SEACOR HOLDINGS INC /NEW/
Form 10-Q
April 30, 2009
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2009 or

¨ **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 1-12289

SEACOR Holdings Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**13-3542736**

(State or Other Jurisdiction of	**(IRS Employer**
Incorporation or Organization)	**Identification No.)**
2200 Eller Drive, P.O. Box 13038, **Fort Lauderdale, Florida** **(Address of Principal Executive Offices)**	**33316** **(Zip Code)**

954-523-2200

(Registrant s Telephone Number, Including Area Code)

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 ¨ No ¨

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 definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer ¨	Non-accelerated filer ¨ (Do not check if a smaller reporting company)	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

The total number of shares of common stock, par value $.01 per share, outstanding as of April 24, 2009 was 20,190,516. The Registrant has no other class of common stock outstanding.

Table of Contents

SEACOR HOLDINGS INC.

Table of Contents

Part I.	Financial Information		3
	Item 1.	Financial Statements (Unaudited)	3
		Condensed Consolidated Balance Sheets as of March 31, 2009 and December 31, 2008	3
		Condensed Consolidated Statements of Income for the Three Months Ended March 31, 2009 and 2008	4
		Condensed Consolidated Statement of Changes in Equity for the Three Months Ended March 31, 2009	5
		Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2009 and 2008	6
		Notes to the Condensed Consolidated Financial Statements	7
	Item 2.	Management s Discussion and Analysis of Financial Condition and Results of Operations	20
	Item 3.	Quantitative and Qualitative Disclosures About Market Risk	35
	Item 4.	Controls and Procedures	36
Part II.	Other Information		37
	Item 1A.	Risk Factors	37
	Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	37
	Item 6.	Exhibits	37

Table of Contents

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SEACOR HOLDINGS INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data, unaudited)

	March 31, 2009	December 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 376,720	$ 275,442
Restricted cash	23,984	20,787
Marketable securities	50,785	53,817
Receivables:		
Trade, net of allowance for doubtful accounts of $5,258 and $5,730 in 2009 and 2008, respectively	262,170	277,350
Other	41,515	40,141
Inventories	62,065	66,278
Deferred income taxes	5,164	5,164
Prepaid expenses and other	11,286	10,499
Total current assets	833,689	749,478
Property and Equipment	2,761,837	2,741,322
Accumulated depreciation	(649,971)	(601,806)
Net property and equipment	2,111,866	2,139,516
Investments, at Equity, and Receivables from 50% or Less Owned Companies	158,066	150,062
Construction Reserve Funds & Title XI Reserve Funds	297,681	305,757
Goodwill	52,919	51,496
Intangible Assets	27,230	28,478
Other Assets, net of allowance for doubtful accounts of $888 in 2008	36,086	34,867
	$ 3,517,537	$ 3,459,654
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 12,301	$ 33,671
Current portion of capital lease obligations	921	907
Accounts payable and accrued expenses	104,023	102,798
Other current liabilities	145,421	139,425
Total current liabilities	262,666	276,801
Long-Term Debt	910,156	895,689
Capital Lease Obligations	7,426	7,685
Deferred Income Taxes	530,825	515,455
Deferred Gains and Other liabilities	111,714	121,796
Total liabilities	1,822,787	1,817,426

Equity:		
SEACOR Holdings Inc. stockholders equity:		
Preferred stock, $.01 par value, 10,000,000 shares authorized; none issued nor outstanding		
Common stock, $.01 par value, 60,000,000 shares authorized; 32,538,588 and 32,390,838 shares issued in 2009 and 2008, respectively	325	324
Additional paid-in capital	959,092	956,457
Retained earnings	1,455,765	1,402,771
Shares held in treasury of 12,348,072 and 12,373,291 in 2009 and 2008, respectively, at cost	(723,154)	(724,357)
Accumulated other comprehensive loss:		
Cumulative translation adjustments, net of tax	(5,578)	(5,045)
Derivative loss on cash flow hedge, net of tax	(36)	
	1,686,414	1,630,150
Noncontrolling interests in subsidiaries	8,336	12,078
Total equity	1,694,750	1,642,228
	$ 3,517,537	$ 3,459,654

The accompanying notes are an integral part of these condensed consolidated financial statements

and should be read in conjunction herewith.

Table of Contents

SEACOR HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except share data, unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Operating Revenues	$ 399,516	$ 354,455
Costs and Expenses:		
Operating	248,412	235,040
Administrative and general	38,682	39,005
Depreciation and amortization	39,264	37,800
	326,358	311,845
Gains on Asset Dispositions and Impairments, Net	16,760	11,906
Operating Income	89,918	54,516
Other Income (Expense):		
Interest income	1,043	7,476
Interest expense	(14,337)	(13,491)
Debt extinguishment gains, net	1,363	
Marketable security losses, net	(3,981)	(5,684)
Derivative gains, net	3,611	6,467
Foreign currency gains, net	658	2,610
Other, net	190	164
	(11,453)	(2,458)
Income Before Income Tax Expense and Equity In Earnings of 50% or Less Owned Companies	78,465	52,058
Income Tax Expense	28,199	19,790
Income Before Equity in Earnings of 50% or Less Owned Companies	50,266	32,268
Equity in Earnings of 50% or Less Owned Companies, Net of Tax	3,527	4,579
Net Income	53,793	36,847
Net Income attributable to Noncontrolling Interests in Subsidiaries	799	202
Net Income attributable to SEACOR Holdings Inc.	$ 52,994	$ 36,645
Basic Earnings Per Common Share of SEACOR Holdings Inc.	$ 2.68	$ 1.64
Diluted Earnings Per Common Share of SEACOR Holdings Inc.	$ 2.36	$ 1.50
Weighted Average Common Shares Outstanding:		
Basic	19,761,776	22,343,655
Diluted	23,507,459	26,011,338

The accompanying notes are an integral part of these condensed consolidated financial statements

and should be read in conjunction herewith.

Table of Contents

SEACOR HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands, unaudited)

	SEACOR Holdings Inc. Stockholders Equity							
	Common Stock	Additional Paid-In Capital	Retained Earnings	Shares Held In Treasury	Accumulated Other Comprehensive Loss	Non-Controlling Interests In Subsidiaries	Total Equity	Comprehensive Income
December 31, 2008, previously reported	$ 324	$ 922,540	$ 1,421,712	$ (724,357)	$ (5,045)	$ 12,078	$ 1,627,252	
Adoption of FSP APB 14-1 (see note 8)		33,917	(18,941)				14,976	
December 31, 2008, as adjusted	324	956,457	1,402,771	(724,357)	(5,045)	12,078	1,642,228	
Issuance of common stock:								
Employee Stock Purchase Plan				1,228			1,228	
Exercise of stock options		234					234	
Director stock awards		97					97	
Restricted stock and restricted stock units	1	(703)		42			(660)	
Amortization of share awards		3,071					3,071	
Cancellation of restricted stock		67		(67)				
Conversion option on purchased Convertible Debentures		(131)					(131)	
Purchase of subsidiary shares from noncontrolling interest						(4,541)	(4,541)	
Comprehensive income:								
Net income			52,994			799	53,793	$ 53,793
Other comprehensive loss					(569)		(569)	(569)
Three months ended March 31, 2009	$ 325	$ 959,092	$ 1,455,765	$ (723,154)	$ (5,614)	$ 8,336	$ 1,694,750	$ 53,224

The accompanying notes are an integral part of these consolidated financial statements

and should be read in conjunction herewith.

Table of Contents

SEACOR HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands, unaudited)

	Three Months Ended March 31,	
	2009	**2008**
Net Cash Provided by Operating Activities	$ 99,168	$ 59,268
Cash Flows from Investing Activities:		
Purchases of property and equipment	(25,688)	(81,492)
Proceeds from disposition of property and equipment	43,867	38,051
Purchases of marketable securities		(82,406)
Proceeds from sales of marketable securities		23,072
Cash settlements on derivative transactions, net		4,647
Investments in and advances to 50% or less owned companies	(5,473)	(3,985)
Return of investments and advances from 50% or less owned companies	1,064	60
Proceeds on sale of investments from 50% or less owned companies	136	
Principal payments on third party notes receivable, net	1,198	218
Net increase in restricted cash	(3,197)	(8,528)
Net decrease (increase) in construction reserve funds and title XI reserve funds	8,076	(8,681)
Net decrease in escrow deposits on like-kind exchanges		8,427
(Investments in) repayments on leases, net	(2,074)	23
Business acquisitions, net of cash acquired	(1,563)	(2,594)
Net cash provided by (used in) investing activities	16,346	(113,188)
Cash Flows from Financing Activities:		
Payments on long-term debt and capital lease obligations	(39,690)	(1,186)
Proceeds from issuance of long-term debt, net of offering costs	25,000	
Common stock acquired for treasury		(45,900)
Proceeds and tax benefits from share award plans	780	3,599
Purchase of subsidiary shares from noncontrolling interest	(250)	
Cash received from noncontrolling interest		2,447
Net cash used in financing activities	(14,160)	(41,040)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(76)	2,442
Net Increase (Decrease) in Cash and Cash Equivalents	101,278	(92,518)
Cash and Cash Equivalents, Beginning of Period	275,442	537,305
Cash and Cash Equivalents, End of Period	$ 376,720	$ 444,787

The accompanying notes are an integral part of these condensed consolidated financial statements

and should be read in conjunction herewith.

Table of Contents

SEACOR HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

1. Basis of Presentation

The condensed consolidated financial information for the three months ended March 31, 2009 and 2008 has been prepared by the Company and has not been audited by its independent registered public accounting firm. The condensed consolidated financial statements include the accounts of SEACOR Holdings Inc. and its consolidated subsidiaries. In the opinion of management, all adjustments (consisting of normal recurring adjustments) have been made to present fairly the Company s financial position as of March 31, 2009, its results of operations for the three months ended March 31, 2009 and 2008, its changes in equity for the three months ended March 31, 2009 and its cash flows for the three months ended March 31, 2009 and 2008. Results of operations for the interim periods presented are not necessarily indicative of operating results for the full year or any future periods.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and related notes thereto included in the Company s Annual Report on Form 10-K for the year ended December 31, 2008.

Unless the context otherwise indicates, any references in this Quarterly Report on Form 10-Q to the Company refer to SEACOR Holdings Inc. and its consolidated subsidiaries and any references in this Quarterly Report on Form 10-Q to SEACOR refer to SEACOR Holdings Inc.

Effective January 1, 2009, the Company adopted Statement of Financial Accounting Standard (SFAS) No. 160, *Accounting and Reporting of Noncontrolling Interest in Consolidated Financial Statements, an Amendment of ARB No. 51*. SFAS No. 160 amends Accounting Research Bulletin (ARB) No. 51, *Consolidated Financial Statements*, to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This standard defines a noncontrolling interest, previously called a minority interest, as the portion of equity in a subsidiary not attributable, directly or indirectly, to the Company. SFAS No. 160 requires, among other items, that a noncontrolling interest be included in the consolidated statement of financial position within equity separate from the Company s equity; consolidated net income to be reported at amounts inclusive of both the Company s and noncontrolling interest s shares and, separately, the amounts of consolidated net income attributable to the Company and noncontrolling interest all on the consolidated statement of income; and if a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be measured at fair value and a gain or loss be recognized in net income based on such fair value. The presentation and disclosure requirements of SFAS No. 160 were applied retrospectively. Other than the change in presentation of noncontrolling interests and its inclusion in comprehensive income, the adoption of SFAS No. 160 had no impact on the Company s consolidated financial position or its results of operations.

2. Financial Instruments Measured at Fair Value

The fair value of an asset or liability, as defined by SFAS No. 157, *Fair Value Measurements*, is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS No. 157 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable

Table of Contents

for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair vale of the assets or liabilities.

The Company s assets and liabilities as of March 31, 2009 that are measured at fair value on a recurring basis are summarized below (in thousands):

	Level 1	Level 2	Level 3
ASSETS			
Marketable securities	$ 50,245	$ 540	$
Derivative instruments	295	1,193	
Construction reserve funds and Title XI reserve funds	297,681		
LIABILITIES			
Short sale of marketable securities	4,456		
Derivative instruments	1,111	1,630	

Effective January 1, 2009, the Company adopted Financial Accounting Standards Board (FASB) Staff Position No. 157-2, *Effective Date of FASB Statement No. 157* (FSP SFAS No. 157-2), with no material impact on its consolidated financial position or its results of operations. FSP SFAS No. 157-2 deferred for one year the effective date of SFAS No. 157 for certain nonfinancial assets and certain nonfinancial liabilities.

3. Derivative Instruments and Hedging Strategies

Effective January 1, 2009, the Company adopted SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133.* SFAS No. 161 requires enhanced disclosure for derivative instruments and hedging activities about how and why an entity uses derivative instruments and hedges and how derivative instruments and related hedged items are accounted for under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and how derivative instruments and related hedged items affect an entity s financial position, financial performance and cash flows.

The Company accounts for derivatives in accordance with SFAS No. 133. All of the Company s derivative positions are stated at fair value in the accompanying condensed consolidated balance sheets. Realized and unrealized gains and losses on derivatives not designated as hedges under SFAS No. 133 are reported in the accompanying condensed consolidated statements of income as derivative gains, net. Realized and unrealized gains and losses on derivatives designated as fair value hedges are recognized as corresponding increases or decreases in the fair value of the underlying hedged item to the extent they are effective, with any ineffective portion reported in the accompanying condensed consolidated statements of income as derivative gains, net. Realized and unrealized gains and losses on derivatives designated as cash flow hedges are reported as a component of other comprehensive loss in the accompanying condensed consolidated statement of changes in equity to the extent they are effective and reclassified into earnings on the same line item associated with the hedged transaction and in the same period the hedged transaction affects earnings. Any ineffective portion of cash flow hedges are reported in the accompanying condensed consolidated statements of income as derivative gains, net.

Table of Contents

Derivative instruments are classified as either assets or liabilities based on whether their individual fair value is a gain or loss. Derivative assets and liabilities are included in other receivables and other current liabilities, respectively, in the accompanying condensed consolidated balance sheets. The fair values of the Company s derivative instruments as of March 31, 2009 are as follows (in thousands):

	Derivative Asset	Derivative Liability
Derivatives designated as hedging instruments under SFAS No. 133:		
Forward currency exchange contracts (fair value hedges)	$ 500	$
Interest rate swap agreement (cash flow hedge)		75
	500	75
Derivatives not designated as hedging instruments under SFAS No. 133:		
Options on equities and equity indices	186	540
Forward currency exchange, option and future contracts	785	1,783
Interest rate swap agreement		191
Commodity swap, option and future contracts:		
Exchange traded		
Non-exchange traded		
U.S. treasury notes and bond future and option contracts	17	152
	988	2,666
	$ 1,488	$ 2,741

The Company evaluates the risk of counterparty default by monitoring the financial condition of the financial institutions and counterparties involved and by primarily conducting business with large, well-established financial institutions and diversifying its counterparties. The Company does not currently anticipate nonperformance by any of its significant counterparties.

Fair Value Hedges. As of March 31, 2009, the Company has designated certain of its forward currency exchange contracts with notional values of 16.0 million as fair value hedges under SFAS No. 133 in respect of capital commitments denominated in euros scheduled to be delivered in 2010. By entering into these forward currency exchange contracts, the Company has fixed a portion of its euro capital commitments in U.S. dollars to protect against currency fluctuations. During the three months ended March 31, 2009, the Company designated 15.0 million notional value of its forward currency exchange contracts as fair value hedges under SFAS No. 133, in addition to the 20.0 million previously so designated as of December 31, 2008. During the three months ended March 31, 2009, the Company no longer designated 19.0 million notional value of these contracts as fair value hedges under SFAS No. 133.

For the three months ended March 31, 2009, the Company recognized gains (losses) on derivative instruments designated as fair value hedges as follows (in thousands):

	Derivative gains (losses), net
Forward currency exchange contracts, effective and ineffective portions	$ (1,468)
Increase in fair value of hedged items included in property and equipment corresponding to effective portion of derivative losses	1,860
	$ 392

Table of Contents

***Cash Flow Hedge*.** On March 23, 2009, the Company entered into an interest rate swap agreement expiring March 2014 with a notional value of $25.0 million. The Company designated this instrument as a cash flow hedge under the provisions of SFAS No. 133. This instrument calls for the Company to pay a fixed interest rate of 2.25% on the notional value and receive in return a variable interest rate based on LIBOR on the notional value. By entering into this interest rate swap agreement, the Company has converted the variable LIBOR component on $25.0 million of outstanding borrowings under its revolving credit facility maturing in 2013 to a fixed interest rate to protect against interest rate fluctuations.

For the three months ended March 31, 2009, the Company recognized gains (losses) on a derivative instrument designated as a cash flow hedge as follows (in thousands):

	Other comprehensive income (loss)	Derivative gains (losses), net
Interest rate swap agreement, effective portion	$ (62)	$
Interest rate swap agreement, ineffective portion		(18)
Reclassification of derivative losses to interest expense	6	
	$ (56)	$ (18)

***Other Derivative Instruments*.** For the three months ended March 31, 2009, the Company recognized gains (losses) on derivative instruments not designated as hedging instruments under SFAS No. 133 as follows (in thousands):

	Derivative gains (losses), net
Options on equities and equity indices	$ 2,079
Forward currency exchange, option and future contracts	540
Interest rate swap agreement	(191)
Commodity swap, option and future contracts:	
Exchange traded	(15)
Non-exchange traded	1,079
U.S. treasury notes and bond future and option contracts	(255)
	$ 3,237

The Company holds positions in publicly traded equity options that convey the right or obligation to engage in a future transaction on the underlying equity security or index. The Company s investment in equity options primarily includes positions in energy, marine, transportation and other related businesses. These contracts are typically entered into to mitigate the risk of changes in market value of marketable security positions that the Company is either about to acquire, has acquired or is about to dispose of.

The Company has entered into and settled positions in various forward currency exchange, option and future contracts with respect to the pound sterling, euro, yen, rupee, Singapore dollar, won, Taiwanese dollar, Thai baht, ringgit, dinar, renminbi, dirham, Brazilian real and rand. As of March 31, 2009, the outstanding forward currency exchange contracts translate to a net purchase of foreign currencies with an aggregate U.S. dollar equivalent of $4.5 million. These contracts enable the Company to buy currencies in the future at fixed exchange rates, which could offset possible consequences of changes in foreign exchange rates with respect to the Company s business conducted in Europe, Africa, the Middle East and Asia. The Company generally does not enter into contracts with forward settlement dates beyond twelve months.

Table of Contents

On March 24, 2009, the Company entered into an interest rate swap agreement expiring March 2014 with a notional value of $25.0 million. This instrument calls for the Company to pay a fixed interest rate of 2.335% on the notional value and receive in return a variable interest rate based on LIBOR on the notional value. By entering into this interest rate swap agreement, the Company is protecting against interest rate fluctuations on the variable LIBOR component on $25.0 million of outstanding borrowings under its revolving credit facility maturing in 2013. This instrument does not currently qualify as a cash flow hedge under the provisions of SFAS No. 133.

The Company has entered into and settled positions in various commodity swap, option and future contracts (primarily natural gas, crude oil, gasoline and ethanol). The general purpose of these transactions is to provide value to the Company should there be a sustained decline in the price of commodities that over time could lead to a reduction in the market values and cash flows of the Company s offshore, inland river and commodity trading businesses.

The Company has also entered into and settled various future contracts with unrelated third parties to buy and sell commodities. These contracts are non-exchange traded and typically result in physical delivery of the underlying commodity. As of March 31, 2009, the Company carried ethanol inventory relating to the physical delivery of product from these transactions with a carrying value of $10.9 million.

The Company has entered into and settled various positions in U.S. treasury notes and bonds through futures or options on futures tied to U.S. treasury notes. The general purpose of these transactions is to provide value to the Company should the price of U.S. treasury notes and bonds decline, leading to generally higher interest rates, which if sustained over time, might lead to higher interest costs for the Company.

4. Business Acquisitions

Effective January 1, 2009, the Company adopted SFAS No. 141(R), *Business Combinations*. SFAS No. 141(R) amended the Company s accounting policy by requiring the Company to recognize on its future acquisitions, with certain exceptions, 100 percent of the fair value of assets acquired, liabilities assumed, and non-controlling interests when the acquisition constitutes a change in control of the acquired entity. It establishes that shares issued in consideration for a business combination be at fair value on the acquisition date, requires the recognition of contingent consideration arrangements at their acquisition-date fair values with subsequent changes in fair value generally reflected in earnings, and requires recognition of pre-acquisition loss and gain contingencies at their acquisition-date fair values. It also provides for the capitalization of in-process research and development assets acquired, requires acquisition-related transaction costs to be expensed as incurred, allows for the capitalization of acquisition-related restructuring costs only if the criteria in SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*, are met as of the acquisition date, and requires as an adjustment to income tax expense any changes in an acquirer s existing income tax valuation allowances and tax uncertainty accruals.

SRI Acquisition. On September 7, 2007, the Company acquired all of the issued and outstanding shares of Solid Resources, Inc. and Solid Resources, LLC (collectively referred to as SRI), providers of environmental services in the southeastern United States. The selling stockholder of SRI has the opportunity to receive additional consideration of up to $39.5 million based upon certain performance measures over the period from the date of acquisition through September 30, 2011, which will be recognized by the Company as additional cost of the acquisition when the contingency is resolved and when any additional consideration is distributable. During the three months ended March 31, 2009, the Company paid $0.9 million of additional consideration in accordance with the acquisition agreement that was recorded as goodwill in the accompanying condensed consolidated balance sheets.

Link Acquisition. On September 7, 2007, the Company acquired all of the issued and outstanding shares of Link Associates International Global Limited (Link), a provider of environmental services in the United Kingdom. The selling stockholder of Link has the opportunity to receive additional consideration of up to

£2.8 million based upon certain performance measures during the period from the date of acquisition through May 31, 2010, which will be recognized by the Company as additional cost of the acquisition when the contingency is resolved and when any additional consideration is distributable. During the three months ended March 31, 2009, the Company paid £61,560 ($0.1 million) of additional consideration in accordance with the acquisition agreement that was recorded as goodwill in the accompanying condensed consolidated balance sheets.

RMA Acquisition. On October 1, 2006, the Company acquired all of the issued and outstanding shares of Response Management Associates, Inc. (RMA), a provider of environmental consulting services. The selling stockholder of RMA has the opportunity to receive additional consideration of $8.5 million based upon certain performance measures over the period from the date of the acquisition through September 30, 2012, which will be recognized by the Company as additional cost of the acquisition when the contingency is resolved and when any additional consideration is distributable. During the three months ended March 31, 2009, the Company paid $0.6 million of additional consideration in accordance with the acquisition agreement that was recorded as goodwill in the accompanying condensed consolidated balance sheets.

5. Equipment Acquisitions, Dispositions and Depreciation Policy

During the three months ended March 31, 2009, capital expenditures were $25.7 million. Equipment deliveries during the period included one offshore marine vessel, one inland river towboat and two helicopters.

During the three months ended March 31, 2009, the Company sold eight offshore marine vessels and four inland river dry cargo barges. One leased helicopter was a total loss after an accident in the North Sea. The Company received $43.9 million on the disposition of these assets, including the insurance proceeds for the helicopter, and recognized net gains of $16.8 million.

Equipment, stated at cost, is depreciated using the straight-line method over the estimated useful life of the asset to an estimated salvage value. With respect to each class of asset, the estimated useful life is based upon a newly built asset being placed into service and represents the point at which it is typically not justifiable for the Company to continue to operate the asset in the same or similar manner. From time to time, the Company may acquire older assets that have already exceeded the Company s useful life policy, in which case the Company depreciates such assets based on its best estimate of remaining useful life, typically the next survey or certification date.

As of March 31, 2009, the estimated useful life (in years) of each of the Company s major categories of new equipment was as follows:

Offshore marine vessels	20
Tankers[(1)]	25
Inland river dry cargo and deck barges	20
Inland river liquid tank barges	25
Inland river towboats	25
Dry-cargo vessels	25
Helicopters	12
Harbor and offshore tugs[(2)]	25
Ocean liquid tank barges	25

(1) Subject to Oil Pollution Act of 1990 (OPA 90) requirements.

(2) Effective April 1, 2008, the Company changed its estimated useful life for newly built harbor and offshore tugs from 40 to 25 years and reduced the remaining useful life of certain vessels within its harbor and offshore tug fleet due to the more frequent occurrence of technological advancements in vessel design. These changes in estimates did not materially impact the comparability of financial information for the periods presented.

6. Investments at Equity and Receivables from 50% or Less Owned Companies

Dart. On July 22, 2008, a wholly owned subsidiary of the Company, Era DHS LLC, acquired 49% of the capital stock of Dart Helicopter Services LLC (Dart) for cash consideration of $21.0 million. Dart is an international sales, marketing and manufacturing organization focusing on after market helicopter accessories. The Company has performed a preliminary fair value analysis of Dart as of the acquisition date. The excess of the purchase price over the Company s interest in Dart s net assets has been initially allocated to intangible assets and goodwill in the amount of $9.8 million each. The preliminary fair value analysis is not yet complete.

7. Commitments and Contingencies

The Company s unfunded capital commitments as of March 31, 2009 consisted primarily of offshore marine vessels, helicopters, ocean liquid tank barges and inland river towboats and totaled $124.6 million, of which $87.0 million is payable during the remainder of 2009 and the balance payable in 2010. Of the total unfunded capital commitments, $22.9 million may be terminated without further liability other than the payment of liquidated damages of $3.1 million in the aggregate. Subsequent to March 31, 2009, the Company committed to purchase additional equipment for $8.0 million and extended the delivery dates and timing of payments totaling $16.8 million for certain equipment from 2009 to 2010.

The Company has guaranteed the payment of amounts owed by one of its joint ventures under a vessel charter agreement that expires in 2011. In addition, the Company has guaranteed amounts owed under banking facilities by certain of its joint ventures and has issued a performance guarantee on behalf of one of its joint ventures. As of March 31, 2009, the total amount guaranteed by the Company under these arrangements was $23.0 million. Additionally, as of March 31, 2009, the Company had an uncalled capital commitment to one of its joint ventures for $2.7 million.

In the normal course of its business, the Company becomes involved in various litigation matters including, among other things, claims by third parties for alleged property damages, personal injuries and other matters. Management has used estimates in determining the Company s potential exposure to these matters and has recorded reserves in its financial statements related thereto as appropriate. It is possible that a change in the Company s estimates related to these exposures could occur, but the Company does not expect such changes in estimated costs will have a material effect on the Company s consolidated financial position or its results of operations.

Under United States law, United States persons are prohibited from business activities and contracts in certain countries, including Sudan and Iran. Relating to these prohibitions, Seabulk International, Inc. (Seabulk), a subsidiary of SEACOR acquired in July 2005, filed three reports with and submitted documents to the Office of Foreign Asset Control (OFAC) of the U.S. Department of Treasury in December 1999 and January and May 2002. One of the reports was also filed with the Bureau of Export Administration of the U.S. Department of Commerce. The reports and documents related to certain limited charters with third parties involving three Seabulk vessels that called in Sudan for several months in 1999 and January 2000 and charters with third parties involving several of Seabulk s vessels that called in Iran in 1998. In March 2003, Seabulk received notification from OFAC that the case has been referred to its Civil Penalties Division. Should OFAC determine that these activities constituted violations of the laws or regulations, civil penalties, including fines, could be assessed against Seabulk or certain individuals who knowingly participated in such activity. The Company cannot predict the extent of such penalties; however, management does not believe the outcome of these matters will have a material impact on its consolidated financial position or its results of operations.

During 2006 and 2007, Marine Transportation Services (MTS) had two of its tankers retrofitted to a double-hull configuration in a foreign shipyard to enable each of them to continue to transport crude oil and petroleum products beyond their OPA 90 mandated retirement dates in 2011. Both vessels operate in the U.S. coastwise, or Jones Act, trade which is restricted to vessels built or rebuilt in the United States. In May 2005,

MTS received a determination from the U.S. Coast Guard (USCG), which administers the United States build requirements of the Jones Act, concluding the retro-fit work would not constitute a foreign rebuilding and therefore would not jeopardize the tankers eligibility to operate in the U.S. coastwise trade. MTS completed the retrofit work in the foreign shipyard in reliance upon the USCG s determination, which MTS believes was correct and in accord with the USCG s long-standing regulations and interpretations. On July 9, 2007, a U.S. shipbuilders trade association and two operators of tankers in the U.S. coastwise trade (Shipbuilders) commenced a civil action in the U.S. District Court for the Eastern District of Virginia, *Shipbuilders Council of America, Inc., et al. v. U.S. Department of Homeland Security, et al.* , No. 1:07cv665 (E.D. Va.) (the SB Trader Litigation), in which they sought to have the court set aside the USCG s determination and direct the USCG to revoke the coastwise license of one of the two retrofitted tankers, the *Seabulk Trader*. MTS intervened in the action to assist the USCG in defending its determination. On April 24, 2008, the Court issued a Memorandum Opinion granting a motion for summary judgment by Shipbuilders setting aside the USCG s determination and remanding the matter to the USCG for further proceedings with instructions to revoke the coastwise endorsement of the *Seabulk Trader*. On April 30, 2008, MTS appealed the decision to the U.S. Court of Appeals for the Fourth Circuit (the Court of Appeals), and the lower court s decision has been stayed pending appeal, subject to certain terms (which MTS has also separately appealed). Those terms require that MTS pay to the plaintiffs 12.5% of the revenue generated by the *Seabulk Trader* from November 7, 2008 in the event that the Court of Appeals affirms the lower court s decision to revoke its coastwise endorsement. On July 2, 2008, Shipbuilders commenced a second civil action in the U.S. District Court for the Eastern District of Virginia, entitled *Shipbuilders Council of America, Inc., et al. v. U.S. Department of Homeland Security, et al.,* No. 1:08cv680 (E.D. Va.) (the SB Challenge Litigation), alleging essentially identical claims as those asserted in the SB Trader Litigation against MTS s second retrofitted tanker, the *Seabulk Challenge.* MTS has intervened in the SB Challenge Litigation, which has been stayed pending the decision of the Court of Appeals in the SB Trader Litigation. The loss of coastwise eligibility for its two retrofitted tankers could adversely affect the Company s financial condition and its results of operations. The aggregate carrying value of the Company s two retro-fitted tankers was $58.3 million as of March 31, 2009 and such tankers contributed operating revenues of $7.5 million during the three months ended March 31, 2009.

Certain subsidiaries of the Company are participating employers in an industry-wide, multi-employer, defined benefit pension fund, the United Kingdom Merchant Navy Officers Pension Fund (MNOPF). Under the direction of a court order, any deficit of the MNOPF is to be remedied through funding contributions from all participating employers. The Company s participation relates to officers employed between 1978 and 2002 by SEACOR s Stirling group of companies (which had been acquired by SEACOR in 2001) and its predecessors. Based on an actuarial valuation of the MNOPF in 2003, the Company was invoiced and expensed $4.4 million in 2005, representing the Company s allocated share of a total funding deficit of $412.0 million. Subsequent to this invoice, the pension fund trustees determined that $49.0 million of the $412.0 million deficit was deemed uncollectible due to the non-existence or liquidation of certain participating employers and the Company was invoiced and expensed $0.6 million in March 2007 for its allocated share of the uncollectible deficit. Based on an actuarial valuation of the MNOPF in 2006, the Company was invoiced and expensed $3.9 million in September 2007, representing the Company s allocated share of an additional funding deficit of $332.6 million. Depending on the results of future actuarial valuations, it is possible that the MNOPF will experience further funding deficits requiring the Company to recognize payroll related operating expenses in the periods invoices are received. A funding update as of March 2008 indicated that an additional funding deficit of $116.2 million had developed over the two years since the last actuarial valuation in 2006. No invoices in respect of this deficit will be issued to participating employers until the results of the next actuarial valuation, due in March 2009, are available. Should the deficit be maintained at current levels through the March 2009 actuarial valuation the Company estimates its share of the deficit to be approximately $1.5 million. The Company would recognize payroll related operating expenses at such time as it is invoiced for its share of any funding deficit.

A subsidiary of the Company is a participating employer in an industry-wide, multi-employer, defined benefit pension fund, the United Kingdom Merchant Navy Ratings Pension Fund (MNRPF). The Company s participation relates to ratings employed between 1978 and 2001 by SEACOR s Stirling group of companies

(which had been acquired by SEACOR in 2001) and its predecessors. Based on an actuarial valuation in March 2008, the MNRPF has an accumulated funding deficit of $284.2 million. No decision has yet been reached as to how the deficit will be recovered but the Company expects it is likely that participating employers will be invoiced for their allocated share, at which time the Company would recognize payroll related operating expenses. The Company estimates its allocated share of the deficit to be approximately $1.0 million.

8. Long-Term Debt and Capital Lease Obligations

As of March 31, 2009, the Company had $125.0 million outstanding borrowings under its revolving credit facility. The remaining availability under this facility was $322.9 million, net of issued letters of credit of $2.1 million. In addition, the Company had other outstanding letters of credit totaling $40.7 million with various expiration dates through 2012. Subsequent to March 31, 2009, an additional letter of credit was issued apart from the Company s revolving credit facility in the amount of $6.0 million with an expiration in 2010.

During the three months ended March 31, 2009, the Company made principal repayments of $22.8 million on its long-term debt and capital lease obligations excluding debt repurchases (see note 9).

Effective January 1, 2009, the Company adopted FASB Staff Position, Accounting Principles Board 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)* (FSP APB 14-1). FSP APB 14-1 requires issuers of convertible debt to account separately for the liability and equity components in a manner that reflects the issuers non-convertible debt borrowing rate. The resulting debt discount is amortized over the period the debt is expected to be outstanding as additional non-cash interest expense. Upon adopting FSP APB 14-1, the Company recorded the impact on a retrospective basis for all periods presented and adjusted previously reported equity as of December 31, 2008 by increasing additional paid-in capital $33.9 million and reducing retained earnings $18.9 million. For the three months ended March 31, 2009 and 2008, the impact of adopting FSP APB 14-1 on the Company s condensed consolidated statements of income was an additional $2.1 million and $1.9 million of pre-tax, non-cash interest expense, respectively. For the three months ended March 31, 2009 and 2008, the impact of the adoption on basic earnings per share was a reduction of $0.07 and $0.06 per share, respectively.

9. Stock and Debt Repurchases

SEACOR s Board of Directors previously approved a securities repurchase plan that authorizes the Company to acquire shares of SEACOR common stock, par value $0.01 per share (Common Stock), and its 2.875% Convertible Debentures due 2024. During the three months ended March 31, 2009, the Company repurchased $2.0 million in principal amount of its 2.875% Convertible Debentures due 2024 for $1.9 million and none of its Common Stock. During the three months ended March 31, 2008, the Company acquired for treasury 545,400 shares of Common Stock for an aggregate purchase price of $45.9 million and none of its 2.875% Convertible Debentures due 2024. As of March 31, 2009, the remaining authority under the repurchase plan was $147.2 million. Subsequent to March 31, 2009, the Company purchased $1.8 million in principal amount of its 2.875% Convertible Debentures due 2024 for $1.8 million.

Additionally, the Company may purchase, separate from such authorization noted above, any or all of its 7.2% Senior Notes due 2009, its 5.875% Senior Notes due 2012 and its 9.5% Senior Notes due 2013. During the three months ended March 31, 2009, the Company repurchased $1.0 million in principal amount of its 5.875% Senior Notes due 2012 and $13.9 million in principal amount of its 9.5% Senior Notes due 2013 for an aggregate purchase price of $15.0 million. During the three months ended March 31, 2008, the Company did not purchase any of its Senior Notes. Subsequent to March 31, 2009, the Company purchased $37.0 million in principal amount of its 7.2% Senior Notes due 2009 for $37.4 million.

10. Acquisition of a Noncontrolling Interest

Effective January 1, 2009, the Company purchased the remaining noncontrolled subsidiary shares in a tank farm and handling facility in Sauget, Illinois and certain related leasehold improvements from a noncontrolling

interest holder. The aggregate purchase price of $9.6 million included a note payable of $7.0 million, the forgiveness of a $2.4 million note receivable from the noncontrolling interest holder and cash consideration of $0.3 million.

11. Earnings Per Common Share of SEACOR

In accordance with SFAS No. 128, *Earnings Per Share*, basic earnings per common share of SEACOR are computed based on the weighted average number of common shares issued and outstanding during the relevant periods. Diluted earnings per common share of SEACOR are computed based on the weighted average number of common shares issued and outstanding plus the effect of potentially dilutive securities through the application of the treasury stock and if-converted methods. Dilutive securities for this purpose assumes restricted stock grants have vested, common shares have been issued pursuant to the exercise of outstanding stock options and common shares have been issued pursuant to the conversion of outstanding convertible debentures. For the three months ended March 31, 2009 and 2008, diluted earnings per common share of SEACOR excluded 916,472 and 564,145, respectively, of certain share awards as the effect of their inclusion in the computation would have been antidilutive.

Computations of basic and diluted earnings per common share of SEACOR are included in the table below (in thousands, except per share data). Certain prior period information has been retrospectively adjusted to reflect the adoption of FSP APB 14-1 (see note 8).

	For the Three Months Ended March 31,		
	Net Income	Average O/S Shares	Per Share
2009			
Basic Earnings Per Common Share of SEACOR Holdings Inc.	$ 52,994	19,762	$ 2.68
Effect of Dilutive Securities, net of tax:			
Options and Restricted Stock		328	
Convertible Securities	2,558	3,417	
Diluted Earnings Per Common Share of SEACOR Holdings Inc.	$ 55,552	23,507	$ 2.36
2008			
Basic Earnings Per Common Share of SEACOR Holdings Inc.	$ 36,645	22,344	$ 1.64
Effect of Dilutive Securities, net of tax:			
Options and Restricted Stock		249	
Convertible Securities	2,475	3,418	
Diluted Earnings Per Common Share of SEACOR Holdings Inc.	$ 39,120	26,011	$ 1.50

12. Comprehensive Income

For the three months ended March 31, 2009 and 2008, total comprehensive income was $53.2 million and $34.4 million, respectively (total comprehensive income for the three months ended March 31, 2008 has been retrospectively adjusted to reflect the adoption of SFAS No. 160 and FSP APB 14-1 see notes 1 and 8). For the three months ended March 31, 2009, other comprehensive loss consisted of gains and losses from foreign currency translation adjustments, net of tax, and derivative losses on a cash flow hedge, net of tax (see note 3). For the three months ended March 31, 2008, other comprehensive loss consisted of gains and losses from foreign currency translation adjustments, net of tax, and unrealized holding gains and losses on available-for-sale marketable securities, net of tax.

Table of Contents

13. Share Based Compensation

The following transactions have occurred in connection with the Company s share based compensation plans during the three months ended March 31, 2009:

Director stock awards granted	1,250
Employee Stock Purchase Plan (ESPP) shares issued	25,527
Restricted stock awards granted	141,250
Restricted stock awards cancelled	1,140
Shares released from Deferred Compensation Plan	1,207
Restricted Stock Unit Activities:	
Outstanding as of December 31, 2008	1,445
Granted	600
Converted to shares and issued to Deferred Compensation Plan	(375)
Outstanding as of March 31, 2009	1,670
Stock Option Activities:	
Outstanding as of December 31, 2008	1,129,685
Granted	50,710
Exercised	(4,875)
Cancelled	(3,025)
Outstanding as of March 31, 2009	1,172,495
Shares available for future grants and ESPP purchases as of March 31, 2009	503,587

14. New Accounting Pronouncement

On May 15, 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles.* SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements that are presented in conformity with generally accepted accounting principles in the United States. SFAS No. 162 is effective 60 days following the SEC s approval of the Public Company Accounting Oversight Board amendments to the American Institute of Certified Public Accountants Professional Standards AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. The Company does not expect the adoption of SFAS No. 162 will result in a change in its current accounting policies and as such will have no impact on its consolidated financial position or its results of operations.

15. Segment Information

Accounting standards require public business enterprises to report information about each of their operating business segments that exceed certain quantitative thresholds or meet certain other reporting requirements. Operating business segments have been defined as a component of an enterprise about which separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company s basis of measurement of segment profit or loss has not changed from those previously described in the Company s Annual Report on Form 10-K for the year ended December 31, 2008.

17

Table of Contents

The following tables summarize the operating results, capital expenditures and assets of the Company s reportable segments. Certain prior period information has been retrospectively adjusted to reflect the adoption of FSP APB 14-1 (see note 8). Certain reclassifications of prior period information have been made to conform to the current period s segment presentation.

	Offshore Marine Services $ 000	Marine Transportation Services $ 000	Inland River Services $ 000	Aviation Services $ 000	Environmental Services $ 000	Commodity Trading $ 000	Other $ 000	Corporate and Eliminations $ 000	Total $ 000
For the three months ended March 31, 2009									
Operating Revenues:									
External customers	163,484	26,537	35,219	59,378	34,184	64,503	16,211		399,516
Intersegment	1,299		1,795	7	50		135	(3,286)	
	164,783	26,537	37,014	59,385	34,234	64,503	16,346	(3,286)	399,516
Costs and Expenses:									
Operating	78,839	16,771	19,409	40,317	24,077	61,871	10,704	(3,576)	248,412
Administrative and general	10,198	1,184	2,136	4,151	7,241	1,839	2,226	9,707	38,682
Depreciation and amortization	13,689	7,999	4,866	8,706	1,754		1,952	298	39,264
	102,726	25,954	26,411	53,174	33,072	63,710	14,882	6,429	326,358
Gains on Asset Dispositions and Impairments, Net	14,446		2,261	45	8				16,760
Operating Income (Loss)	76,503	583	12,864	6,256	1,170	793	1,464	(9,715)	89,918
Other Income (Expense):									
Derivative gains, net				391		949		2,271	3,611
Foreign currency gains (losses), net	1,365	(34)		429	(33)	(17)	3	(1,055)	658
Other, net	172						(53)	71	190
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	2,391		1,172	(274)	86	155	(3)		3,527
Segment Profit	80,431	549	14,036	6,802	1,223	1,880	1,411		
Other Income (Expense) not included in Segment Profit									(15,912)
Less Equity Earnings included in Segment Profit									(3,527)
Income Before Taxes and Equity Earnings									78,465
Capital Expenditures	10,436		5,140	8,328	1,055		37	692	25,688
As of March 31, 2009									
Property and Equipment	790,293	388,339	281,434	476,063	33,214		138,456	4,067	2,111,866
Investments, at Equity, and Receivables from 50% or Less Owned Companies	29,159		84,861	26,984	1,969	2,353	12,740		158,066
Goodwill	13,367		1,493	353	36,404		1,302		52,919
Intangible Assets	12,024	2,621	1,698		10,167		720		27,230
Other current and long-term assets, excluding cash and near cash assets[(1)]	159,702	11,441	26,064	69,618	60,390	38,648	27,043	25,380	418,286

Segment Assets	1,004,545	402,401	395,550	573,018	142,144	41,001	180,261	
Cash and near cash assets[1]								749,170
Total Assets								3,517,537

(1) Cash and near cash assets includes cash, cash equivalents, restricted cash, marketable securities, construction reserve funds and Title IX reserve funds.

	Offshore Marine Services $ 000	Marine Transportation Services $ 000	Inland River Services $ 000	Aviation Services $ 000	Environmental Services $ 000	Commodity Trading $ 000	Other $ 000	Corporate and Eliminations $ 000	Total $ 000
For the three months ended March 31, 2008									
Operating Revenues:									
External customers	154,260	28,953	30,145	53,792	42,488	28,674	16,143		354,455
Intersegment	387				21		114	(522)	
	154,647	28,953	30,145	53,792	42,509	28,674	16,257	(522)	354,455
Costs and Expenses:									
Operating	94,270	16,219	16,726	39,871	30,598	26,757	11,109	(510)	235,040
Administrative and general	12,804	1,438	2,123	4,629	5,709	727	1,973	9,602	39,005
Depreciation and amortization	14,125	7,980	3,964	7,789	1,445		2,267	230	37,800
	121,199	25,637	22,813	52,289	37,752	27,484	15,349	9,322	311,845
Gains (Losses) on Asset Dispositions and Impairments, Net	7,138	3,629	711	394	35			(1)	11,906
Operating Income (Loss)	40,586	6,945	8,043	1,897	4,792	1,190	908	(9,845)	54,516
Other Income (Expense):									
Derivative gains (losses), net				179		(490)	5	6,773	6,467
Foreign currency gains (losses), net	(155)	30		(31)	(9)	(1)	(7)	2,783	2,610
Other, net				39		1		124	164
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	3,633		911	(60)	58		37		4,579
Segment Profit	44,064	6,975	8,954	2,024	4,841	700	943		
Other Income (Expense) not included in Segment Profit									(11,699)
Less Equity Earnings included in Segment Profit									(4,579)
Income Before Taxes and Equity Earnings									52,058
Capital Expenditures	30,071	5,645	12,364	20,598	3,479		9,322	13	81,492
As of March 31, 2008									
Property and Equipment	799,213	420,180	236,095	333,518	32,590		130,820	3,864	1,956,280
Investments, at Equity, and Receivables from 50% or Less Owned Companies	25,726		72,828	6,356	1,248		11,251		117,409
Goodwill	21,421	177	1,493	352	34,460		4,117		62,020
Intangible Assets	14,572	2,999	2,280		8,616		825		29,292
Other current and long-term assets, excluding cash and near cash assets[1]	149,323	10,459	28,499	78,709	65,953	5,308	19,717	52,885	410,853
Segment Assets	1,010,255	433,815	341,195	418,935	142,867	5,308	166,730		
Cash and near cash assets[1]									973,289

Total Assets	3,549,143

(1) Cash and near cash assets includes cash, cash equivalents, restricted cash, marketable securities, construction reserve funds and Title IX reserve funds.

Table of Contents

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10-Q includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concerning management s expectations, strategic objectives, business prospects, anticipated economic performance and financial condition and other similar matters involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements discussed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: the unprecedented decline in valuations in the global financial markets and illiquidity in the credit sectors, including, interest rate fluctuations, availability of credit, inflation rates, change in laws, trade barriers, commodity prices and currency exchange fluctuations, the cyclical nature of the oil and gas industry, loss of U.S. coastwise endorsement for the retro-fitted double-hull tankers, Seabulk Trader and Seabulk Challenge, if the Company is unsuccessful in defending litigation seeking the revocation of their coastwise charters, activity in foreign countries and changes in foreign political, military and economic conditions, changes in foreign and domestic oil and gas exploration and production activity, safety record requirements related to Offshore Marine Services, Marine Transportation Services and Aviation Services, decreased demand for Marine Transportation Services and Harbor and Offshore Towing Services due to construction of additional refined petroleum product, natural gas or crude oil pipelines or due to decreased demand for refined petroleum products, crude oil or chemical products or a change in existing methods of delivery, compliance with U.S. and foreign government laws and regulations, including environmental laws and regulations, the dependence of Offshore Marine Services, Marine Transportation Services and Aviation Services on several customers, consolidation of the Company s customer base, the ongoing need to replace aging vessels and aircraft, industry fleet capacity, restrictions imposed by the Shipping Acts and Aviation Acts on the amount of foreign ownership of the Company s Common Stock, increased competition if the Jones Act is repealed, operational risks of Offshore Marine Services, Marine Transportation Services, Harbor and Offshore Towing Services and Aviation Services, effects of adverse weather conditions and seasonality, future phase-out of Marine Transportation Services double-bottom tanker, dependence of spill response revenue on the number and size of spills and upon continuing government regulation in this area and Environmental Services ability to comply with such regulation and other governmental regulation, changes in National Response Corporations Oil Spill Removal Organization classification, liability in connection with providing spill response services, the level of grain export volume, the effect of fuel prices on barge towing costs, variability in freight rates for inland river barges, the effect of international economic and political factors in Inland River Services operations, adequacy of insurance coverage, the attraction and retention of qualified personnel by the Company and various other matters and factors, many of which are beyond the Company s control. In addition, these statements constitute the Company s cautionary statements under the Private Securities Litigation Reform Act of 1995. It is not possible to predict or identify all such factors. Consequently, the following should not be considered a complete discussion of all potential risks or uncertainties. The words estimate, project, intend, believe, plan and similar expressions are intended to identify forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made. The Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in the Company s expectations or any change in events, conditions or circumstances on which the forward-looking statement is based. The forward-looking statements in this Form 10-Q should be evaluated together with the many uncertainties that affect the Company s businesses, particularly those mentioned under Forward-Looking Statements in Item 7 on the Company s Form 10-K and SEACOR s periodic reporting on Form 8-K (if any), which are incorporated by reference.

Results of Operations

The Company s operations are divided into six main business segments Offshore Marine Services, Marine Transportation Services, Inland River Services, Aviation Services, Environmental Services and Commodity Trading. The Company also has activities that are referred to and described under Other, which primarily includes Harbor and Offshore Towing Services, various other investments in joint ventures and lending and leasing activities.

Table of Contents

The sections below provide an analysis of the Company s operations by business segment for the three months ended March 31, 2009 (Current Year Quarter) compared with the three months ended March 31, 2008 (Prior Year Quarter). See Item 1. Financial Statements - Note 15. Segment Information included in Part I for consolidating segment tables for each period presented.

Offshore Marine Services

	For the Three Months Ended March 31,				Change 09/ 08
	2009		2008		3 Mos.
	$ 000	%	$ 000	%	%
Operating Revenues:					
United States	75,848	46	70,030	45	
Africa, primarily West Africa	29,063	18	32,319	21	
United Kingdom, primarily North Sea	15,160	9	19,163	12	
Middle East	21,346	13	16,494	11	
Asia	7,041	4	6,467	4	
Mexico, Central and South America	16,325	10	10,174	7	
Total Foreign	88,935	54	84,617	55	
	164,783	100	154,647	100	7
Costs and Expenses:					
Operating	78,839	48	94,270	61	
Administrative and general	10,198	6	12,804	8	
Depreciation and amortization	13,689	8	14,125	9	
	102,726	62	121,199	78	
Gains on Asset Dispositions	14,446	9	7,138	4	
Operating Income	76,503	47	40,586	26	88
Other Income (Expense):					
Foreign currency gains (losses), net	1,365	1	(155)		
Other, net	172				
Equity in Earnings of 50% or Less Owned Companies	2,391	1	3,633	2	
Segment Profit	80,431	49	44,064	28	83

Operating Revenues. Operating revenues increased by $10.1 million in the Current Year Quarter compared with the Prior Year Quarter. Time charter revenues decreased by $0.1 million and other operating revenues, including third party vessel brokerage activity, bareboat charter revenues and other marine services, increased by $10.2 million.

In overall terms, the decrease in time charter revenues was due to a 2,059 day, or 13%, reduction in days available for charter due to net fleet dispositions, partially offset by an 8% improvement in average day rates and a 4% increase in utilization. On a regional basis, including net fleet dispositions, mobilizations between geographical regions and other changes in fleet mix, days available for charter were 18% lower in the U.S. Gulf of Mexico, 24% lower in West Africa, 5% lower in Asia and 12% lower in the Middle East. Days available for charter were 16% higher in Mexico, Central and South America, and 3% higher in the North Sea.

21

In the U.S. Gulf of Mexico, time charter revenues were higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to the commencement in the Prior Year Quarter of the repair and regulatory upgrade program of the Company s large AHTS vessels, which resulted in 87 days of out-of-service time. Average day rates improved in most other regions except Mexico, Central and South America, where average day rates declined due to lower rates for vessels that had mobilized from other geographical regions. Average rates also declined in the North Sea due to unfavorable currency exchange rate movements between the U.S. dollar and the pound sterling.

The improvements in average day rates contributed additional time charter revenues of $10.8 million before the impact of unfavorable changes in currency exchange rates, which reduced time charter revenues by $5.4 million. Net fleet dispositions, the impact of vessels mobilizing between geographic regions, changes in utilization and other changes in fleet mix reduced time charter revenues by $5.5 million.

Operating Income. Operating income in the Current Year Quarter included $14.4 million of gains on asset dispositions compared with $7.1 million of gains in the Prior Year Quarter. Excluding the impact of these gains, operating income increased by $28.6 million primarily due to the improvements in operating revenues noted above and a reduction in operating expenses of $15.4 million. The reduction in operating expenses was primarily due to net fleet dispositions and a reduction in the number of scheduled drydockings and lower unscheduled repair costs. Administrative and general expenses were $2.6 million lower in the Current Year Quarter compared with the Prior Year Quarter primarily due to a restructuring of the international group.

Equity in Earnings of 50% or Less Owned Companies. Equity earnings decreased by $1.2 million in the Current Year Quarter compared with the Prior Year Quarter. During the Prior Year Quarter, Offshore Marine Services recognized a gain of $1.9 million, net of tax, relating to the sale of a vessel owned by a Norwegian joint venture.

Fleet Count. The composition of Offshore Marine Services fleet as of March 31 was as follows:

	Owned	Joint Ventured	Leased-in	Pooled or Managed	Total
2009					
Anchor handling towing supply	18	1	1	1	21
Crew	45	2	23	1	71
Mini-supply	10		5		15
Standby safety	24			4	28
Supply	12		8	8	28
Towing supply	7	3	2	1	13
Specialty	6	3			9
	122	9	39	15	185
2008					
Anchor handling towing supply	15	1	2	2	20
Crew	52	2	23		77
Mini-supply	15		5	1	21
Standby safety	23	1		5	29
Supply	13		11	2	26
Towing supply	12	3	2	1	18
Specialty	11	3			14
	141	10	43	11	205

Table of Contents

Operating Data. The table below sets forth the average rates per day worked, utilization and available days data for each group of Offshore Marine Services vessels operating under time charters for the periods indicated. The rate per day worked is the ratio of total time charter revenues to the aggregate number of days worked. Utilization is the ratio of aggregate number of days worked to total calendar days available for work. Available days represents the total calendar days during which owned and chartered-in vessels are operated by the Company.

	For the Three Months Ended March 31,	
	2009	**2008**
Rates Per Day Worked:		
Anchor handling towing supply	$ 47,719	$ 32,173
Crew	7,311	6,745
Mini-supply	5,811	7,072
Standby safety	7,756	10,146
Supply	16,323	15,537
Towing supply	11,581	10,227
Specialty	13,453	11,792
Overall Average Rates Per Day Worked	12,777	11,783
Utilization:		
Anchor handling towing supply	73%	82%
Crew	78%	69%
Mini-supply	73%	61%
Standby safety	90%	89%
Supply	82%	88%
Towing supply	90%	80%
Specialty	99%	91%
Overall Fleet Utilization	81%	77%
Available Days:		
Anchor handling towing supply	1,506	1,547
Crew	6,123	6,552
Mini-supply	1,378	1,820
Standby safety	2,160	2,093
Supply	1,800	2,099
Towing supply	871	1,300
Specialty	450	936
Overall Fleet Available Days	14,288	16,347

Table of Contents

Marine Transportation Services

	For the Three Months Ended March 31,				Change 09/ 08
	2009		2008		3 Mos.
	$ 000	%	$ 000	%	%
Operating Revenues:					
United States	26,537	100	28,953	100	(8)
Costs and Expenses:					
Operating	16,771	63	16,219	56	
Administrative and general	1,184	5	1,438	5	
Depreciation and amortization	7,999	30	7,980	28	
	25,954	98	25,637	89	
Gains on Asset Dispositions			3,629	13	
Operating Income	583	2	6,945	24	(92)
Other Income (Expense):					
Foreign currency gains (losses), net	(34)		30		
Segment Profit	549	2	6,975	24	(92)

Operating Revenues. Operating revenues decreased by $2.4 million in the Current Year Quarter compared with the Prior Year Quarter. Operating revenues were lower in the Current Year Quarter due to out-of-service time in the Current Year Quarter for the *Seabulk Energy* while undergoing a regulatory docking and the change in contract status of the *California Voyager* from time charter to long-term bareboat charter commencing in September 2008. These decreases were partially offset by higher operating revenues in the Current Year Quarter for the *Seabulk Pride* due to out-of-service time in the Prior Year Quarter while undergoing repairs and for the *Seabulk Challenge* due to a higher average day rate.

Operating Income. Operating income in the Prior Year Quarter included gains of $3.6 million on the sale of the *Seabulk Magnachem* and *Seabulk Power*. Excluding the impact of these gains, operating income decreased by $2.7 million in the Current Year Quarter compared with the Prior Year Quarter. In addition to the changes in operating revenues described above, operating expenses were higher in the Current Year Quarter, primarily due to the regulatory drydocking of the *Seabulk Energy*, partially offset by the change in contract status of the *California Voyager* from time charter to long-term bareboat charter, lower voyage costs for the *Seabulk America* and lower repair costs for the *Seabulk Challenge*.

Fleet Count. As of March 31, 2009 and 2008, Marine Transportation Services owned eight U.S.-flag product tankers operating in the domestic coastwise trade.

Table of Contents

Inland River Services

	For the Three Months Ended March 31,				Change 09/ 08
	2009		2008		3 Mos.
	$ 000	%	$ 000	%	%
Operating Revenues:					
United States	37,014	100	30,145	100	23
Costs and Expenses:					
Operating	19,409	52	16,726	55	
Administrative and general	2,136	6	2,123	7	
Depreciation and amortization	4,866	13	3,964	13	
	26,411	71	22,813	75	
Gains on Asset Dispositions	2,261	6	711	2	
Operating Income	12,864	35	8,043	27	60
Equity in Earnings of 50% or Less Owned Companies, Net of Tax	1,172	3	911	3	
Segment Profit	14,036	38	8,954	30	57

Operating Revenues. Operating revenues increased by $6.9 million in the Current Year Quarter compared with the Prior Year Quarter primarily due to the addition of new equipment in the liquid unit tow operation. In the Current Year Quarter, the liquid unit tow operation included two additional towboats, eight additional 30,000-barrel liquid tank barges, two fewer 10,000-barrel liquid tank barges and one less 25,000-barrel liquid tank barge compared with the Prior Year Quarter. In addition, operating revenues were higher following the return of dry cargo barges to the pooled operating fleet that were previously on a long-term charter to a third party and the commencement of terminal operations in Sauget, Illinois in May 2008.

Operating Income. Operating income for the Current Year Quarter included $2.3 million of gains on asset dispositions compared with $0.7 million of gains on asset dispositions in the Prior Year Quarter. Excluding the impact of these gains, operating income increased by $3.3 million primarily due to the addition of the new equipment in the liquid unit tow operation noted above. The dry cargo barge operation benefited from favorable operating conditions and lower fuel prices that resulted in lower towing, fleeting and switching costs compared with the Prior Year Quarter. The commencement of terminal operations in Sauget, Illinois also contributed to the improvement in operating income.

Table of Contents

Fleet Count. The composition of Inland River Services fleet as of March 31 was as follows:

	Owned	Joint Ventured	Leased-in	Pooled or Managed	Total
2009					
Inland river dry cargo barges-open	209	124			333
Inland river dry cargo barges-covered	373	138	2	116	629
Inland river liquid tank barges	51	34	2		87
Inland river deck barges	26				26
Inland river towboats	18	5			23
Dry-cargo vessels		1			1
	677	302	4	116	1,099
2008					
Inland river dry cargo barges-open	213	97	5	3	318
Inland river dry cargo barges-covered	399	125	2	139	665
Inland river liquid tank barges	46	22	2		70
Inland river deck barges	26				26
Inland river towboats	16	4			20
Dry-cargo vessels					
	700	248	9	142	1,099

Aviation Services

	For the Three Months Ended March 31,				Change 09/ 08
	2009		2008		3 Mos.
	$ 000	%	$ 000	%	%
Operating Revenues:					
United States	51,513	87	49,513	92	
Foreign	7,872	13	4,279	8	
	59,385	100	53,792	100	10
Costs and Expenses:					
Operating	40,317	68	39,871	74	
Administrative and general	4,151	7	4,629	9	
Depreciation and amortization	8,706	14	7,789	14	
	53,174	89	52,289	97	
Gains on Asset Dispositions and Impairments, Net	45		394	1	
Operating Income	6,256	11	1,897	4	230
Other Income (Expense):					
Derivative gains, net	391		179		
Foreign currency gains (losses), net	429		(31)		
Other, net			39		

Equity in Losses of 50% or Less Owned Companies, Net of Tax	(274)		(60)		
Segment Profit	6,802	11	2,024	4	236

Operating Revenues. Operating revenues increased by $5.6 million in the Current Year Quarter compared with the Prior Year Quarter. Operating revenues in the U.S. Gulf of Mexico increased due to additional contracts and charter flights and generally better rates with new equipment, offset by lower re-billable fuel revenues as a result of a decline in fuel prices. International operating revenues increased as additional helicopters were placed on long-term leases and short-term contracts outside the United States. Operating revenues in Alaska decreased due to a reduction in fuel sales volume at the fixed-base operation and the decline in fuel prices.

Operating Income. Operating income increased by $4.7 million in the Current Year Quarter compared with the Prior Year Quarter before a $0.4 million gain on asset dispositions in the Prior Year Quarter. In addition to the improvements in operating revenues noted above, operating income was positively affected by lower fuel expenses due to the decline in fuel prices, lower wage and benefit costs and lower administrative and general expenses due to the recovery of a previously reserved receivable balance from a major Alaska-based customer. These improvements in operating income were partially offset by increases in insurance expense as a result of net fleet additions and higher repair costs due to the timing of component and fleet repair and maintenance. In addition, operating expenses in the Current Year Quarter were higher due to costs related to hurricane disruption in the U.S. Gulf of Mexico. Depreciation expense was higher in the Current Year Quarter due to the addition of new equipment to the fleet partially offset as a result of assets acquired in a 2004 acquisition reaching the end of their depreciable lives.

Fleet Count. The composition of Aviation Services fleet as of March 31 was as follows:

	Owned[1]	Joint Ventured	Leased-in	Managed	Total
2009					
Light helicopters single engine	52	6	6		64
Light helicopters twin engine	35		6	14	55
Medium helicopters	52		3	8	63
Heavy helicopters	6				6
	145	6	15	22	188
2008					
Light helicopters single engine	52	4	8		64
Light helicopters twin engine	31		7	16	54
Medium helicopters	45		3	7	55
Heavy helicopters	3				3
	131	4	18	23	176

(1) Excludes one and four helicopter(s) removed from service as of March 31, 2009 and 2008, respectively.

Table of Contents

Environmental Services

	For the Three Months Ended March 31,				Change 09/ 08 3 Mos.
	2009		2008		
	$ 000	%	$ 000	%	%
Operating Revenues:					
United States	28,872	84	34,531	81	
Foreign	5,362	16	7,978	19	
	34,234	100	42,509	100	(19)
Costs and Expenses:					
Operating	24,077	70	30,598	72	
Administrative and general	7,241	21	5,709	14	
Depreciation and amortization	1,754	6	1,445	3	
	33,072	97	37,752	89	
Gains on Asset Dispositions	8		35		
Operating Income	1,170	3	4,792	11	(76)
Other Income (Expense):					
Foreign currency losses, net	(33)		(9)		
Equity in Earnings of 50% or Less Owned Companies, Net of Tax	86		58		
Segment Profit	1,223	3	4,841	11	(75)

Operating Revenues. Operating revenues decreased by $8.3 million in the Current Year Quarter compared with the Prior Year Quarter primarily due to a reduction in project management and emergency response service activities. The decrease in project management revenues was primarily due to a reduction in pipeline repair services and industrial services in the Current Year Quarter. The decrease in emergency response revenues was primarily due to a significant response project in Tulsa, Oklahoma in the Prior Year Quarter.

Operating Income. Operating income decreased by $3.6 million in the Current Year Quarter compared with the Prior Year Quarter primarily due to the reduction in activities noted above and higher administrative and general expenses, primarily due to higher management bonus awards and an increase in the reserve for doubtful accounts.

Table of Contents

Commodity Trading

	For the Three Months Ended March 31,				Change 09/ 08
	2009		2008		3 Mos.
	$ 000	%	$ 000	%	%
Operating Revenues:					
United States	31,331	49	27,384	96	
Foreign	33,172	51	1,290	4	
	64,503	100	28,674	100	125
Costs and Expenses:					
Operating	61,871	96	26,757	93	
Administrative and general	1,839	3	727	3	
	63,710	99	27,484	96	
Operating Income	793	1	1,190	4	(33)
Other Income (Expense):					
Derivative gains (losses), net	949	2	(490)	(2)	
Foreign currency losses, net	(17)		(1)		
Other, net			1		
Equity in Earnings of 50% or Less Owned Companies, Net of Tax	155				
Segment Profit	1,880	3	700	2	169

Segment Profit. Segment profit improved by $1.2 million in the Current Year Quarter compared with the Prior Year Quarter due to increased activity in renewable fuel merchandising, including logistics and transport, and higher rice merchandising activity levels. Rice merchandising activities commenced in February 2008.

Other Segment Profit

	For the Three Months Ended March 31,		Change 09/ 08
	2009	2008	3 Mos.
	$ 000	$ 000	%
Harbor and Offshore Towing Services	1,670	1,110	50
Other Activities	(256)	(204)	(25)
Equity in Earnings of 50% or Less Owned Companies, net	(3)	37	(108)
Segment Profit	1,411	943	50

Harbor and Offshore Towing Services. Segment profit increased $0.6 million in the Current Year Quarter compared with the Prior Year Quarter primarily due to improved results from terminal operations in St. Eustatius and lower fuel costs.

Table of Contents

Corporate and Eliminations

	For the Three Months Ended March 31,		Change 09/ 08
	2009	2008	3 Mos.
	$ 000	$ 000	%
Corporate Expenses	(10,022)	(9,851)	(2)
Eliminations	307	6	5017
Operating Loss	(9,715)	(9,845)	3
Other Income (Expense):			
Derivative gains, net	2,271	6,773	(66)
Foreign currency gains (losses), net	(1,055)	2,783	(138)
Other, net	71	124	(43)

Derivative gains, net. Derivative gains, net decreased by $4.5 million in the Current Year Quarter compared with the Prior Year Quarter primarily due to lower gains on forward currency exchange contracts and commodity swap, option and future contracts.

Foreign currency gains (losses), net. Foreign currency losses of $1.1 million in the Current Year Quarter were primarily due to a weakening of the U.S. dollar against the euro and the corresponding revaluation of euro cash balances held by the Company. Foreign currency gains of $2.8 million in the Prior Year Quarter were primarily due to a strengthening of the U.S. dollar against the euro and the corresponding revaluation of euro cash balances held by the Company.

Other Income (Expense) not included in Segment Profit

	For the Three Months Ended March 31,		Change 09/ 08
	2009	2008	3 Mos.
	$ 000	$ 000	%
Interest income	1,043	7,476	(86)
Interest expense	(14,337)	(13,491)	(6)
Debt extinguishment gains, net	1,363		n/a
Marketable security losses, net	(3,981)	(5,684)	30
	(15,912)	(11,699)	(36)

Interest Income. Interest income decreased in the Current Year Quarter compared with the Prior Year Quarter primarily due to lower rates of return and lower invested cash balances.

Interest Expense. Interest expense increased in the Current Year Quarter compared with the Prior Year Quarter primarily due to lower capitalized interest partially offset by a lower overall interest rate. The impact of adopting FSP APB 14-1 was an additional $2.1 million and $1.9 million of pre-tax, non-cash interest expense in the Current Year Quarter and Prior Year Quarter, respectively.

Table of Contents

Debt extinguishment gains, net. Debt extinguishment gains, net in the Current Year Quarter resulted from the Company s purchase of $1.0 million in principal amount of its 5.875% Senior Notes due 2012, $13.9 million in principal amount of its 9.5% Senior Notes due 2013 and $2.0 million in principal amount of its 2.875% Convertible Debentures due 2024 for an aggregate purchase price of $16.9 million at average prices below their respective principal amounts and the recognition of unamortized net premiums. There were no debt purchases in the Prior Year Quarter.

Marketable security losses, net. Marketable security losses, net in the Current Year Quarter resulted from losses on long marketable security positions. Marketable security losses, net in the Prior Year Quarter resulted from losses on short sales of marketable securities partially offset by gains on long marketable security positions.

Liquidity and Capital Resources

General

The Company s ongoing liquidity requirements arise primarily from working capital needs, meeting its capital commitments and the repayment of debt obligations. In addition, the Company may use its liquidity to fund acquisitions, repurchase shares of SEACOR common stock, par value $0.01 per share (Common Stock), for treasury or to make other investments. Sources of liquidity are cash balances, marketable securities, construction reserve funds, Title XI reserve funds, cash flows from operations and borrowings under the Company s revolving credit facility. From time to time, the Company may secure additional liquidity through the issuance of debt, shares of Common Stock, preferred stock, or a combination thereof.

Summary of Cash Flows

	For the Three Months Ended March 31,	
	2009	2008
	$ 000	$ 000
Cash flows provided by or (used in):		
Operating Activities	99,168	59,268
Investing Activities	16,346	(113,188)
Financing Activities	(14,160)	(41,040)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(76)	2,442
Net Increase (Decrease) in Cash and Cash Equivalents	101,278	(92,518)

Operating Activities

Cash flows provided by operating activities increased in the Current Year Quarter compared with the Prior Year Quarter primarily due to improved net income before depreciation and gains on asset dispositions and increased deferrals of income tax obligations and current payables.

Effective October 1, 2008, the Company designated its investments in marketable equity and debt securities as trading securities from their previous available-for-sale designation. As a result, cash flows from trading securities are now reported within operating activities. Prior to this change in designation, cash flows relating to available-for-sale securities were reported within investing activities. During the Current Year Quarter, cash used in operating activities included $4.0 million to purchase marketable security long positions and $0.6 million to cover marketable security short positions. During the Current Year Quarter, cash provided by operating activities included $2.7 million received from the sale of marketable security long positions and $2.2 million received upon entering into marketable security short positions.

Investing Activities

Cash flows provided by investing activities were $16.3 million in the Current Year Quarter compared with cash flows used in investing activities of $113.2 million in the Prior Year Quarter.

During the Prior Year Quarter, cash used in investing activities included $58.9 million to purchase marketable security long positions and $23.5 million to cover marketable security short positions. During the Prior Year Quarter, cash provided by investing activities included $8.9 million received from the sale of marketable security long positions and $14.2 million received upon entering into marketable security short positions.

During the Current Year Quarter, capital expenditures were $25.7 million. Equipment deliveries during the period included one offshore marine vessel, one inland river towboat and two helicopters. During the Prior Year Quarter, capital expenditures were $81.5 million. Equipment deliveries during the Prior Year Quarter included two offshore marine vessels, five inland river dry cargo barges, three inland river towboats, four helicopters, one harbor tug and two ocean liquid tank barges.

During the Current Year Quarter, the Company sold eight offshore marine vessels and four inland river dry cargo barges. One leased helicopter was a total loss after an accident in the North Sea. The Company received $43.9 million on the disposition of these assets, including the insurance proceeds for the helicopter, and recognized net gains of $16.8 million. During the Prior Year Quarter, the Company sold two offshore marine vessels, two tankers, one inland river dry cargo barge, three inland river liquid tank barges and other equipment for an aggregate consideration of $38.1 million and recognized net gains of $11.9 million.

The Company has established, pursuant to Section 511 of the Merchant Marine Act, 1936, as amended, joint depository construction reserve funds with the Maritime Administration. In accordance with this statute, the Company is permitted to deposit proceeds from the sale of certain vessels into the joint depository construction reserve fund accounts for the purpose of acquiring U.S.-flag vessels and qualifying for the temporary deferral of taxable gains realized from the sale of vessels. Withdrawals from the construction reserve fund accounts are only permitted with the consent of the Maritime Administration and the funds on deposit must be committed for expenditure within three years or be released for the Company s general use.

As of March 31, 2009, construction reserve funds of $279.8 million are classified as non-current assets in the accompanying condensed consolidated balance sheets as the Company has the intent and ability to use the funds to acquire equipment. During the Current Year Quarter, construction reserve fund account transactions included withdrawals of $21.6 million and deposits of $13.5 million. During the Prior Year Quarter, construction reserve account transactions included deposits of $8.6 million.

The Company s unfunded capital commitments as of March 31, 2009 consisted primarily of offshore marine vessels, helicopters, ocean liquid tank barges and inland river towboats and totaled $124.6 million, of which $87.0 million is payable during the remainder of 2009 and the balance payable in 2010. Of the total unfunded capital commitments, $22.9 million may be terminated without further liability other than the payment of liquidated damages of $3.1 million in the aggregate. Subsequent to March 31, 2009, the Company committed to purchase additional equipment for $8.0 million and extended the delivery dates and timing of payments totaling $16.8 million for certain equipment from 2009 to 2010.

Financing Activities

Cash flows used in financing activities were $14.2 million in the Current Year Quarter compared with cash flows used in financing activities of $41.0 million in the Prior Year Quarter.

SEACOR s Board of Directors previously approved a securities repurchase plan that authorizes the Company to acquire shares of Common Stock and its 2.875% Convertible Debentures due 2024. During the

Current Year Quarter, the Company repurchased $2.0 million in principal amount of its 2.875% Convertible Debentures due 2024 for $1.9 million and none of its Common Stock. During the Prior Year Quarter, the Company acquired for treasury 545,400 shares of Common Stock for an aggregate purchase price of $45.9 million and none of its 2.875% Convertible Debentures due 2024. As of March 31, 2009, the remaining authority under the repurchase plan was $147.2 million. Subsequent to March 31, 2009, the Company purchased $1.8 million in principal amount of its 2.875% Convertible Debentures due 2024 for $1.8 million.

Additionally, the Company may purchase, separate from such authorization noted above, any or all of its 7.2% Senior Notes due 2009, its 5.875% Senior Notes due 2012 and its 9.5% Senior Notes due 2013. During the Current Year Quarter, the Company repurchased $1.0 million in principal amount of its 5.875% Senior Notes due 2012 and $13.9 million in principal amount of its 9.5% Senior Notes due 2013 for an aggregate purchase price of $15.0 million. During the Prior Year Quarter, the Company did not purchase any of its Senior Notes. Subsequent to March 31, 2009, the Company purchased $37.0 million in principal amount of its 7.2% Senior Notes due 2009 for $37.4 million.

During the Current Year Quarter, the Company drew $25.0 million under its revolving credit facility. The remaining availability under this facility was $322.9 million, net of issued letters of credit of $2.1 million. In addition, the Company had other outstanding letters of credit totaling $40.7 million with various expiration dates through 2012. During the Prior Year Quarter, there were no draws under the revolving credit facility. Subsequent to March 31, 2009, an additional letter of credit was issued apart from the Company s revolving credit facility in the amount of $6.0 million with an expiration in 2010.

During the Current Year Quarter, the Company made principal payments on long-term debt and capital lease obligations of $22.8 million excluding debt repurchases. During the Prior Year Quarter, the Company made principal payments on long-term debt and capital lease obligations of $1.2 million.

Short and Long-Term Liquidity Requirements

The current economic conditions have created an unprecedented disruption in the credit and capital markets. To date, the Company s liquidity has not been materially impacted and management does not expect that it will be materially impacted in the near future. The Company anticipates it will continue to generate positive cash flows from operations and that these cash flows will be adequate to meet the Company s working capital requirements. In support of the Company s capital expenditure program or other liquidity requirements, the Company may use its cash balances, sell securities, utilize construction reserve funds, sell additional vessels or other equipment, enter into sale and leaseback transactions for equipment, borrow under its revolving credit facility, issue debt or a combination thereof.

As of April 29, 2009, the outstanding principal balance of the Company s 7.2% Senior Notes due September 2009 was $32.8 million. The Company expects to refinance the remaining principal balance of this debt provided the credit and capital markets are accessible on reasonable terms. If the refinancing is unsuccessful, the Company believes its liquidity will be sufficient to meet its obligations.

The Company s long-term liquidity is dependent upon its ability to generate operating profits sufficient to meet its requirements for working capital, capital expenditures and a reasonable return on shareholders investment. The Company believes that earning such operating profits will permit it to maintain its access to favorably priced debt, equity or off-balance sheet financing arrangements. Management will continue to closely monitor the Company s liquidity and the credit and capital markets.

Contingencies

In the normal course of its business, the Company becomes involved in various litigation matters including, among other things, claims by third parties for alleged property damages, personal injuries and other matters.

Management has used estimates in determining the Company s potential exposure to these matters and has recorded reserves in its financial statements related thereto as appropriate. It is possible that a change in the Company s estimates related to these exposures could occur, but the Company does not expect such changes in estimated costs will have a material effect on the Company s consolidated financial position or its results of operations.

Under United States law, United States persons are prohibited from business activities and contracts in certain countries, including Sudan and Iran. Relating to these prohibitions, Seabulk International, Inc. (Seabulk), a subsidiary of SEACOR acquired in July 2005, filed three reports with and submitted documents to the Office of Foreign Asset Control (OFAC) of the U.S. Department of Treasury in December 1999 and January and May 2002. One of the reports was also filed with the Bureau of Export Administration of the U.S. Department of Commerce. The reports and documents related to certain limited charters with third parties involving three Seabulk vessels that called in Sudan for several months in 1999 and January 2000 and charters with third parties involving several of Seabulk s vessels that called in Iran in 1998. In March 2003, Seabulk received notification from OFAC that the case has been referred to its Civil Penalties Division. Should OFAC determine that these activities constituted violations of the laws or regulations, civil penalties, including fines, could be assessed against Seabulk or certain individuals who knowingly participated in such activity. The Company cannot predict the extent of such penalties; however, management does not believe the outcome of these matters will have a material impact on its consolidated financial position or its results of operations.

During 2006 and 2007, Marine Transportation Services (MTS) had two of its tankers retrofitted to a double-hull configuration in a foreign shipyard to enable each of them to continue to transport crude oil and petroleum products beyond their OPA 90 mandated retirement dates in 2011. Both vessels operate in the U.S. coastwise, or Jones Act, trade which is restricted to vessels built or rebuilt in the United States. In May 2005, MTS received a determination from the U.S. Coast Guard (USCG), which administers the United States build requirements of the Jones Act, concluding the retro-fit work would not constitute a foreign rebuilding and therefore would not jeopardize the tankers eligibility to operate in the U.S. coastwise trade. MTS completed the retrofit work in the foreign shipyard in reliance upon the USCG s determination, which MTS believes was correct and in accord with the USCG s long-standing regulations and interpretations. On July 9, 2007, a U.S. shipbuilders trade association and two operators of tankers in the U.S. coastwise trade (Shipbuilders) commenced a civil action in the U.S. District Court for the Eastern District of Virginia, *Shipbuilders Council of America, Inc., et al. v. U.S. Department of Homeland Security, et al.* , No. 1:07cv665 (E.D. Va.) (the SB Trader Litigation), in which they sought to have the court set aside the USCG s determination and direct the USCG to revoke the coastwise license of one of the two retrofitted tankers, the *Seabulk Trader*. MTS intervened in the action to assist the USCG in defending its determination. On April 24, 2008, the Court issued a Memorandum Opinion granting a motion for summary judgment by Shipbuilders setting aside the USCG s determination and remanding the matter to the USCG for further proceedings with instructions to revoke the coastwise endorsement of the *Seabulk Trader*. On April 30, 2008, MTS appealed the decision to the U.S. Court of Appeals for the Fourth Circuit (the Court of Appeals), and the lower court s decision has been stayed pending appeal, subject to certain terms (which MTS has also separately appealed). Those terms require that MTS pay to the plaintiffs 12.5% of the revenue generated by the *Seabulk Trader* from November 7, 2008 in the event that the Court of Appeals affirms the lower court s decision to revoke its coastwise endorsement. On July 2, 2008, Shipbuilders commenced a second civil action in the U.S. District Court for the Eastern District of Virginia, entitled *Shipbuilders Council of America, Inc., et al. v. U.S. Department of Homeland Security, et al.,* No. 1:08cv680 (E.D. Va.) (the SB Challenge Litigation), alleging essentially identical claims as those asserted in the SB Trader Litigation against MTS s second retrofitted tanker, the *Seabulk Challenge.* MTS has intervened in the SB Challenge Litigation, which has been stayed pending the decision of the Court of Appeals in the SB Trader Litigation. The loss of coastwise eligibility for its two retrofitted tankers could adversely affect the Company s financial condition and its results of operations. The aggregate carrying value of the Company s two retro-fitted tankers was $58.3 million as of March 31, 2009 and such tankers contributed operating revenues of $7.5 million during the three months ended March 31, 2009.

Certain subsidiaries of the Company are participating employers in an industry-wide, multi-employer, defined benefit pension fund, the United Kingdom Merchant Navy Officers Pension Fund (MNOPF). Under the direction of a court order, any deficit of the MNOPF is to be remedied through funding contributions from all participating employers. The Company s participation relates to officers employed between 1978 and 2002 by SEACOR s Stirling group of companies (which had been acquired by SEACOR in 2001) and its predecessors. Based on an actuarial valuation of the MNOPF in 2003, the Company was invoiced and expensed $4.4 million in 2005, representing the Company s allocated share of a total funding deficit of $412.0 million. Subsequent to this invoice, the pension fund trustees determined that $49.0 million of the $412.0 million deficit was deemed uncollectible due to the non-existence or liquidation of certain participating employers and the Company was invoiced and expensed $0.6 million in March 2007 for its allocated share of the uncollectible deficit. Based on an actuarial valuation of the MNOPF in 2006, the Company was invoiced and expensed $3.9 million in September 2007, representing the Company s allocated share of an additional funding deficit of $332.6 million. Depending on the results of future actuarial valuations, it is possible that the MNOPF will experience further funding deficits requiring the Company to recognize payroll related operating expenses in the periods invoices are received. A funding update as of March 2008 indicated that an additional funding deficit of $116.2 million had developed over the two years since the last actuarial valuation in 2006. No invoices in respect of this deficit will be issued to participating employers until the results of the next actuarial valuation, due in March 2009, are available. Should the deficit be maintained at current levels through the March 2009 actuarial valuation the Company estimates its share of the deficit to be approximately $1.5 million. The Company would recognize payroll related operating expenses at such time as it is invoiced for its share of any funding deficit.

A subsidiary of the Company is a participating employer in an industry-wide, multi-employer, defined benefit pension fund, the United Kingdom Merchant Navy Ratings Pension Fund (MNRPF). The Company s participation relates to ratings employed between 1978 and 2001 by SEACOR s Stirling group of companies (which had been acquired by SEACOR in 2001) and its predecessors. Based on an actuarial valuation in March 2008, the MNRPF has an accumulated funding deficit of $284.2 million. No decision has yet been reached as to how the deficit will be recovered but the Company expects it is likely that participating employers will be invoiced for their allocated share, at which time the Company would recognize payroll related operating expenses. The Company estimates its allocated share of the deficit to be approximately $1.0 million.

New Accounting Pronouncement

On May 15, 2008, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (SFAS) No. 162, *The Hierarchy of Generally Accepted Accounting Principles.* SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements that are presented in conformity with generally accepted accounting principles in the United States. SFAS No. 162 is effective 60 days following the SEC s approval of the Public Company Accounting Oversight Board amendments to the American Institute of Certified Public Accountants Professional Standards AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. The Company does not expect the adoption of SFAS No. 162 will result in a change in its current accounting policies and as such will have no impact on its consolidated financial position or its results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For discussion of the Company s exposure to market risk, refer to Item 7A, Quantitative and Qualitative Disclosures about Market Risk, contained in the Company s Annual Report on Form 10-K for the year ended December 31, 2008. There has been no significant change in the Company s exposure to market risk during the Current Year Quarter, except as described below.

During the Current Year Quarter, the Company entered into two interest rate swap agreements, each with a notional value of $25.0 million and maturing in March 2014. The first instrument calls for the Company to pay a

fixed interest rate of 2.25% on the notional value and receive in return a variable interest rate based on LIBOR on the notional value. The second instrument calls for the Company to pay a fixed interest rate of 2.335% on the notional value and receive in return a variable interest rate based on LIBOR on the notional value. By entering into these interest rate swap agreements, the Company is protecting against interest rate fluctuations on the variable LIBOR component of $50.0 million of outstanding borrowings under its revolving credit facility maturing in 2013.

ITEM 4. CONTROLS AND PROCEDURES

With the participation of the Company s principal executive officer and principal financial officer, management evaluated the effectiveness of the Company s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)), as of March 31, 2009. Based on their evaluation, the Company s principal executive officer and principal financial officer concluded that the Company s disclosure controls and procedures were effective as of March 31, 2009.

There have been no changes in the Company s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Current Year Quarter that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

Table of Contents

PART II OTHER INFORMATION

ITEM 1A. RISK FACTORS

The outbreak of diseases, such as the H1N1 Flu (commonly known as Swine Flu), has curtailed and may in the future curtail travel to and from certain countries. Restrictions on travel to and from these countries and other regions due to additional incidences of diseases, such as the H1N1 Flu, could have a material adverse effect on the Company s business, results of operations, and financial position.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) This table provides information with respect to purchases by the Company of shares of its Common Stock during the Current Year Quarter:

Period	Total Number Of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Value of Shares that may Yet be Purchased under the Plans or Programs[1]
January 1 31, 2009				$ 149,170,064
February 1 28, 2009				$ 149,170,064
March 1 31, 2009[2]				$ 147,240,064

(1) Since February 1997, SEACOR s Board of Directors authorized the repurchase of Common Stock, certain debt or a combination thereof. From time to time thereafter, and most recently on September 11, 2008, SEACOR announced that its Board of Directors increased this authority to repurchase Common Stock and SEACOR s 2.875% Convertible Debentures due 2024 to a total authorized expenditure of up to $150.0 million.

(2) On March 30, 2009, the Company repurchased through an open market transaction $2.0 million in principal amount of its 2.875% Convertible Debentures due 2024 for $1.9 million.

ITEM 6. EXHIBITS

31.1 Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.

31.2 Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.

32.1 Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Table of Contents

SIGNATURES

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

SEACOR Holdings Inc. (Registrant)

DATE: April 30, 2009

By: /s/ CHARLES FABRIKANT
Charles Fabrikant, *Chairman of the Board, President and Chief Executive Officer*

(Principal Executive Officer)

DATE: April 30, 2009

By: /s/ RICHARD RYAN
Richard Ryan, *Senior Vice President*

and Chief Financial Officer

(Principal Financial Officer)

Table of Contents

EXHIBIT INDEX

31.1	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
31.2	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32.1	Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.