spending plans of E&P companies.

The company s strategy includes the continuing assessment of opportunities to acquire vessels and/or companies that own and operate offshore support vessels as well as organic growth through the construction of vessels at a variety of shipyards worldwide. The company has the largest number of new offshore support vessels (PSVs and AHTS vessels only), including deepwater PSVs and AHTS vessels and towing-supply vessels, among its competitors in the industry.

While the company only committed to the construction or purchase of three deepwater PSVs in early fiscal 2015, we continued to execute our vessel construction program that had begun in calendar year 2000, most notably through the delivery of nine new vessels during fiscal 2015. More broadly, the company s vessel construction and acquisition program has facilitated the company s entrance into deepwater markets around the world and allowed the company to begin to replace its non-deepwater towing-supply fleet with fewer, larger, and more technologically sophisticated vessels. The vessel construction and acquisition program was initiated with the intent of strengthening the company s presence in all major oil and gas producing regions of the world and of meeting deepwater and non-deepwater offshore support vessel requirements of the company s key customers. In addition to the construction and acquisition of vessels, the company acquired two ultra-deepwater remotely operated vehicles (ROV) during the fourth quarter of fiscal 2015 in order to further enhance the range of offshore services provided to customers.

In recent years, the company has generally funded vessel additions with operating cash flow, together with asset sale proceeds, funds provided by the various private placements of unsecured notes, borrowings under its credit facilities and various leasing arrangements.

The company intends to continue to pursue its fleet modernization strategy on a disciplined basis and, in each case, will carefully consider whether proposed investment opportunities have the appropriate risk/return-on- investment profile.

At March 31, 2015, the company had commitments to build 24 vessels at a number of different shipyards around the world at a total cost, including contract costs and other incidental costs, of approximately $690.7 million. At March 31, 2015, the company had invested approximately $310.6 million in progress

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payments towards the construction of these 24 vessels. At March 31, 2015, the remaining expenditures necessary to complete construction of the 24 vessels currently under construction (based on contract prices) was $380.1 million.

In April 2015, the company notified an international shipyard that it was terminating three towing-supply vessel contracts, as a result of late delivery and requested the return of approximately $36 million in aggregate installment payments together with interest on these installments. There was approximately $13 million in remaining expenditures to be made on these three vessels at the time of the termination. In May 2015, the company and another international shipyard that is constructing two of the 275-foot deepwater PSVs came to an agreement that provides the company an option to take delivery of one or both vessels at any time prior to June 30, 2016 or receive the return of installments aggregating $5.7 million per vessel at the end of this period. There were approximately $41 million of remaining costs to be incurred on these two vessels at the time of the agreement. Additionally, a partially constructed fast supply boat under construction in Brazil is experiencing substantial delay. This fast supply boat was originally scheduled to be delivered in September of 2009. Further discussions of these matters are disclosed in the Vessel Count, Dispositions, Acquisitions and Construction Programs section of Item 7 and Note (12) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

A full discussion of the company s capital commitments, scheduled delivery dates and vessel sales is disclosed in the Vessel Count, Dispositions, Acquisitions and Construction Programs section of Item 7 and Note (12) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

The company s outstanding receivable from Sonatide for work in Angola stabilized in fiscal 2015 and was approximately $420 million at March 31, 2015. The company s outstanding payable to Sonatide (including commissions payable) was approximately $186 million at March 31, 2015. The company s outstanding receivable from Sonatide and outstanding payable to Sonatide (including commissions payable) at March 31, 2014 was approximately $430 million and approximately $86 million, respectively. The company has funded net working capital related to Sonatide with debt.

The company has had some success in obtaining contracts that allow for a portion of services to be paid in dollars and has initiated some conversion of kwanzas into dollars. For additional disclosure regarding the Sonatide Joint Venture, refer to Part 1, Item 1, of this Annual Report on Form 10-K. Excluding the goodwill impairment charges taken in fiscal 2015 and fiscal 2014 (net of associated tax benefits), net earnings decreased approximately 19%, or approximately $34 million, during fiscal 2015.

Despite the industry downturn which occurred over the latter half of fiscal 2015, the company s revenue during fiscal 2015 increased $60.4 million, or 4%, over the revenues earned during fiscal 2014, even in a more challenged business environment, primarily driven by the overall increases in utilization and average day rates experienced in fiscal 2015 due to the increased number of newer and more sophisticated vessels in the company s fleet. The company s consolidated net earnings decreased 130%, or $181.6 million during fiscal 2015, as fiscal 2015 net earnings reflect, in part, a $283.7 million non-cash goodwill impairment charge ($214.9 million after-tax, or $4.43 per share) recorded during the third quarter of fiscal 2015 related to the company s remaining goodwill as disclosed in Note (16) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K

The increases in revenues were accompanied by increases in vessel operating costs which increased 5%, or $38.5 million, during fiscal 2015 as compared to fiscal 2014. Crew costs increased approximately 8%, or $31.8 million, during fiscal 2015 as compared to fiscal 2014, primarily because the average size of the vessels that the company operated increased during fiscal 2015 (due to the delivery or acquisition of newer, larger vessels and the disposition of older, smaller vessels) and because of the overall higher cost of personnel necessary to operate the company s vessels. Supplies and fuel cost increased 15%, or $11.7 million, during the same comparative periods, and is attributable to a greater number of vessels repositioned during fiscal 2015. These increases were partially offset by decreases in repair and maintenance costs of $3.5 million, or 2%, and insurance costs of $1.9 million, or 10% during the same comparative periods.

The company also experienced a 5%, or $7.7 million, increase in depreciation and amortization expense due to the higher costs associated with acquiring and constructing the company s newer, more sophisticated vessels.

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General and administrative expenses increased 1%, or $1.8 million, primarily due to the ramp up of shore-based personnel to support the company s subsea operations, larger vessel operations in the Americas and Middle East/North Africa regions and the inclusion of Troms for a full fiscal year in 2015 versus ten months in fiscal 2014. Additionally, gains on asset dispositions, net, decreased by 21%, or $2.5 million, due a fewer number of vessels sold compared to the prior year as well as a greater amount of impairments of vessels and other assets. The reduction in the number of vessels sold and the increase in impairments during fiscal 2015 was partially offset by an increase in gains recognized related to amortization of deferred gains from sale/leasebacks.

Increases to borrowings, including the revolver and obligations of Troms Offshore, resulted in higher interest and other debt expenses of $6.2 million, or 14%, as disclosed in Note (5) of Notes to Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K. The overall decrease to pre-tax earnings contributed to a 176%, or $57.7 million decrease to income tax expense.

Macroeconomic Environment and Outlook

The primary driver of our business (and revenues) is the level of our customers capital and operating expenditures for offshore oil and natural gas exploration, field development and production. These expenditures, in turn, generally reflect our customers expectations for future oil and natural gas prices, economic growth, hydrocarbon demand, estimates of current and future oil and natural gas production, the relative cost of exploring, developing and producing onshore and offshore oil and natural gas, and our customers ability to access exploitable oil and natural gas resources. The prices of crude oil and natural gas are critical factors in our customers investment and spending decisions, including their decisions to contract drilling rigs and offshore support vessels in support of offshore exploration, field development and production activities in the various global geographic markets, most of which the company already operates.

Although it has stabilized in recent weeks, the price of crude oil has declined significantly over the last twelve months, a trend that accelerated sharply in the third fiscal quarter, primarily due to a less optimistic forecast of worldwide economic growth and increased global oil and gas production. In particular, oil and gas production in the U.S. has increased significantly in recent years, but collectively there has been no offsetting production decline in other countries, including OPEC member countries. Some analysts believe that lower oil prices and increased volatility in commodity markets in recent months also reflect the impact of speculators reducing their long positions in futures markets. During the most recent quarter, the global economy experienced modest growth, led by China, the U.S. and India; however, some analysts have scaled back their original growth forecasts as a result of a slower than expected Euro-zone recovery, recent developments in Russia, and continuing geopolitical concerns in the Middle East. The demand for crude oil typically follows economic growth expectations and as analysts have scaled back their economic growth forecasts they have generally revised their worldwide crude oil demand forecasts downward.

Tidewater anticipates that its longer-term utilization and day rate trends for its vessels will be correlated with demand for, and the price of, crude oil, which during May 2015, was trading around $60 per barrel for West Texas Intermediate (WTI) crude and around $65 per barrel for Intercontinental Exchange (ICE) Brent crude. The current pricing outlook and recent trend in crude oil prices could adversely affect additional drilling and exploration activity as prices for WTI and ICE Brent are significantly below the average prices per barrel reportedly used in exploration and production (E&P) companies capital expenditure budgets as reported in 2015 E&P spending surveys.

The continuing rise in production of unconventional gas resources in North America and the commissioning of a number of new, large, Liquefied Natural Gas (LNG) export facilities around the world have contributed to an oversupplied natural gas market. Earlier in the year, natural gas inventories in the U.S. declined from historic highs primarily due to increased consumption during a colder than average winter. More recently, however, natural gas inventories have risen, once again exerting downward pressure on natural gas prices in the U.S. Prolonged periods of oversupply of natural gas (whether from conventional or unconventional natural gas production or gas produced as a byproduct of conventional or unconventional crude oil production) will likely continue to suppress prices for natural gas, although over the longer term, relatively low natural gas prices may also lead to increased demand for the resource. High levels of onshore gas production along with a prolonged downturn in natural gas prices would be expected over the short and intermediate term to negatively impact the offshore exploration and development plans of energy companies, which in turn would suppress demand for offshore support vessel services. The impact of lower gas prices in recent years has been most pronounced in

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our Americas segment and specifically in our U.S. operations where natural gas is a more prevalent, exploitable hydrocarbon resource. In May 2015, natural gas was trading in the U.S. at approximately $2.70 per Mcf.

Certain oil and gas industry analysts have reported in their surveys of estimated 2015 E&P expenditures (both land-based and offshore) that global capital expenditure budgets for E&P companies are forecast to decrease in calendar year 2015 between approximately 5% and 17% from calendar year 2014 levels; however, these analysts recognize that the capital expenditure budgets included in their surveys were based on an approximate $65-$70 WTI average price per barrel of crude oil, with current prices significantly lower and the possibility that actual 2015 oil prices could average well below the prices assumed in their initial capital spending budgets, therefore resulting in even lower expected levels of capital spending in 2015. These surveys also indicate that most E&P companies are assuming an approximate $3.50-$4.00 per Mcf average natural gas price for their 2015 capital budgets. The surveys further note that international capital spending budgets will decrease approximately 2%-15% while North American capital spending budgets are forecast to decrease between 11%-22% as compared to calendar 2014 levels.

Deepwater activity continues to be a significant segment of the global offshore crude oil and natural gas markets, and it is also believed to be a source of potential long-term growth for the company. Deepwater oil and gas development typically involves significant capital investment and multi-year development plans. Such projects are generally underwritten by the participating exploration, field development and production companies using relatively conservative assumptions relating to crude oil and natural gas prices. These projects are, therefore, considered to be less susceptible to short-term fluctuations in the price of crude oil and natural gas though it is possible that the recent pullback in crude oil prices may also cause E&P companies to reevaluate their future capital expenditures in regards to deepwater projects.

Reports published by IHS-Petrodata in April of 2015 indicate that the worldwide movable offshore drilling rig count is estimated at approximately 950 rigs, of which approximately 675 offshore rigs were working as of April 2015. While the supply of, and demand for, offshore drilling rigs that meet the technical requirements of end user exploration and development companies may be key drivers of pricing for contract drilling services, the company believes that the number of rigs working offshore rather than the total population of moveable offshore drilling rigs is a better indicator of overall offshore activity levels and the demand for offshore support vessel services.

Of the estimated 950 movable rigs worldwide, approximately 35%, or approximately 320 rigs, are designed to operate in deeper waters. Of the approximately 675 working offshore rigs in April 2015, approximately 235 rigs are designed to operate in deeper waters. As of April 2015, the number of working rigs that are designed to operate in deeper waters was approximately 5% less than the number of deepwater rigs working a year ago. It is further estimated that approximately 40% of the approximate 220 new-build rig total, or approximately 85 rigs, are being built to operate in deeper waters, suggesting that newbuild deepwater rigs represent 35% of the approximately 235 deepwater rigs working in April 2015.

Recognizing that 85 newbuild rigs designed to operate in deeper waters represent approximately 35% of the approximate 235 deepwater rigs working in April 2015, there is some uncertainty as to whether the deepwater rigs currently under construction will, at least in the near- to intermediate-term, increase the working fleet or merely replace older, less productive drilling units. As a result, it is not clear what impact the delivery of additional rigs (deepwater and otherwise) within the next several years will have on the working rig count, especially in an environment of expected reduced E&P spending.

Investment is also being made in the floating production unit market, with approximately 100 new floating production units under construction and expected to be delivered primarily over the next three years to supplement the approximately 350 floating production units already installed worldwide, however, given the current economic environment, the risk of cancellation of some new build contracts or the stacking of installed but underutilized rigs increases.

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In addition to the relatively stable deepwater drilling activity levels, worldwide shallow-water exploration and production activity has remained stable during the last twelve months. According to IHS-Petrodata, there were approximately 390 working jack-up rigs as of April 2015, which is approximately the same number of jack-up rigs working a year ago. The construction backlog for new jack-up rigs has decreased approximately 15% over the last twelve months to approximately 125 jack-up rigs, nearly all of which are scheduled for delivery in the next three years. As discussed above with regards to the deepwater rig market and recognizing that 125 newbuild jackup rigs represent 30% of the approximately 390 jack up rigs working in April 2015, there is also uncertainty as to how many of the jack-up rigs currently under construction will either increase the working fleet or replace older, less productive jack-up rigs.

Also according to IHS-Petrodata, there are approximately 540 new-build offshore support vessels (deepwater PSVs, deepwater AHTS vessels and towing-supply vessels only) either under construction (420 vessels), on order or planned as of April 2015. Most of the vessels under construction are expected to be delivered to the worldwide offshore vessel market within the next two years.

Also, as of April 2015, the worldwide fleet of these classes of vessels is estimated at approximately 3,270 vessels, of which Tidewater estimates more than 10% are currently stacked or are not being actively marketed by the vessels owners.

Further increases in worldwide vessel capacity would tend to have the effect of lowering charter rates, particularly when there are lower levels of exploration, field development and production activity.

The worldwide offshore marine vessel industry has a large number of aged vessels, including approximately 650 vessels, or 20%, of the worldwide offshore fleet, that are at least 25 years old and nearing or exceeding original expectations of their estimated economic lives. These older vessels, of which Tidewater estimates 40% to 50% are already either stacked or are not being actively marketed by the vessels owners, could potentially be removed from the market within the next few years if the cost of extending the vessels lives is not economically justifiable. Although the future attrition rate of these aging vessels cannot be determined with certainty, the company believes that the retirement of a sizeable portion of these aged vessels could mitigate the potential negative effects of new-build vessels on vessel utilization and vessel pricing. As discussed above, additional vessel demand, which could mitigate the possible negative effects of the new-build vessels being added to the offshore support vessel fleet, could also be created by the delivery of new drilling rigs and floating production units to the extent such new drilling rigs and/or floating production units both become operational and are not offset by the idling or retirement of existing active drilling rigs and floating production units.

Excluding the vessels that the company estimates to already be stacked or not actively being marketed by the vessels owners, the company estimates that the number of offshore support vessels under construction (420 vessels) represents approximately 12% to 13% of the existing worldwide fleet of these vessels. Excluding all of the 650 vessels that are at least 25 years old, the company estimates that the number of offshore support vessels under construction (420 vessels) represents approximately 16% of the existing worldwide fleet of these vessels.

Although we believe investment in additional rigs, especially those capable of operating in deeper waters, indicates offshore rig owner s longer-term expectation for high levels of activity, the recent decline in crude oil and natural gas prices, the reduction in spending expectations among E&P companies and the number of new-build vessels which are expected to deliver within the next two years indicates that there may be, at least in the short-term, a period of potential overcapacity in the worldwide offshore support vessel fleet which may lead to lower utilization and average day rates across the offshore support vessel industry.

Principal Factors That Drive Our Revenues

The company s revenues, net earnings and cash flows from operations are largely dependent upon the activity level of its offshore marine vessel fleet. As is the case with the many other vessel operators in our industry, our business activity is largely dependent on the level of exploration, field development and production activity of our customers. Our customers business activity, in turn, is dependent on crude oil and natural gas prices, which fluctuate depending on expected future levels of supply and demand for crude oil and natural gas, and on estimates of the cost to find, develop and produce reserves.

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The company s revenues in all segments are driven primarily by the company s fleet size, vessel utilization and day rates. Because a sizeable portion of the company s operating costs and its depreciation does not change proportionally with changes in revenue, the company s operating profit is largely dependent on revenue levels.

Principal Factors That Drive Our Operating Costs

Operating costs consist primarily of crew costs, repair and maintenance costs, insurance costs and loss reserves, fuel, lube oil and supplies costs and other vessel operating costs.

Fleet size, fleet composition, geographic areas of operation, supply and demand for marine personnel, and local labor requirements are the major factors which affect overall crew costs in all segments. In addition, the company s newer, more technologically sophisticated PSVs and AHTS vessels generally require a greater number of specially trained, more highly compensated fleet personnel than the company s older, smaller and less sophisticated vessels. The delivery of new-build offshore rigs and support vessels currently under construction may further increase the number of technologically sophisticated offshore rigs and support vessels operating worldwide. Crew costs may continue to increase as competition for skilled personnel intensifies, through a weaker offshore energy market should somewhat mitigate the upward trend in crew costs experienced in recent years. Overall labor costs will also be impacted by the company s operation of remotely operated vehicles (ROVs), which generally require more highly compensated personnel than the company s existing fleet.

The timing and amount of repair and maintenance costs are influenced by expectations of future customer demand for our vessels, as well as vessel age and drydockings and other major repairs and maintenance mandated by regulatory agencies. A certain number of periodic drydockings are required to meet regulatory requirements. The company will generally incur drydocking and other major repairs and maintenance costs only if economically justified, taking into consideration the vessel s age, physical condition, contractual obligations, current customer requirements and future marketability. When the company elects to forego a required regulatory drydock or major or repairs and maintenance, it stacks and occasionally sells the vessel because it is not permitted to work without valid regulatory certifications. When the company drydocks a productive vessel, the company not only foregoes vessel revenues and incurs drydocking and other major repairs and maintenance costs, but it also generally continues to incur vessel operating and depreciation costs. In any given period, vessel downtime associated with drydockings and major repairs and maintenance can have a significant effect on the company s revenues and operating costs.

At times, major repairs and maintenance and drydockings take on an increased significance to the company and its financial performance. Older vessels may require frequent and expensive repairs and maintenance. Newer vessels (generally those built after 2000), which now account for a majority of the company s revenues and vessel margin (vessel revenues less vessel operating costs), can also require expensive major repairs and maintenance, even in the early years of a vessel s useful life, due to the larger relative size and greater relative complexity of these vessels. Conversely, when the company stacks vessels, repair and maintenance expense in any period could decline. The combination of these factors can create volatility in period to period repairs and maintenance expense, and incrementally increase the volatility of the company s revenues and operating income, thus making period-to-period comparisons of financial results more difficult.

Although the company attempts to efficiently manage its major repairs and maintenance and drydocking schedule, changes in the demand for (and supply of) shipyard services can result in heavy workloads at shipyards and inflationary pressure on shipyard pricing. In recent years, increases in major repair and maintenance and drydocking costs and days off hire (due to vessels being drydocked) have contributed to volatility in repair and maintenance costs and vessel revenue. In addition, some of the more recently constructed vessels are now experiencing their first or second required regulatory drydockings and associated major repairs and maintenance.

Insurance and loss reserves costs are dependent on a variety of factors, including the company s safety record and pricing in the insurance markets, and can fluctuate over time. The company s vessels are generally insured for up to their estimated fair market value in order to cover damage or loss resulting from marine casualties, adverse weather conditions, mechanical failure, collisions, and property losses to the vessel. The company also purchases coverage for potential liabilities stemming from third-party losses with limits that it believes are reasonable for its operations. Insurance limits are reviewed annually, and third-party coverage is purchased based on the expected scope of ongoing operations and the cost of third-party coverage.

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Fuel and lube costs can also fluctuate in any given period depending on the number and distance of vessel mobilizations, the number of active vessels off charter, drydockings, and changes in fuel prices.

The company also incurs vessel operating costs that are aggregated as other vessel operating costs. These costs consist of brokers commissions, including commissions paid to unconsolidated joint venture companies, training costs and other miscellaneous costs. Brokers commissions are incurred primarily in the company s non-United States operations where brokers sometimes assist in obtaining work for the company s vessels. Brokers generally are paid a percentage of day rates and, accordingly, commissions paid to brokers generally fluctuate in accordance with vessel revenue. Other costs include, but are not limited to, satellite communication fees, agent fees, port fees, canal transit fees, vessel certification fees, temporary vessel importation fees and any fines or penalties.

Results of Operations

Tidewater manages and measures its business performance in four distinct operating segments which are based on our geographical organization: Americas, Asia/Pacific, Middle East/North Africa, and Sub-Saharan Africa/Europe. The following table compares vessel revenues and vessel operating costs (excluding general and administrative expenses, depreciation expense, vessel operating leases, goodwill impairment, and gains on asset dispositions) for the company s vessel fleet and the related percentage of vessel revenue for the years ended March 31. Vessel revenues and operating costs relate to vessels owned and operated by the company.

(In thousands)		2015	%	2014	%	2013	%
Vessel revenues:							
Americas	$	505,699	35%	410,731	29%	327,059	27%
Asia/Pacific		150,820	10%	154,618	11%	184,014	15%
Middle East/North Africa		205,787	14%	186,524	13%	149,412	12%
Sub-Saharan Africa/Europe		606,052	41%	666,588	47%	569,513	46%
Total vessel revenues	$	1,468,358	100%	1,418,461	100%	1,229,998	100%
Vessel operating costs:							
Crew costs	$	428,131	29%	396,332	28%	356,165	29%
Repair and maintenance		173,788	12%	177,331	13%	132,587	11%
Insurance and loss reserves		17,683	1%	19,628	1%	20,765	2%
Fuel, lube and supplies		88,272	6%	76,609	5%	79,023	6%
Other		126,494	9%	125,990	9%	104,041	8%
Total vessel operating costs	$	834,368	57%	795,890	56%	692,581	56%

The following table compares other operating revenues and costs related to the company s ROV and related subsea services operations, third-party activities of the company s shipyards, brokered vessels and other miscellaneous marine-related activities for the years ended March 31.

(In thousands)		2015	2014	2013
Other operating revenues	$	27,159	16,642	14,167
Costs of other operating revenues		26,505	15,745	12,216

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The following table presents vessel operating costs by the company s segments, the related segment vessel operating costs as a percentage of segment vessel revenues, total vessel operating costs and the related total vessel operating costs as a percentage of total vessel revenues for each for the fiscal years ended March 31.

(In thousands)		2015	%	2014	%	2013	%
Vessel operating costs:							
Americas:							
Crew costs	$	148,034	29%	122,790	30%	112,339	34%
Repair and maintenance		57,782	12%	49,693	12%	44,798	14%
Insurance and loss reserves		5,095	1%	5,530	1%	5,171	1%
Fuel, lube and supplies		26,792	5%	20,045	5%	19,081	6%
Other		33,494	7%	29,078	7%	23,015	7%
		271,197	54%	227,136	55%	204,404	62%
Asia/Pacific:							
Crew costs	$	62,660	41%	59,075	38%	69,726	38%
Repair and maintenance		19,582	13%	11,772	8%	10,469	6%
Insurance and loss reserves		2,181	1%	1,691	1%	2,510	1%
Fuel, lube and supplies		11,330	8%	9,370	6%	10,887	6%
Other		8,667	6%	9,824	6%	9,313	5%
		104,420	69%	91,732	59%	102,905	56%
Middle East/North Africa:							
Crew costs	$	62,517	31%	49,844	27%	39,227	26%
Repair and maintenance		25,228	12%	19,316	10%	11,530	8%
Insurance and loss reserves		3,822	2%	3,138	2%	2,869	2%
Fuel, lube and supplies		14,372	7%	15,780	8%	11,598	8%
Other		15,183	7%	13,145	7%	9,653	7%
		121,122	59%	101,223	54%	74,877	51%
Sub-Saharan Africa/Europe:							
Crew costs	$	154,920	26%	164,623	25%	134,873	24%
Repair and maintenance		71,196	12%	96,550	14%	65,790	11%
Insurance and loss reserves		6,585	1%	9,269	1%	10,215	2%
Fuel, lube and supplies		35,778	6%	31,414	5%	37,457	7%
Other		69,150	11%	73,943	11%	62,060	11%
		337,629	56%	375,799	56%	310,395	55%
Total vessel operating costs	$	834,368	57%	795,890	56%	692,581	56%

The following table compares operating income and other components of earnings before income taxes, and its related percentage of total revenues for the years ended March 31.

(In thousands)		2015	%	2014	%	2013	%
Vessel operating profit:							
Americas	$	122,988	8%	90,936	6%	40,318	3%
Asia/Pacific		11,541	1%	29,044	2%	43,704	4%
Middle East/North Africa		37,258	3%	42,736	3%	39,069	3%
Sub-Saharan Africa/Europe		122,169	8%	136,092	10%	129,460	10%
		293,956	20%	298,808	21%	252,551	20%
Other operating loss		(8,022)	(1%)	(1,930)	(<1%)	(833)	(<1%)
		285,934	19%	296,878	21%	251,718	20%
Corporate general and administrative expenses		(40,621)	(3%)	(47,703)	(4%)	(48,704)	(4%)
Corporate depreciation		(4,014)	(<1%)	(3,073)	(<1%)		