UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2017 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 Incorporation or Organization)	**(IRS Employer Identification No.)**
2200 Eller Drive, P.O. Box 13038, Fort Lauderdale, Florida	**33316**
(Address of Principal Executive Offices)	**(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 ☒ 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," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The total number of shares of common stock, par value $.01 per share, outstanding as of October 27, 2017 was 17,859,335. The Registrant has no other class of common stock outstanding.

SEACOR HOLDINGS INC.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SEACOR HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data, unaudited)

	September 30, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 267,156	$ 256,638
Restricted cash	2,436	2,249
Marketable securities	62,606	76,137
Receivables:		
Trade, net of allowance for doubtful accounts of $2,400 and $2,989 in 2017 and 2016, respectively	83,287	108,641
Other	38,176	35,482
Inventories	3,952	2,582
Prepaid expenses and other	6,741	3,707
Discontinued operations	—	277,365
Total current assets	464,354	762,801
Property and Equipment:		
Historical cost	1,483,434	1,178,556
Accumulated depreciation	(487,049)	(444,559)
	996,385	733,997
Construction in progress	22,769	246,010
Net property and equipment	1,019,154	980,007
Investments, at Equity, and Advances to 50% or Less Owned Companies	175,387	175,461
Construction Reserve Funds	51,846	75,753
Goodwill	32,773	32,758
Intangible Assets, Net	30,655	20,078
Other Assets	8,796	17,189
Discontinued Operations	—	798,274
	$ 1,782,965	$ 2,862,321
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 119,840	$ 163,202
Accounts payable and accrued expenses	31,518	59,563
Other current liabilities	70,762	62,164
Discontinued operations	—	85,020
Total current liabilities	222,120	369,949
Long-Term Debt	619,712	631,084
Exchange Option Liability on Subsidiary Convertible Senior Notes	—	19,436
Deferred Income Taxes	165,093	157,441
Deferred Gains and Other Liabilities	81,238	98,098
Discontinued Operations	—	390,045
Total liabilities	1,088,163	1,666,053
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; 38,473,585 and 37,939,032 shares issued in 2017 and 2016, respectively	385	379
Additional paid-in capital	1,557,086	1,518,635
Retained earnings	377,700	910,723
Shares held in treasury of 20,614,250 and 20,538,327 in 2017 and 2016, respectively, at cost	(1,363,558)	(1,357,331)
Accumulated other comprehensive loss, net of tax	(266)	(11,514)
	571,347	1,060,892
Noncontrolling interests in subsidiaries	123,455	135,376
Total equity	694,802	1,196,268
	$ 1,782,965	$ 2,862,321

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

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SEACOR HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands, except share data, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenues	$ 158,171	$ 109,570	$ 392,376	$ 314,269
Costs and Expenses:				
Operating	107,258	66,573	252,156	193,636
Administrative and general	20,531	20,931	68,949	64,968
Depreciation and amortization	20,501	15,864	54,689	46,005
	148,290	103,368	375,794	304,609
Gains (Losses) on Asset Dispositions and Impairments, Net	5,209	(593)	10,918	2,590
Operating Income	15,090	5,609	27,500	12,250
Other Income (Expense):				
Interest income	2,367	4,492	6,651	13,100
Interest expense	(9,121)	(9,955)	(31,101)	(29,892)
Debt extinguishment gains (losses), net	3	557	(94)	5,395
Marketable security losses, net	(12,478)	(9,484)	(13,316)	(52,454)
Derivative gains (losses), net	—	(862)	19,727	(3,527)
Foreign currency gains, net	969	418	898	2,812
Other, net	64	(5,461)	68	(13,110)
	(18,196)	(20,295)	(17,167)	(77,676)
Income (Loss) from Continuing Operations Before Income Tax Benefit and Equity in Earnings (Losses) of 50% or Less Owned Companies	(3,106)	(14,686)	10,333	(65,426)
Income Tax Benefit	(12,795)	(7,164)	(12,563)	(29,921)
Income (Loss) from Continuing Operations Before Equity in Earnings (Losses) of 50% or Less Owned Companies	9,689	(7,522)	22,896	(35,505)
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	488	(1,112)	2,929	(7,169)
Income (Loss) from Continuing Operations	10,177	(8,634)	25,825	(42,674)
Income (Loss) from Discontinued Operations, Net of Tax	10,927	(25,392)	(23,150)	(62,809)
Net Income (Loss)	21,104	(34,026)	2,675	(105,483)
Net Income attributable to Noncontrolling Interests in Subsidiaries	3,543	5,777	13,839	16,665
Net Income (Loss) attributable to SEACOR Holdings Inc.	$ 17,561	$ (39,803)	$ (11,164)	$ (122,148)
Basic Earnings (Loss) Per Common Share of SEACOR Holdings Inc.:				
Continuing operations	$ 0.38	$ (0.82)	$ 0.55	$ (3.45)
Discontinued operations	0.62	(1.53)	(1.20)	(3.78)
	$ 1.00	$ (2.35)	$ (0.65)	$ (7.23)
Diluted Earnings (Loss) Per Common Share of SEACOR Holdings Inc.:				
Continuing operations	$ 0.38	$ (0.82)	$ 0.55	$ (3.45)
Discontinued operations	0.62	(1.53)	(1.19)	(3.78)
	$ 1.00	$ (2.35)	$ (0.64)	$ (7.23)
Weighted Average Common Shares Outstanding:				
Basic	17,508,770	16,943,647	17,265,140	16,896,751
Diluted	17,637,824	16,943,647	17,510,560	16,896,751

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

SEACOR HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income (Loss)	$ 21,104	$ (34,026)	$ 2,675	$ (105,483)
Other Comprehensive Income (Loss):				
Foreign currency translation gains (losses)	425	(305)	2,147	(6,641)
Reclassification of foreign currency translation losses to foreign currency gains, net	—	74	—	74
Derivative losses on cash flow hedges	—	(187)	(389)	(3,855)
Reclassification of derivative losses on cash flow hedges to interest expense	—	9	33	9
Reclassification of derivative losses on cash flow hedges to equity in earnings (losses) of 50% or less owned companies	—	785	109	2,111
Other	5	(7)	(11)	(16)
	430	369	1,889	(8,318)
Income tax benefit (expense)	(151)	(182)	(605)	2,612
	279	187	1,284	(5,706)
Comprehensive Income (Loss)	21,383	(33,839)	3,959	(111,189)
Comprehensive Income attributable to Noncontrolling Interests in Subsidiaries	3,543	5,625	14,000	15,810
Comprehensive Income (Loss) attributable to SEACOR Holdings Inc.	$ 17,840	$ (39,464)	$ (10,041)	$ (126,999)

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

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
December 31, 2016	$ 379	$ 1,518,635	$ 910,723	$ (1,357,331)	$ (11,514)	$ 135,376	$ 1,196,268
Issuance of common stock:							
Employee Stock Purchase Plan	—	—	—	1,443	—	—	1,443
Exercise of stock options	4	14,980	—	—	—	—	14,984
Director stock awards	—	63	—	—	—	—	63
Restricted stock	2	(2)	—	—	—	—	—
Exercise of conversion option in convertible debt	—	3	—	—	—	—	3
Distribution of SEACOR Marine stock to shareholders	—	2,656	(521,859)	—	10,125	(18,613)	(527,691)
Purchase of conversion option in convertible debt, net of tax	—	(927)	—	—	—	—	(927)
Purchase of treasury shares	—	—	—	(7,569)	—	—	(7,569)
Amortization of share awards	—	22,691	—	—	—	—	22,691
Cancellation of restricted stock	—	101	—	(101)	—	—	—
Purchase of subsidiary shares from noncontrolling interests	—	(1,114)	—	—	—	(2,579)	(3,693)
Consolidation of 50% or less owned companies	—	—	—	—	—	17,374	17,374
Disposition of subsidiary with noncontrolling interests	—	—	—	—	—	(14,673)	(14,673)
Distributions to noncontrolling interests	—	—	—	—	—	(7,430)	(7,430)
Net income (loss)	—	—	(11,164)	—	—	13,839	2,675
Other comprehensive income	—	—	—	—	1,123	161	1,284
Nine Months Ended September 30, 2017	$ 385	$ 1,557,086	$ 377,700	$ (1,363,558)	$ (266)	$ 123,455	$ 694,802

The accompanying notes are an integral part of these consolidated financial statements and should be read in conjunction herewith.

SEACOR HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net Cash Provided by Operating Activities of Continuing Operations	$ 85,088	$ 60,547
Cash Flows from Investing Activities of Continuing Operations:		
Purchases of property and equipment	(99,306)	(207,825)
Proceeds from disposition of property and equipment	27,614	142,076
Investments in and advances to 50% or less owned companies	(7,636)	(4,464)
Return of investments and advances from 50% or less owned companies	9,676	8,361
Proceeds on the sale of a controlling interest in a subsidiary	5,000	—
Net advances on revolving credit line to 50% or less owned companies	—	(1,099)
(Issuances of) payments received on third party leases and notes receivable, net	24,349	(1,824)
Net increase in restricted cash	(187)	(2,244)
Withdrawals from construction reserve funds	37,714	16,827
Deposits into construction reserve funds	(13,807)	—
Business acquisitions, net of cash acquired	5,250	—
Net cash used in investing activities of continuing operations	(11,333)	(50,192)
Cash Flows from Financing Activities of Continuing Operations:		
Payments on long-term debt and capital lease obligations	(133,151)	(131,196)
Proceeds from issuance of long-term debt, net of issue costs	38,900	78,380
Purchase of conversion option in convertible debt	(1,354)	(7,096)
Common stock acquired for treasury	(7,569)	(2,396)
Proceeds from share award plans	16,427	1,618
Distributions to noncontrolling interests	—	(200)
Net cash used in financing activities of continuing operations	(86,747)	(60,890)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	856	(1,937)
Net Decrease in Cash and Cash Equivalents from Continuing Operations	(12,136)	(52,472)
Cash Flows from Discontinued Operations:		
Operating Activities	26,875	17,338
Investing Activities	2,720	(14,304)
Financing Activities	(7,149)	7,753
Effects of Exchange Rate Changes on Cash and Cash Equivalents	208	499
Net Increase in Cash and Cash Equivalents from Discontinued Operations	22,654	11,286
Net Increase (Decrease) in Cash and Cash Equivalents	10,518	(41,186)
Cash and Cash Equivalents, Beginning of Period	256,638	357,146
Cash and Cash Equivalents, End of Period	$ 267,156	$ 315,960

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

SEACOR HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The condensed consolidated financial information for the three and nine months ended September 30, 2017 and 2016 has been prepared by the Company and has not been audited by its independent registered certified 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 fairly present the Company's financial position as of September 30, 2017, its results of operations for the three and nine months ended September 30, 2017 and 2016, its comprehensive income (loss) for the three and nine months ended September 30, 2017 and 2016, its changes in equity for the nine months ended September 30, 2017, and its cash flows for the nine months ended September 30, 2017 and 2016. 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 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, 2016.

Unless the context otherwise indicates, any reference in this Quarterly Report on Form 10-Q to the "Company" refers to SEACOR Holdings Inc. and its consolidated subsidiaries and any reference in this Quarterly Report on Form 10-Q to "SEACOR" refers to SEACOR Holdings Inc. without its consolidated subsidiaries. Capitalized terms used and not specifically defined herein have the same meaning given those terms in the Company's Annual report on Form 10-K for the year ended December 31, 2016.

Discontinued Operations. On June 1, 2017, the Company completed the spin-off of SEACOR Marine Holdings Inc. ("SEACOR Marine"), the company that operated SEACOR's Offshore Marine Services business segment (the "Spin-off"), by means of a dividend of all the issued and outstanding common stock of SEACOR Marine to SEACOR's shareholders. SEACOR Marine is now an independent company whose common stock is listed on the New York Stock Exchange under the symbol "SMHI." For all periods presented herein, the Company has reported the historical financial position, results of operations and cash flows of SEACOR Marine as discontinued operations (see Note 15).

On July 3, 2017, the Company completed the sale of its 70% interest in Illinois Corn Processing LLC ("ICP"), the company that operated SEACOR's Illinois Corn Processing business segment, through a merger transaction whereby the Company received $21.0 million in cash and a note from the buyer for $32.8 million after working capital adjustments resulting in a third quarter gain of $10.9 million, net of tax. On September 15, 2017, the Company received payment of the outstanding balance of the note, including accrued and unpaid interest. For all periods presented herein, the Company has reported the historical financial position, results of operations and cash flows of ICP as discontinued operations (see Note 15).

Revenue Recognition. The Company recognizes revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met.

Property and Equipment. 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 time period beyond 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 September 30, 2017, the estimated useful life (in years) of each of the Company's major categories of new equipment was as follows:

Inland river dry-cargo and deck barges	20
Inland river liquid tank barges	25
Inland river towboats and harbor boats	25
Product tankers - U.S.-flag	25
Articulated tug-barge - U.S.-flag	25
Dry-bulk carrier - U.S.-flag	25
Short-sea container/RORO[(1)] vessels	20
Harbor and offshore tugs	25
Ocean liquid tank barges	25
Terminal facilities	20

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(1) Roll on/Roll off ("RORO").

Equipment maintenance and repair costs including the costs of routine overhauls, drydockings and inspections performed on vessels and equipment are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of equipment as well as major renewals and improvements to other properties are capitalized.

Certain interest costs incurred during the construction of equipment are capitalized as part of the assets' carrying values and are amortized over such assets' estimated useful lives. During the nine months ended September 30, 2017, capitalized interest totaled $2.4 million.

Impairment of Long-Lived Assets. The Company performs an impairment analysis of long-lived assets used in operations, including intangible assets, when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying values of the assets are not recoverable, as determined by the estimated undiscounted cash flows, the estimated fair value of the assets or asset groups are compared to their current carrying value and impairment charges are recorded if the carrying value exceeds fair value. The Company performs its testing on an asset or asset group basis. The Company's estimates of undiscounted cash flows are highly subjective and actual results may vary from the Company's estimates due to the uncertainty regarding projected financial performance. Generally, fair value is determined using valuation techniques, such as expected discounted cash flows or appraisals, as appropriate. During the nine months ended September 30, 2017 and 2016, the Company recognized impairment charges of $0.4 million and $1.1 million, respectively, related to long-lived assets held for use.

Impairment of 50% or Less Owned Companies. Investments in 50% or less owned companies are reviewed periodically to assess whether there is an other-than-temporary decline in the carrying value of the investment. In its evaluation, the Company considers, among other items, recent and expected financial performance and returns, impairments recorded by the investee and the capital structure of the investee. When the Company determines the estimated fair value of an investment is below carrying value and the decline is other-than-temporary, the investment is written down to its estimated fair value. Actual results may vary from the Company's estimates due to the uncertainty regarding projected financial performance, the severity and expected duration of declines in value, and the available liquidity in the capital markets to support the continuing operations of the investee, among other factors. Although the Company believes its assumptions and estimates are reasonable, the investee's actual performance compared with the estimates could produce different results and lead to additional impairment charges in future periods. During the nine months ended September 30, 2017, the Company recognized an impairment charge of $0.9 million, net of tax, related to its 50% or less owned companies. During the nine months ended September 30, 2016, the Company did not recognize any impairment charges related to its 50% or less owned companies.

Income Taxes. During the nine months ended September 30, 2017, the Company's effective income tax rate of (121.6)% was primarily due to the reversal of a provision related to potential tax exposures surrounding the spin-off of Era Group Inc. ("Era Group") by means of a dividend to SEACOR's shareholders of all the issued and outstanding common stock of Era Group (the "Era Spin-off") and taxes not provided on income attributable to noncontrolling interests (see Note 6).

Deferred Gains. The Company has sold certain equipment to its 50% or less owned companies, entered into vessel sale-leaseback transactions with finance companies, and provided seller financing on sales of its equipment to third parties and its 50% or less owned companies. A portion of the gains realized from these transactions were deferred and recorded in deferred gains and other liabilities in the accompanying condensed consolidated balance sheets. Deferred gain activity related to these transactions for the nine months ended September 30 was as follows (in thousands):

	2017	2016
Balance at beginning of period	$ 82,423	$ 92,610
Adjustments to deferred gains arising from asset sales	7,720	9,003
Amortization of deferred gains included in operating expenses as a reduction to rental expense	(11,126)	(11,219)
Amortization of deferred gains included in gains (losses) on asset dispositions and impairments, net	(1,764)	(1,816)
Other	—	(1,697)
Balance at end of period	$ 77,253	$ 86,881

Accumulated Other Comprehensive Income (Loss). The components of accumulated other comprehensive income (loss) were as follows (in thousands):

	SEACOR Holdings Inc. Stockholders' Equity				Noncontrolling Interests			
	Foreign Currency Translation Adjustments	Derivative Gains on Cash Flow Hedges, net	Other	Total	Foreign Currency Translation Adjustments	Derivative Losses on Cash Flow Hedges, net	Other	Other Comprehensive Income
December 31, 2016	$ (11,593)	$ 75	$ 4	$ (11,514)	$ (1,613)	$ (17)	$ 3	
Distribution of SEACOR Marine stock to shareholders	10,031	94	—	10,125	—	—	—	
Other comprehensive income (loss)	1,994	(260)	(6)	1,728	153	13	(5)	$ 1,889
Income tax (expense) benefit	(698)	91	2	(605)	—	—	—	(605)
Nine Months Ended September 30, 2017	$ (266)	$ —	$ —	$ (266)	$ (1,460)	$ (4)	$ (2)	$ 1,284

Earnings (Loss) Per Share. Basic earnings (loss) per common share of SEACOR is computed based on the weighted average number of common shares issued and outstanding during the relevant periods. Diluted earnings (loss) per common share of SEACOR is 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 all outstanding convertible notes.

Computations of basic and diluted earnings (loss) per common share of SEACOR were as follows (in thousands, except share data):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	Net Income (Loss) attributable to SEACOR	Average O/S Shares	Per Share	Net Loss Attributable to SEACOR	Average O/S Shares	Per Share
2017						
Basic Weighted Average Common Shares Outstanding	$ 17,561	17,508,770	$ 1.00	$ (11,164)	17,265,140	$ (0.65)
Effect of Dilutive Share Awards:						
Options and Restricted Stock(1)	—	129,054		—	245,420	
Convertible Notes(2)	—	—		—	—	
Diluted Weighted Average Common Shares Outstanding	$ 17,561	17,637,824	$ 1.00	$ (11,164)	17,510,560	$ (0.64)
2016						
Basic Weighted Average Common Shares Outstanding	$ (39,803)	16,943,647	$ (2.35)	$ (122,148)	16,896,751	$ (7.23)
Effect of Dilutive Share Awards:						
Options and Restricted Stock(3)	—	—		—	—	
Convertible Notes(4)	—	—		—	—	
Diluted Weighted Average Common Shares Outstanding	$ (39,803)	16,943,647	$ (2.35)	$ (122,148)	16,896,751	$ (7.23)

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(1) For the three and nine months ended September 30, 2017, diluted earnings (loss) per common share of SEACOR excluded 1,727,132 and 2,638,753, respectively, of certain share awards as the effect of their inclusion in the computation would be anti-dilutive. Diluted weighted average shares outstanding are calculated based on continuing operations.

(2) For the three and nine months ended September 30, 2017, diluted earnings (loss) per common share of SEACOR excluded 1,889,027 and 2,488,460, respectively, of common shares issuable pursuant to the Company's 2.5% Convertible Senior Notes and 2,801,147 and 2,801,147, respectively, of common shares issuable pursuant to the Company's 3.0% Convertible Senior Notes as the effect of their inclusion in the computation would be anti-dilutive.

(3) For the three and nine months ended September 30, 2016, diluted loss per common share of SEACOR excluded 2,041,652 and 2,041,652, respectively, of certain share awards as the effect of their inclusion in the computation would be anti-dilutive.

(4) For the three and nine months ended September 30, 2016, diluted loss per common share of SEACOR excluded 2,382,626 and 2,910,688, respectively, of common shares issuable pursuant to the Company's 2.5% Convertible Senior Notes, 1,825,326 and 1,825,326, respectively, of common shares issuable pursuant to the Company's 3.0% Convertible Senior Notes and 2,243,500 and 2,243,500, respectively, of common shares issuable pursuant to the Company's 3.75% Subsidiary Convertible Senior Notes as the effect of their inclusion in the computation would be anti-dilutive.

New Accounting Pronouncements. On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States. The core principal of the new standard is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard is effective for annual and interim periods beginning after December 15, 2017 and early adoption is permitted. The Company will adopt the new standard on January 1, 2018 and expects to use the modified retrospective approach upon adoption. The Company is currently determining the impact, if any, the adoption of the new accounting standard will have on its consolidated financial position, results of operations or cash flows. Principal versus agent considerations of the new standard with respect to the Company's barge pooling arrangements may result in a gross presentation of operating revenues and expenses for pooled third party equipment resulting in a material increase in operating revenues and expenses, however operating income would remain unchanged.

On February 25, 2016, the FASB issued a comprehensive new leasing standard, which is meant to improve transparency and comparability among companies by requiring lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The new standard is effective for interim and annual periods beginning after December 15, 2018 and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On August 26, 2016, the FASB issued an amendment to the accounting standard which amends or clarifies guidance on classification of certain transactions in the statement of cash flows, including classification of proceeds from the settlement of insurance claims, debt prepayments, debt extinguishment costs and contingent consideration payments after a business combination. This new standard is effective for the Company as of January 1, 2018 and early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On October 24, 2016, the FASB issued a new accounting standard, which requires companies to account for the income tax effects of intercompany sales and transfers of assets other than inventory. The new standard is effective for interim and annual periods beginning after December 31, 2017 and requires a modified retrospective approach to adoption. The Company does not expect the adoption of the new standard will have a material impact on its consolidated financial position, results of operations or cash flows.

On November 17, 2016, the FASB issued an amendment to the accounting standard which requires that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total cash amounts shown on the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On January 26, 2017, the FASB issued an amendment to the accounting standard which simplified wording and removes step two of the goodwill impairment test. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. The FASB also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform step two of the goodwill test. The new standard is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2020, with early adoption permitted for interim or annual goodwill impairment tests on testing dates after January 1, 2017. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

2. BUSINESS ACQUISITIONS

ISH. On July 3, 2017, International Shipholding Corporation ("ISH") emerged from bankruptcy pursuant to its chapter 11 plan of reorganization (the "Plan") by the U.S. Bankruptcy Court for the Southern District of New York. Pursuant to the Plan, SEACOR Ocean Transport Inc., a wholly-owned subsidiary of SEACOR, acquired all of the equity of the reorganized ISH. Under the terms of the Plan, the Company paid $10.5 million in cash, converted $18.1 million of debtor-in-possession financing into equity and assumed $28.7 million of debt primarily from a new credit facility that is secured by the assets and equity of ISH and is non-recourse to SEACOR and its subsidiaries other than ISH (see Note 5). ISH, through its subsidiaries, operates a diversified fleet of U.S. and foreign-flag vessels including Pure Car/Truck Carriers ("PCTCs") and U.S.-flag dry-cargo bulk carriers that provide worldwide and domestic maritime transportation services to commercial and governmental customers. In addition, ISH has investments in two 50% or less owned companies that operate two foreign-flag rail ferries and a railcar repair and maintenance facility. The Company has excluded pro forma financial information with respect to the ISH acquisition as financial information for the specific assets acquired under the Plan were not material or reasonably attainable. The Company performed a preliminary fair value analysis and the purchase price was allocated to the acquired assets and liabilities based on their fair value resulting in no goodwill being recorded.

Purchase Price Allocation. The allocation of the purchase price for the Company's acquisition for the nine months ended September 30, 2017 was as follows (in thousands):

Marketable securities	$	13
Trade and other receivables		15,420
Other current assets		2,055
Investments, at Equity, and Advances to 50% or Less Owned Companies		10,000
Property and Equipment		15,478
Intangible Assets		12,658
Other Assets[(1)]		(17,863)
Accounts payable and other accrued liabilities		(18,183)
Long-Term Debt (including current portion)		(28,725)
Deferred Income Taxes		3,939
Other Liabilities		(42)
Purchase price[(2)]	$	(5,250)

(1) Other Assets is net of debtor-in-possession financing converted into equity of $18.1 million.
(2) Purchase price is net of cash acquired totaling $15.7 million.

3. EQUIPMENT ACQUISITIONS AND DISPOSITIONS

During the nine months ended September 30, 2017, capital expenditures were $99.3 million and primarily related to equipment ordered prior to 2017. Equipment deliveries during the nine months ended September 30, 2017 included two inland river liquid tank barges, three inland river towboats, one U.S.-flag articulated tug-barge, one U.S.-flag product tanker, one U.S.-flag harbor tug and two foreign-flag harbor tugs.

During the nine months ended September 30, 2017, the Company sold 50 dry-cargo barges, two inland river towboats and other property and equipment for net proceeds of $27.6 million and gains of $17.6 million, of which $9.9 million were recognized currently and $7.7 million were deferred (see Note 1). Equipment dispositions included the sale-leaseback of 50 dry-cargo barges for $12.5 million with leaseback terms of 84 months. In addition, the Company recognized previously deferred gains of $1.8 million. The Company also recognized a loss of $0.4 million related to the total loss of one inland river specialty barge.

4. INVESTMENTS, AT EQUITY, AND ADVANCES TO 50% OR LESS OWNED COMPANIES

SCFCo. SCFCo was established to operate inland river towboats and inland river dry-cargo barges on the Parana-Paraguay Rivers in South America and a terminal facility at Port Ibicuy, Argentina. During the nine months ended September 30, 2017, the Company and its partner each contributed capital of $0.4 million and made working capital advances of $0.5 million to SCFCo, received working capital repayments of $1.7 million from SCFCo and converted $4.2 million of loans to capital. As of September 30, 2017, the Company had outstanding loans and working capital advances to SCFCo of $27.4 million.

Trailer Bridge. Trailer Bridge is an operator of U.S.-flag deck and RORO barges and provides marine transportation services between Jacksonville, Florida, San Juan, Puerto Rico and Puerto Plata, Dominican Republic. The Company provides secured financing to Trailer Bridge and, during the nine months ended September 30, 2017, the Company provided advances of $2.0 million to Trailer Bridge and received repayments of $2.1 million from Trailer Bridge on the secured financing. As of September 30, 2017, the outstanding amount on the secured financing was $3.9 million, inclusive of accrued and unpaid interest.

SeaJon. SeaJon owned an articulated tug-barge operating in the Great Lakes trade that was sold to a third party in June 2017. During the nine months ended September 30, 2017, the Company received dividends of $12.5 million and capital distributions of $3.5 million from SeaJon.

Kotug. On April 1, 2017, the Company and Kotug Caribbean Holdings LLC formed Kotug Seabulk Maritime LLC (“Kotug”) to operate four foreign-flag harbor tugs and one foreign-flag ocean liquid tank barge in Freeport, Grand Bahama. The Company has a 50% ownership interest in Kotug. During the nine months ended September 30, 2017, the Company and its partner each contributed capital of $0.3 million.

RF Vessel Holdings. On July 3, 2017, ISH emerged from bankruptcy pursuant to its chapter 11 plan of reorganization and SEACOR Ocean Transport Inc., a wholly-owned subsidiary of SEACOR, acquired all of the equity of the reorganized ISH (see Note 2). As part of the ISH business acquisition, the Company acquired a 100% interest in Rail-Ferry Vessel Holdings LLC (“RF Vessel Holdings”), which owns two foreign-flag rail ferries. On September 1, 2017, the Company sold a 50% interest in RF Vessel Holdings to G&W Agave Holdings (MI) Inc. for $1.9 million and retained a 50% ownership interest in the newly-formed joint venture.

Golfo de Mexico. On July 3, 2017, ISH emerged from bankruptcy pursuant to its chapter 11 plan of reorganization and SEACOR Ocean Transport Inc., a wholly-owned subsidiary of SEACOR, acquired all of the equity of the reorganized ISH (see Note 2). As part of the ISH business acquisition, the Company acquired a 100% interest in Golfo de Mexico Rail-Ferry Holdings LLC (“Golfo de Mexico”), which operates the two foreign-flag rail ferries owned by RF Vessel Holdings. On September 1, 2017, the Company sold a 50% interest in Golfo de Mexico to G&W Agave Holdings (MI) Inc. for $3.1 million and retained a 50% ownership interest in the newly-formed joint venture.

VA&E. VA&E primarily focuses on the global origination, trading and merchandising of sugar, pairing producers and buyers and arranging for the transportation and logistics of the product. The Company provides an uncommitted credit facility of up to $3.5 million and a subordinated loan of $3.5 million to VA&E. During the nine months ended September 30, 2017, VA&E borrowed $3.5 million on the credit facility. As of September 30, 2017, the outstanding balance on the credit facility and subordinated loan was $7.5 million, inclusive of accrued and unpaid interest. During the nine months ended September 30, 2017, the Company identified indicators of impairment for its investment in VA&E based on their recent financial results and recognized an impairment charge of $0.9 million, net of tax, for an other-than-temporary decline in the fair value of its investment in VA&E (see Note 8).

Avion. Avion is a distributor of aircraft and aircraft related parts. During the nine months ended September 30, 2017, the Company made advances of $1.0 million to Avion and received repayments of $2.0 million from Avion. As of September 30, 2017, the Company had outstanding advances to Avion of $2.0 million.

5. LONG-TERM DEBT

SEACOR's Board of Directors previously approved a securities repurchase plan that authorizes the Company to acquire SEACOR common stock, par value $0.01 per share ("Common Stock"), 7.375% Senior Notes, 3.0% Convertible Senior Notes, and 2.5% Convertible Senior Notes (collectively the "Securities") through open market purchases, privately negotiated transactions or otherwise, depending on market conditions. As of September 30, 2017, the Company's remaining repurchase authority for the Securities was $77.4 million.

3.0% Convertible Senior Notes. In connection with the Spin-off, the conversion rate of the 3.0% Convertible Senior Notes was adjusted to 12.1789. The Company has reserved the maximum number of shares of Common Stock needed for conversion, or 2,801,147 shares as of September 30, 2017.

2.5% Convertible Senior Notes. During the nine months ended September 30, 2017, the Company repurchased $61.7 million in principal amount of its 2.5% Convertible Senior Notes for total consideration of $61.9 million. Consideration of $60.5 million was allocated to the settlement of the long-term debt resulting in debt extinguishment gains of $0.1 million included in the accompanying condensed consolidated statements of income (loss). Consideration of $1.4 million was allocated to the purchase of the conversion option embedded in the 2.5% Convertible Senior Notes as included in the accompanying consolidated statements of changes in equity. As of September 30, 2017, the remaining principal amount outstanding of $95.5 million is included in current liabilities as the holders may require the Company to repurchase these notes on December 19, 2017.

In connection with the Spin-off, the conversion rate of the 2.5% Convertible Senior Notes was adjusted to 18.4176. The Company has reserved the maximum number of shares of Common Stock needed for conversion, or 1,758,107 shares as of September 30, 2017.

7.375% Senior Notes. During the nine months ended September 30, 2017, the Company repurchased $7.6 million in principal amount of its 7.375% Senior Notes for $7.7 million resulting in debt extinguishment losses of $0.2 million included in the accompanying condensed consolidated statements of income (loss). The outstanding principal amount of these notes outstanding was $153.1 million as of September 30, 2017.

SEA-Vista Credit Facility. During the nine months ended September 30, 2017, SEA-Vista borrowed $38.9 million and repaid $45.9 million on the Revolving Loan and made scheduled repayments of $3.6 million on the Term A-1 Loan and $3.0 million on the Term A-2 Loan. As of September 30, 2017, SEA-Vista had $21.0 million of remaining borrowing capacity under the Revolving Loan. Subsequent to September 30, 2017, SEA-Vista borrowed $6.0 million on the Revolving Loan.

ISH Credit Facility. On July 3, 2017, ISH emerged from bankruptcy pursuant to the Plan (see Note 2). In conjunction with the emergence under the Plan, ISH assumed debt of $25.0 million under a credit facility that matures in July 2020. The facility consists of two tranches: (i) a $5.0 million revolving credit facility (the "ISH Revolving Loan") and (ii) a $20.0 million term loan (the "ISH Term Loan") (collectively the "ISH Credit Facility"). ISH incurred $0.1 million of issuance costs. The proceeds from this facility will be used for general working capital purposes and payments to ISH's creditors in accordance with the Plan. During the nine months ended September 30, 2017, ISH repaid $7.2 million on the ISH Term Loan and $5.0 million on the ISH Revolving Loan.

Both loans bear interest at a variable rate of either LIBOR multiplied by the Statutory Reserve Rate or Prime Rate plus an applicable margin, as defined in the ISH Credit Facility. A quarterly fee of 0.5% is payable on the unused commitment of the ISH Revolving Loan. Beginning September 30, 2017, ISH is required to make quarterly prepayments on the ISH Term Loan of $0.7 million. Commencing with the calendar year ending December 31, 2018, ISH is required to make annual prepayments on the ISH Term Loan in an amount equal to 50% of excess cash flow as defined in the credit agreement.

The ISH Credit Facility contains various financial and restrictive covenants including indebtedness to EBITDA and adjusted EBITDA to interest expense maintenance, as defined in the ISH Credit Facility. The ISH Credit Facility is non-recourse to SEACOR and its subsidiaries other than ISH. As of September 30, 2017, the ISH Credit Facility had $5.0 million of remaining borrowing capacity under the ISH Revolving Loan.

Other. During the nine months ended September 30, 2017 the Company acquired $3.9 million of debt related to the ISH acquisition (see Note 2). This debt bears interest at 7.0% and is collateralized by certain acquired assets. During the nine months ended September 30, 2017, the Company made scheduled payments on other long-term debt of $0.3 million.

Letters of Credit. As of September 30, 2017, the Company had outstanding letters of credit totaling $27.2 million with various expiration dates through 2019, including $16.7 million that have been issued on behalf of SEACOR Marine.

Guarantees. The Company has guaranteed the payments of amounts owed under certain sale-leaseback transactions, equipment financing and multi-employer pension obligations on behalf of SEACOR Marine. As of September 30, 2017, these guarantees on behalf of SEACOR Marine totaled $84.9 million and decline as payments are made on the outstanding obligations.

The Company earns a fee of 50 basis points per annum on these guarantees and outstanding letters of credit. For the three and nine months ended September 30, 2017, the Company earned fees of $0.1 million and $0.5 million, respectively. For the three and nine months ended September 30, 2016, the Company earned fees of $0.1 million and $0.6 million, respectively.

6. INCOME TAXES

The following table reconciles the difference between the statutory federal income tax rate for the Company and the effective income tax rate on continuing operations for the nine months ended September 30, 2017:

Statutory rate	35.0 %
Income subject to tonnage tax	(3.4)%
Reversal of uncertain tax position	(97.9)%
Non-deductible expenses	1.3 %
Noncontrolling interests	(55.1)%
Losses of foreign subsidiaries not benefited	(13.1)%
State taxes	5.3 %
Share award plans	6.3 %
	(121.6)%

During the year ended December 31, 2013, the Company provided for income taxes of $10.1 million relating to potential tax exposures surrounding the Era Spin-off. During the nine months ended September 30, 2017, the Company reversed this provision as the statute of limitations expired. In addition, the Company reversed accumulated accrued interest of $2.0 million related to this provision, included as a reduction in interest expense in the accompanying condensed consolidated statements of income (loss).

7. DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Cash Flow Hedges. SeaJon, one of the Company's 50% or less owned companies, had an interest rate swap agreement designated as a cash flow hedge that matured in April 2017. This interest rate swap called for SeaJon to pay a fixed interest rate of 2.79% on the amortized notional value and receive a variable interest rate based on LIBOR on the amortized notional value. By entering into this interest rate swap agreement, SeaJon converted the variable LIBOR component of certain of its outstanding borrowings to a fixed interest rate.

Other Derivative Instruments. The Company recognized gains (losses) on derivative instruments not designated as hedging instruments for the nine months ended September 30 as follows (in thousands):

	2017	2016
Exchange option liability on subsidiary convertible senior notes	$ 19,436	$ (3,328)
Forward currency exchange, option and future contracts	291	(186)
Exchange traded commodity swap, option and future contracts	—	(13)
	$ 19,727	$ (3,527)

The exchange option liability on subsidiary convertible senior notes terminated as a consequence of the Spin-off.

The Company enters and settles forward currency exchange, option and future contracts with respect to various foreign currencies. These contracts enable the Company to buy currencies in the future at fixed exchange rates, which could offset possible consequences of changes in currency exchange rates with respect to the Company's business conducted outside of the United States. As of September 30, 2017, there were no outstanding forward currency exchange contracts.

8. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability 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. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes 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 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 value of the assets or liabilities.

The Company's financial assets and liabilities as of September 30, 2017 that are measured at fair value on a recurring basis were as follows (in thousands):

	Level 1	Level 2	Level 3
ASSETS			
Marketable securities[(1)]	$ 62,606	$ —	$ —
Construction reserve funds	51,846	—	—

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(1) Marketable security losses, net include unrealized losses of $12.5 million and $9.6 million for the three months ended September 30, 2017 and 2016, respectively, related to marketable security positions held by the Company as of September 30, 2017. Marketable security losses, net include unrealized losses of $12.8 million and $53.0 million for the nine months ended September 30, 2017 and 2016, respectively, related to marketable security positions held by the Company as of September 30, 2017.

The estimated fair values of the Company's other financial assets and liabilities as of September 30, 2017 were as follows (in thousands):

		Estimated Fair Value		
	Carrying Amount	Level 1	Level 2	Level 3
ASSETS				
Cash, cash equivalents and restricted cash	$ 269,592	$ 269,592	$ —	$ —
Investments, at cost, in 50% or less owned companies (included in other assets)	4,300	*see below*		
Notes receivable from third parties (included in other receivables and other assets)	2,773	950	1,741	—
LIABILITIES				
Long-term debt, including current portion[(1)]	$ 739,552	$ —	$ 749,775	$ —

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(1) The estimated fair value includes the embedded conversion options on the Company's 2.5% and 3.0% Convertible Senior Notes.

The carrying value of cash, cash equivalents and restricted cash approximates fair value. The fair value of the Company's long-term debt and notes receivable from third parties was estimated based upon quoted market prices or by using discounted cash flow analyses based on estimated current rates for similar types of arrangements. It was not practicable to estimate the fair value of certain of the Company's investments, at cost, in 50% or less owned companies because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. Considerable judgment was required in developing certain of the estimates of fair value and, accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

The Company's other assets and liabilities that were measured at fair value during the nine months ended September 30, 2017 were as follows (in thousands):

	Level 1	Level 2	Level 3
ASSETS			
Investments, at equity, and advances in 50% or less owned companies	$ —	$ 6,000	$ —

Investments, at equity and advances in 50% or less owned companies. During the nine months ended September 30, 2017, the Company identified indicators of impairment for its investment in VA&E based on their recent financial results. The Company evaluated the fair value of VA&E and determined that its assets and liabilities were carried at fair value except for property, plant and equipment and certain deferred tax assets. Based on this evaluation, the Company concluded its carrying value was in excess of fair value and the impairment was other than temporary resulting in an impairment charge of $0.9 million, net of tax, of its equity investment.

9. STOCK REPURCHASES

SEACOR's Board of Directors previously approved a securities repurchase plan that authorizes the Company to acquire its Securities through open market purchases, privately negotiated transactions or otherwise, depending on market conditions. As of September 30, 2017, the Company's repurchase authority for the Securities was $77.4 million.

During the nine months ended September 30, 2017, the Company purchased 110,298 shares of Common Stock for treasury from its employees, to cover their tax withholding obligations related to share award transactions, for an aggregate purchase price of $7.6 million. These shares were purchased in accordance with the terms of the Company's Share Incentive Plans and not pursuant to the repurchase authorization granted by SEACOR's Board of Directors.

10. NONCONTROLLING INTERESTS IN SUBSIDIARIES

Noncontrolling interests in the Company's consolidated subsidiaries were as follows (in thousands):

	Noncontrolling Interests	September 30, 2017	December 31, 2016
Inland River Services:			
Other	3.0% – 51.8%	$ 959	$ 980
Shipping Services:			
SEA-Vista	49%	122,344	106,054
Discontinued Operations	1.8% – 50.0%	—	28,190
Other	5.0% – 14.6%	152	152
		$ 123,455	$ 135,376

SEA-Vista. SEA-Vista owns and operates the Company's fleet of U.S.-flag product tankers used in the U.S. coastwise trade of crude oil, petroleum and specialty chemical products. As of September 30, 2017, the net assets of SEA-Vista were $249.7 million. During the nine months ended September 30, 2017, the net income of SEA-Vista was $33.2 million, of which $16.3 million was attributable to noncontrolling interests. During the nine months ended September 30, 2016, the net income of SEA-Vista was $32.4 million, of which $15.9 million was attributable to noncontrolling interests.

Discontinued Operations. As of December 31, 2016, discontinued operations primarily consisted of noncontrolling interests in Windcat Workboats, a subsidiary of SEACOR Marine and noncontrolling interests in ICP (see Note 1).

11. MULTI-EMPLOYER AND DEFINED BENEFIT PENSION PLANS

AMOPP. During the nine months ended September 30, 2017, the Company received notification from the AMOPP that the Company's withdrawal liability as of September 30, 2016 would have been $28.6 million based on an actuarial valuation performed as of that date. That liability may change in future years based on various factors, primarily employee census. As of September 30, 2017, the Company has no intention to withdraw from the AMOPP and no deficit amounts have been invoiced. Depending upon the results of the future actuarial valuations and the ten-year rehabilitation plan, it is possible that the AMOPP will experience further funding deficits, requiring the Company to recognize additional payroll related operating expenses in the periods invoices are received or contribution levels are increased.

ISH Retirement Plan. ISH sponsored a defined benefit pension plan (the "ISH Plan") covering non-union employees prior to its acquisition by the Company on July 3, 2017 (see Note 2). The ISH Plan generally provided participants with benefits based on years of service and compensation levels for participants hired prior to September 1, 2006. From that date forward, the benefit was calculated prospectively under a cash balance formula with pay credits based on age plus service years and interest credits based on an as defined U.S. treasury rate. Effective July 3, 2017, in conjunction with the Plan, an amendment was made to the ISH Plan that fully vested all active participants as of January 1, 2017 and froze the retirement benefits effective August 31, 2017. As of August 31, 2017, all retirement benefits earned were fully preserved and will be paid in accordance with the ISH Plan and legal requirements.

The following table sets forth the projected benefit obligation, plan assets and funded status associated with the ISH Plan as of September 30, 2017 (in thousands):

Fair Value of Assets	$ 37,464
Projected Benefit Obligation	(37,227)
Funded Status as of July 3, 2017	237
Net Pension Income July 3, 2017 through August 31, 2017	832
Funded Status as of September 30, 2017[1]	$ 1,069

(1) Included in other assets in the accompanying condensed consolidated balance sheets.

The significant assumptions used in determining the projected benefit obligation and net pension income were as follows:

Discount rate	4.00%
Rate of increase in compensations levels	4.50%
CPI	3.00%
Cash balance interest credits (compounded annually)	4.50%
Expected long-term rate of return on plan assets	6.75%

The future benefit payments expected to be paid in each of the next five fiscal years are as follows (in thousands):

2017[1]	909
2018	1,711
2019	1,804
2020	1,885
2021	1,982

(1) July 3, 2017 through December 31, 2017

12. SHARE BASED COMPENSATION

Transactions in connection with the Company's share based compensation plans during the nine months ended September 30, 2017 were as follows:

Director stock awards granted	1,250
Employee Stock Purchase Plan ("ESPP") shares issued	36,552
Restricted stock awards granted	146,850
Restricted stock awards canceled	2,177
Stock Option Activities:	
Outstanding as of December 31, 2016	1,639,865
Granted[1]	970,069
Exercised	(386,417)
Forfeited	(3,374)
Expired	(541,783)
Outstanding as of September 30, 2017	1,678,360
Shares available for future grants and ESPP purchases as of September 30, 2017[2]	946,572

(1) On June 2, 2017, the Company granted 846,353 stock options to existing option holders under make-whole provisions upon the Spin-off.
(2) Shares available for future grants and ESPP purchases were adjusted on June 2, 2017 to reflect the Spin-off in accordance with make-whole provisions of the plans.

13. COMMITMENTS AND CONTINGENCIES

The Company's capital commitments as of September 30, 2017 by year of expected payment were as follows (in thousands):

	Remainder of 2017	2018	2019	Total
Shipping Services	$ 4,689	$ 2,252	$ —	$ 6,941
Inland River Services	1,577	1,137	529	3,243
	$ 6,266	$ 3,389	$ 529	$ 10,184

Shipping Services' capital commitments included two U.S.-flag harbor tugs and one foreign-flag RORO vessel. Inland River Services' capital commitments included other equipment and various vessel improvements. Subsequent to September 30, 2017, the Company committed to purchase additional equipment for $2.6 million.

On December 15, 2010, ORM and NRC were named as defendants in one of the several "master complaints" filed in the overall multi-district litigation relating to the *Deepwater Horizon* oil spill response and clean-up in the Gulf of Mexico, which is currently pending in the U.S. District Court for the Eastern District of Louisiana (the "MDL"). The "B3" master complaint naming ORM and NRC asserted various claims on behalf of a putative class against multiple defendants concerning the clean-up activities generally and the use of dispersants specifically. Both prior to and following the filing of the aforementioned master complaint, individual civil actions naming the Company, ORM, and/or NRC alleging B3 exposure-based injuries and/or damages were consolidated with the MDL and stayed pursuant to court order. The Company has continually taken the position that all of the B3 claims asserted against it, ORM, and NRC have no merit. On February 16, 2016, all but eleven B3 claims against ORM and NRC were dismissed with prejudice, whether by joinder in the master complaint, individual complaint, or otherwise (the "B3 Dismissal Order"). On August 2, 2016, the Court granted an omnibus motion for summary judgment as it concerns ORM and NRC in its entirety, dismissing the remaining eleven plaintiffs' against ORM and NRC with prejudice (the "Remaining Eleven Plaintiffs' Dismissal Order"). The deadline to appeal both of these orders has expired.

As noted above, various civil actions involving the Company, ORM, and/or NRC and concerning the *Deepwater Horizon* clean-up were consolidated with the MDL, although the majority of them have since been dismissed or otherwise resolved. The remaining claim is the following:

- On April 8, 2013, the Company, ORM, and NRC were named as defendants in *William and Dianna Fitzgerald v. BP Exploration et al.*, No. 2:13-CV-00650 (E.D. La.) (the "*Fitzgerald* Action"), which is a suit by a husband and wife whose son allegedly participated in the clean-up effort and became ill as a result of his exposure to oil and dispersants. While the decedent in the *Fitzgerald* Action's claims against ORM and NRC were dismissed by virtue of the Remaining Eleven Plaintiffs' Dismissal Order, the claim as against the Company remains stayed.

Following a status conference with the Court on February 17, 2017, the Court issued several new pretrial orders in connection with the remaining claims in the MDL.

On July 18, 2017, the Court issued an order dismissing all remaining "B3" claims in the MDL with prejudice, with the exception of certain claims specifically listed on an exhibit annexed to the order (the "Master MDL B3 Dismissal Order"). Nathan Fitzgerald, the decedent in the *Fitzgerald* Action, was listed on the exhibit annexed to the Master MDL B3 Dismissal Order and so this claim against the Company remains pending. The Company is unable to estimate the potential exposure, if any, resulting from this matter, to the extent it remains viable, but believes it is without merit and does not expect that it will have a material effect on its consolidated financial position, results of operations or cash flows.

On February 18, 2011, Triton Asset Leasing GmbH, Transocean Holdings LLC, Transocean Offshore Deepwater Drilling Inc., and Transocean Deepwater Inc. (collectively "Transocean") named ORM and NRC as third-party defendants in a Rule 14(c) Third-Party Complaint in Transocean's own Limitation of Liability Act action, which is part of the overall MDL, tendering to ORM and NRC the claims in the referenced master complaint that have already been asserted against ORM and NRC. Transocean, Cameron International Corporation ("Cameron"), Halliburton Energy Services, Inc., and M-I L.L.C. ("M-I") also filed cross-claims against ORM and NRC for contribution and tort indemnity should they be found liable for any damages in Transocean's Limitation of Liability Act action and ORM and NRC asserted counterclaims against those same parties for identical relief. The remainder of the aforementioned cross-claims in Transocean's limitation action remain pending, although the Company believes that the potential exposure, if any, resulting from these matters has been reduced as a result of the various developments in the MDL, including the B3 Dismissal Order and Remaining Eleven Plaintiffs' Dismissal Order, and does not expect that these matters will have a material effect on its consolidated financial position, results of operations or cash flows.

On November 16, 2012, 668 individuals who served as beach clean-up workers in Escambia County, Florida during the *Deepwater Horizon* oil spill response commenced a civil action in the Circuit Court for the First Judicial Circuit of Florida, in and for Escambia County, *Abney et al. v. Plant Performance Services, LLC et al.*, No. 2012-CA-002947, in which they allege, among other things, that ORM and other defendants engaged in the contamination of Florida waters and beaches in violation of Florida Statutes Chapter 376 and injured the Plaintiffs by exposing them to dispersants during the course and scope of their employment. This case was removed to federal court and ultimately consolidated with the MDL on April 2, 2013. On April 22, 2013, a companion case to this matter was filed in the U.S. District Court for the Northern District of Florida, *Abood et al. v. Plant Performance Services, LLC et al.*, No. 3:13-CV-00284 (N.D. Fla.), which alleges identical allegations against the same parties but names an additional 174 Plaintiffs, all of whom served as clean-up workers in various Florida counties during the *Deepwater Horizon* oil spill response. This case was consolidated with the MDL on May 10, 2013. By court order, both of these matters were then stayed since they were consolidated with the MDL. The names of only a very small percentage of the claimants in these two matters appear to be listed on the exhibit to the Master MDL B3 Dismissal Order. The Company continues to evaluate the impact of the developments in the MDL, including the settlements discussed below, on these cases, but believes that the potential exposure, if any, resulting from these matters has been reduced as a result of these developments and does not expect that these matters will have a material effect on its consolidated financial position, results of operations or cash flows.

Separately, on March 2, 2012, the Court announced that BP Exploration and BP America Production Company (“BP America”) (collectively “BP”) and the Plaintiffs had reached an agreement on the terms of two proposed class action settlements that will resolve, among other things, Plaintiffs’ economic loss claims and clean-up related claims against BP. Both settlements were granted final approval by the Court, all appeals have concluded, and the deadline for submitting claims with respect to both settlements has passed. Although neither the Company, ORM, nor NRC are parties to the settlement agreements, the Company, ORM, and NRC are listed as released parties on the releases accompanying both settlement agreements. Consequently, class members who did not file timely requests for exclusion are barred from pursuing economic loss, property damage, personal injury, medical monitoring, and/or other released claims against the Company, ORM, and NRC. The Company believes these settlements have reduced the potential exposure, if any, in connection with the various cases relating to the *Deepwater Horizon* oil spill response and clean-up and continues to evaluate the settlements’ impacts on these cases.

In the course of the Company’s business, it may agree to indemnify the counterparty to an agreement. If the indemnified party makes a successful claim for indemnification, the Company would be required to reimburse that party in accordance with the terms of the indemnification agreement. Indemnification agreements generally are subject to threshold amounts, specified claim periods and other restrictions and limitations.

In connection with the SES Business Transaction, the Company remains contingently liable for certain obligations, including potential liabilities relating to work performed in connection with the *Deepwater Horizon* oil spill response. Pursuant to the agreement governing the sale, the Company’s potential liability to the purchaser may not exceed the consideration received by the Company for the SES Business Transaction. The Company is currently indemnified under contractual agreements with BP for the potential liabilities relating to work performed in connection with the *Deepwater Horizon* oil spill response.

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

14. 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 components 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. Certain reclassifications of prior period information have been made to conform the current period’s reportable segment presentation as a result of the Company’s presentation of discontinued operations (see Notes 1 and 15). The Company’s basis of measurement of segment profit or loss is as previously defined in the Company’s Annual report on Form 10-K for the year ended December 31, 2016.

The following tables summarize the operating results, capital expenditures and assets of the Company's reportable segments.

	Inland River Services $'000	Shipping Services $'000	Witt O'Brien's $'000	Other $'000	Corporate and Eliminations $'000	Total $'000
For the three months ended September 30, 2017						
Operating Revenues:						
External customers	44,608	103,780	9,667	116	—	158,171
Intersegment	—	—	14	—	(14)	—
	44,608	103,780	9,681	116	(14)	158,171
Costs and Expenses:						
Operating	35,388	65,866	6,068	—	(64)	107,258
Administrative and general	3,141	9,612	2,960	180	4,638	20,531
Depreciation and amortization	6,329	13,516	206	—	450	20,501
	44,858	88,994	9,234	180	5,024	148,290
Gains on Asset Dispositions, Net	5,136	73	—	—	—	5,209
Operating Income (Loss)	4,886	14,859	447	(64)	(5,038)	15,090
Other Income (Expense):						
Foreign currency gains (losses), net	992	5	29	(12)	(45)	969
Other, net	—	59	—	—	5	64
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	(1,235)	1,493	100	130	—	488
Segment Profit	4,643	16,416	576	54		
Other Income (Expense) not included in Segment Profit						(19,229)
Less Equity Earnings included in Segment Profit						(488)
Loss Before Taxes, Equity Earnings and Discontinued Operations						(3,106)

	Inland River Services $'000	Shipping Services $'000	Witt O'Brien's $'000	Other $'000	Corporate and Eliminations $'000	Total $'000
For the nine months ended September 30, 2017						
Operating Revenues:						
External customers	124,921	243,442	23,665	348	—	392,376
Intersegment	—	—	85	—	(85)	—
	124,921	243,442	23,750	348	(85)	392,376
Costs and Expenses:						
Operating	99,859	137,070	15,483	—	(256)	252,156
Administrative and general	11,658	24,728	8,641	559	23,363	68,949
Depreciation and amortization	19,404	32,792	613	—	1,880	54,689
	130,921	194,590	24,737	559	24,987	375,794
Gains (Losses) on Asset Dispositions and Impairments, Net	11,260	(342)	—	—	—	10,918
Operating Income (Loss)	5,260	48,510	(987)	(211)	(25,072)	27,500
Other Income (Expense):						
Derivative gains, net	—	—	—	—	19,727	19,727
Foreign currency gains (losses), net	730	8	62	(12)	110	898
Other, net	—	118	—	(300)	250	68
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	(4,877)	8,150	237	(581)	—	2,929
Segment Profit (Loss)	1,113	56,786	(688)	(1,104)		
Other Income (Expense) not included in Segment Profit (Loss)						(37,860)
Less Equity Earnings included in Segment Profit (Loss)						(2,929)
Income Before Taxes, Equity Earnings and Discontinued Operations						10,333
Capital Expenditures	32,901	66,137	60	—	208	99,306
As of September 30, 2017						
Property and Equipment:						
Historical cost	444,582	1,008,093	1,227	—	29,532	1,483,434
Accumulated depreciation	(175,669)	(290,400)	(915)	—	(20,065)	(487,049)
	268,913	717,693	312	—	9,467	996,385
Construction in progress	2,177	20,592	—	—	—	22,769
Net property and equipment	271,090	738,285	312	—	9,467	1,019,154
Investments, at Equity, and Advances to 50% or Less Owned Companies	65,738	53,388	782	55,479	—	175,387
Inventories	1,866	2,032	54	—	—	3,952
Goodwill	2,415	1,852	28,506	—	—	32,773
Intangible Assets	10,860	12,285	7,510	—	—	30,655
Other current and long-term assets, excluding cash and near cash assets(1)	54,295	44,845	13,802	1,807	22,251	137,000
Segment Assets	406,264	852,687	50,966	57,286		
Cash and near cash assets(1)						384,044
Total Assets						1,782,965

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

	Inland River Services $'000	Shipping Services $'000	Witt O'Brien's $'000	Other $'000	Corporate and Eliminations $'000	Total $'000
For the three months ended September 30, 2016						
Operating Revenues:						
External customers	41,094	57,350	11,010	116	—	109,570
Intersegment	—	—	20	—	(20)	—
	41,094	57,350	11,030	116	(20)	109,570
Costs and Expenses:						
Operating	31,496	28,542	6,618	—	(83)	66,573
Administrative and general	3,982	6,675	3,423	410	6,441	20,931
Depreciation and amortization	6,308	8,216	432	—	908	15,864
	41,786	43,433	10,473	410	7,266	103,368
Gains (Losses) on Asset Dispositions and Impairments, Net	(597)	3	1	—	—	(593)
Operating Income (Loss)	(1,289)	13,920	558	(294)	(7,286)	5,609
Other Income (Expense):						
Derivative losses, net	—	—	—	—	(862)	(862)
Foreign currency gains (losses), net	410	(3)	(24)	(1)	36	418
Other, net	(1)	(5,534)	—	—	74	(5,461)
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	(171)	(551)	91	(481)	—	(1,112)
Segment Profit (Loss)	(1,051)	7,832	625	(776)		
Other Income (Expense) not included in Segment Profit (Loss)						(14,390)
Less Equity Losses included in Segment Profit (Loss)						1,112
Loss Before Taxes, Equity Losses and Discontinued Operations						(14,686)

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	Inland River Services $'000	Shipping Services $'000	Witt O'Brien's $'000	Other $'000	Corporate and Eliminations $'000	Total $'000
For the nine months ended September 30, 2016						
Operating Revenues:						
External customers	114,522	170,025	29,356	366	—	314,269
Intersegment	—	—	104	—	(104)	—
	114,522	170,025	29,460	366	(104)	314,269
Costs and Expenses:						
Operating	89,060	86,045	18,850	—	(319)	193,636
Administrative and general	11,671	20,930	10,871	834	20,662	64,968
Depreciation and amortization	19,699	22,193	1,335	—	2,778	46,005
	120,430	129,168	31,056	834	23,121	304,609
Gains (Losses) on Asset Dispositions and Impairments, Net	2,588	3	(1)	—	—	2,590
Operating Income (Loss)	(3,320)	40,860	(1,597)	(468)	(23,225)	12,250
Other Income (Expense):						
Derivative losses, net	—	—	—	—	(3,527)	(3,527)
Foreign currency gains (losses), net	2,865	(12)	(124)	(1)	84	2,812
Other, net	(5)	(6,461)	—	(6,723)	79	(13,110)
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	(4,626)	(2,116)	277	(704)	—	(7,169)
Segment Profit (Loss)	(5,086)	32,271	(1,444)	(7,896)		
Other Income (Expense) not included in Segment Profit (Loss)						(63,851)
Less Equity Losses included in Segment Profit (Loss)						7,169
Loss Before Taxes, Equity Losses and Discontinued Operations						(65,426)
Capital Expenditures	17,629	189,988	—	—	208	207,825
As of September 30, 2016						
Property and Equipment:						
Historical cost	392,698	592,132	2,829	—	30,711	1,018,370
Accumulated depreciation	(161,023)	(253,116)	(2,483)	—	(17,427)	(434,049)
	231,675	339,016	346	—	13,284	584,321
Construction in progress	9,948	328,692	—	—	(1,191)	337,449
Net property and equipment	241,623	667,708	346	—	12,093	921,770
Investments, at Equity, and Advances to 50% or Less Owned Companies	80,004	57,366	551	60,131	—	198,052
Inventories	2,033	952	237	—	—	3,222
Goodwill	2,427	1,852	48,124	—	—	52,403
Intangible Assets	5,295	—	18,201	—	—	23,496
Other current and long-term assets, excluding cash and near cash assets(1)	55,710	27,508	13,186	15,522	4,384	116,310
Segment Assets	387,092	755,386	80,645	75,653		
Cash and near cash assets(1)						473,993
Discontinued Operations						1,164,887
Total Assets						2,954,133

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

15. DISCONTINUED OPERATIONS

The Company's discontinued operations consist of SEACOR Marine and ICP as following the Spin-off and sale, respectively, the Company has no continuing involvement in either of these businesses (see Note 1). Summarized selected operating results of the Company's discontinued operations were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
SEACOR Marine				
Operating Revenues	$ —	$ 54,125	$ 62,291	$ 171,275
Costs and Expenses:				
Operating	—	41,159	65,888	134,254
Administrative and general	—	10,588	29,682	34,915
Depreciation and amortization	—	14,213	22,181	44,305
	—	65,960	117,751	213,474
Gains (Losses) on Asset Dispositions and Impairments, Net	—	(29,233)	4,219	(49,970)
Operating Loss	—	(41,068)	(51,241)	(92,169)
Other Income (Expense), Net	—	(2,993)	1,780	(14,675)
Income Tax Benefit	—	(15,263)	(12,931)	(35,831)
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	—	790	1,663	(364)
Net Loss	$ —	$ (28,008)	$ (34,867)	$ (71,377)
Net Loss Attributable to Noncontrolling Interests	$ —	$ (73)	$ (1,892)	$ (904)
ICP				
Operating Revenues	$ —	$ 44,019	$ 78,061	$ 134,204
Costs and Expenses:				
Operating	—	39,879	76,306	122,321
Administrative and general	—	750	2,109	2,318
Depreciation and amortization	—	1,055	2,354	3,172
	—	41,684	80,769	127,811
Operating Income (Loss)	—	2,335	(2,708)	6,393
Other Income, Net (including gain on sale of business)	18,223	537	20,558	3,014
Income Tax Expense	7,296	921	7,363	2,903
Net Income	$ 10,927	$ 1,951	$ 10,487	$ 6,504
Net Income (Loss) Attributable to Noncontrolling Interests	$ —	$ 569	$ (539)	$ 1,975
Eliminations				
Operating Revenues	$ —	$ (731)	$ (1,176)	$ (1,799)
Costs and Expenses:				
Operating	—	(815)	(1,289)	(2,065)
Administrative and general	—	(24)	(42)	(77)
	—	(839)	(1,331)	(2,142)
Operating Income	—	108	155	343
Other Income, Net	—	916	1,738	2,833
Income Tax Expense	—	359	663	1,112
Net Income	$ —	$ 665	$ 1,230	$ 2,064
Loss from Discontinued Operations, Net of Tax	$ —	$ (25,392)	$ (23,150)	$ (62,809)

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. Certain statements discussed in this Form 10-Q as well as in other reports, materials and oral statements that the Company releases from time to time constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Generally, words such as "anticipate," "estimate," "expect," "project," "intend," "believe," "plan," "target," "forecast" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements concern management's expectations, strategic objectives, business prospects, anticipated economic performance and financial condition and other similar matters. Forward-looking statements are inherently uncertain and subject to a variety of assumptions, risks and uncertainties that could cause actual results to differ materially from those anticipated or expected by management of the Company. These statements are not guarantees of future performance and actual events or results may differ significantly from these statements. Actual events or results are subject to significant known and unknown risks, uncertainties and other important factors, including risks relating to weakening demand for the Company's services as a result of unplanned customer suspensions, cancellations, rate reductions or non-renewals of vessel charters or failures to finalize commitments to charter vessels, increased government legislation and regulation of the Company's businesses that could increase the cost of operations, increased competition if the Jones Act is repealed, liability, legal fees and costs in connection with the provision of emergency response services, decreased demand for the Company's services as a result of declines in the global economy, declines in valuations in the global financial markets and a lack of liquidity 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, 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 Shipping Services, decreased demand for Shipping 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 and economic sanctions, the dependence of Inland River Services and Shipping Services on several key customers, consolidation of the Company's customer base, the ongoing need to replace aging vessels, industry fleet capacity, restrictions imposed by the Shipping Acts on the amount of foreign ownership of the Company's Common Stock, operational risks of Inland River Services and Shipping Services, effects of adverse weather conditions and seasonality, 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 on Inland River Services' operations, the ability to realize anticipated benefits from acquisitions and other strategic transactions, adequacy of insurance coverage ,the ability to recognize the anticipated benefits of the Spin-off, the ability to remediate the material weaknesses the Company has identified in its internal controls over financial reporting, 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 as well as those discussed in Item 1A (Risk Factors) of the Company's Annual report on Form 10-K and other reports filed by the Company with the Securities and Exchange Commission ("SEC"). It should be understood that it is not possible to predict or identify all such factors. Consequently, the preceding should not be considered to be a complete discussion of all potential risks or uncertainties. Given these risk factors, investors and analysts should not place undue reliance on 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, except as required by law. It is advisable, however, to consult any further disclosures the Company makes on related subjects in its filings with the SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K (if any). These statements constitute the Company's cautionary statements under the Private Securities Litigation Reform Act of 1995.

Overview

The Company's operations are divided into three main business segments – Inland River Services, Shipping Services and Witt O'Brien's. The Company also has activities, referred to and described under Other, that primarily include lending and leasing activities and noncontrolling investments in various other businesses.

Discontinued Operations. On June 1, 2017, the Company completed the spin-off of SEACOR Marine Holdings Inc. ("SEACOR Marine"), the company that operated SEACOR's Offshore Marine Services business segment (the "Spin-off"), by means of a dividend of all the issued and outstanding common stock of SEACOR Marine to SEACOR's shareholders. SEACOR Marine is now an independent company whose common stock is listed on the New York Stock Exchange under the symbol "SMHI." The Company provides certain transition services to SEACOR Marine, including, among other things, human resource and benefit administration, information technology infrastructure, cash management and general accounting support services.

On July 3, 2017, the Company completed the sale of its 70% interest in Illinois Corn Processing LLC ("ICP"), the company that operated SEACOR's Illinois Corn Processing business segment, through a merger transaction whereby the Company received $21.0 million in cash and a note from the buyer for $32.8 million after working capital adjustments resulting in a third quarter gain of $10.9 million, net of tax. On September 15, 2017, the Company received payment of the outstanding balance of the note, including accrued and unpaid interest.

Historical results for all periods presented herein, present the financial position, results of operations and cash flows of SEACOR Marine and ICP as discontinued operations.

Consolidated Results of Operations

The sections below provide an analysis of the Company's operations by business segment for the three months ("Current Year Quarter") and nine months ("Current Nine Months") ended September 30, 2017 compared with the three months ("Prior Year Quarter") and nine months ("Prior Nine Months") ended September 30, 2016. See "Item 1. Financial Statements—Note 14. Segment Information" included in Part I of this Quarterly Report on Form 10-Q for consolidating segment tables for each period presented. Capitalized terms used and not specifically defined herein have the meaning given to those terms used in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

Inland River Services

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000	%	$'000	%	$'000	%	$'000	%
Operating Revenues:								
United States	42,699	96	39,659	97	117,775	94	111,566	97
Foreign	1,909	4	1,435	3	7,146	6	2,956	3
	44,608	100	41,094	100	124,921	100	114,522	100
Costs and Expenses:								
Operating:								
Barge logistics	23,549	53	21,259	52	64,337	52	53,235	47
Personnel	4,249	9	3,579	9	12,831	10	14,704	13
Repairs and maintenance	761	2	944	2	2,481	2	3,713	3
Insurance and loss reserves	818	2	460	1	1,872	1	2,311	2
Fuel, lubes and supplies	1,367	3	1,034	3	4,793	4	3,500	3
Leased-in equipment	1,224	3	1,738	4	4,475	4	4,676	4
Other	3,420	8	2,482	6	9,070	7	6,921	6
	35,388	80	31,496	77	99,859	80	89,060	78
Administrative and general	3,141	7	3,982	10	11,658	9	11,671	10
Depreciation and amortization	6,329	14	6,308	15	19,404	16	19,699	17
	44,858	101	41,786	102	130,921	105	120,430	105
Gains (Losses) on Asset Dispositions and Impairments, Net	5,136	12	(597)	(1)	11,260	9	2,588	2
Operating Income (Loss)	4,886	11	(1,289)	(3)	5,260	4	(3,320)	(3)
Other Income (Expense):								
Foreign currency gains, net	992	2	410	—	730	1	2,865	3
Other, net	—	—	(1)	—	—	—	(5)	—
Equity in Losses of 50% or Less Owned Companies, Net of Tax	(1,235)	(3)	(171)	—	(4,877)	(4)	(4,626)	(4)
Segment Profit (Loss)[1]	4,643	10	(1,051)	(3)	1,113	1	(5,086)	(4)

(1) Includes amounts attributable to both SEACOR and noncontrolling interests. See "Item 1. Financial Statements—Note 10. Noncontrolling Interests in Subsidiaries" included in Part I of this Quarterly Report on Form 10-Q.

Operating Revenues by Service Line. The table below sets forth, for the periods indicated, operating revenues by service line.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000	%	$'000	%	$'000	%	$'000	%
Operating Revenues:								
Dry-cargo barge pools	27,477	62	27,729	67	74,506	59	68,258	60
Charter-out of dry-cargo barges	561	1	913	2	1,663	1	2,718	3
Liquid unit tow operations(1)	—	—	59	—	—	—	7,189	6
Terminal operations	8,505	19	6,561	16	24,449	20	19,486	17
Fleeting operations	4,472	10	3,135	8	13,380	11	9,594	8
Inland river towboat operations and other activities	3,593	8	2,697	7	10,923	9	7,277	6
	44,608	100	41,094	100	124,921	100	114,522	100

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(1) The Company sold the equipment used in the liquid unit tow operations during April 2016.

Dry-Cargo Barge Pools Operating Data. The following table presents, for the periods indicated, Inland River Services' interest in tons moved and its available barge days in the dry-cargo barge pools. Available barge days represents the total calendar days during which the Company's owned and chartered-in barges were in the pool.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	Tons	%	Tons	%	Tons	%	Tons	%
Tons Moved (in thousands):								
Grain	1,174	61	1,244	68	2,663	52	2,728	59
Non-Grain	745	39	585	32	2,443	48	1,906	41
	1,919	100	1,829	100	5,106	100	4,634	100
	Days		Days		Days		Days	
Available barge days	59,558		52,482		172,300		156,222	

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Operating revenues were $3.5 million higher in the Current Year Quarter compared with the Prior Year Quarter. Operating revenues from the dry-cargo barge pools were $0.3 million lower primarily due to lower freight rates as a consequence of an oversupply of equipment. Operating revenues from the charter-out of dry-cargo barges were $0.3 million lower primarily due to barges coming off charter and being placed in the dry-cargo barge pools. Operating revenues from terminal operations were $1.9 million higher primarily due to increased container movements in new terminal locations. Operating revenues from fleeting operations were $1.3 million higher primarily due to higher activity levels and the acquisition of fleeting assets during the fourth quarter of 2016. Operating revenues from the inland river towboat operations and other activities were $0.9 million higher primarily due to increased activity for the Company's liquid tank barge operations in Colombia, the completion of machine and repair services provided to third parties and the placement of two newly delivered towboats on time charter with the Company's SCF Bunge Marine 50% or less owned company.

Operating Expenses. Operating expenses were $3.9 million higher in the Current Year Quarter compared with the Prior Year Quarter. Barge logistics expenses were $2.3 million higher primarily due to higher towing and switching costs as a consequence of higher activity levels and increased towing rates for the dry-cargo barge pools. Personnel costs were $0.7 million higher primarily due to the acquisition of fleeting assets during the fourth quarter of 2016. Leased-in equipment costs were $0.5 million lower primarily due to lower rates for leased-in barges. Other operating expenses were $0.9 million higher primarily due to increased container movements and higher trucking rates supporting terminal operations.

Administrative and general. Administrative and general expenses were $0.8 million lower in the Current Year Quarter compared with the Prior Year Quarter primarily due to importation taxes paid in the Prior Year Quarter for eight tank barges used in the Company's liquid tank barge operations in Colombia.

Gains (Losses) on Asset Dispositions and Impairments, Net. During the Current Year Quarter, the Company sold one towboat and other equipment for net proceeds of $7.7 million and gains of $4.5 million. In addition, the Company recognized previously deferred gains of $0.6 million. During the Prior Year Quarter, the Company recognized an impairment charge of $1.1 million related to equipment under construction. In addition, the Company recognized previously deferred gains of $0.6 million.

Operating Income (Loss). Excluding gains (losses) on asset dispositions and impairments, net, operating loss as a percentage of operating revenues was 1% in the Current Year Quarter compared with 2% in the Prior Year Quarter.

Foreign currency gains, net. During the Current Year Quarter and Prior Year Quarter, foreign currency gains, net were primarily due to the strengthening of the Colombian peso in relation to the U.S. dollar underlying certain of the Company's intercompany lease obligations.

Equity in Losses of 50% or Less Owned Companies, Net of Tax. During the Current Year Quarter, the Company recognized $1.2 million of equity in losses of 50% or less owned companies, net of tax. The Company recognized $1.4 million of equity in losses from SCFCo primarily due to navigational delays, increased charter-in expense and higher port charges. In addition, the Company recognized interest income (not a component of segment profit (loss)) of $0.8 million and deferred gains of $0.4 million on notes due from and equipment previously sold to SCFCo.

During the Prior Year Quarter, the Company recognized $0.2 million of equity in losses of 50% or less owned companies, net of tax. The Company recognized $0.6 million of equity in losses from SCFCo as a consequence of continued weakness in the iron ore and grain markets. In addition, the Company recognized interest income (not a component of segment profit (loss)) of $0.8 million and deferred gains of $0.5 million on notes due from and equipment previously sold to SCFCo. The Company also recognized $0.7 million of equity in earnings from SCF Bunge Marine due to increased demand in moving grain associated with the commencement of the fall harvest.

Current Nine Months compared with Prior Nine Months

Operating Revenues. Operating revenues were $10.4 million higher in the Current Nine Months compared with the Prior Nine Months. Operating revenues from the dry-cargo barge pools were $6.2 million higher primarily due to increased loadings and higher demurrage revenue. Operating revenues from the charter-out dry-cargo barges were $1.0 million lower due to barges coming off charter and being placed in the dry-cargo barge pools. Operating revenues from liquid unit tow operations were $7.2 million lower due to the sale of the equipment in the second quarter of 2016. Operating revenues from terminal operations were $5.0 million higher primarily due to increased container movements in new terminal locations. Operating revenues from fleeting operations were $3.8 million higher primarily due to higher activity levels and the acquisition of fleeting assets during the fourth quarter of 2016. Operating revenues from inland river towboat operations and other activities were $3.6 million higher primarily due to higher activity for the Company's liquid tank barge operations in Colombia.

Operating Expenses. Operating expenses were $10.8 million higher in the Current Nine Months compared with the Prior Nine Months. Barge logistics expenses were $11.1 million higher primarily due to higher towing and switching costs as a consequence of higher activity levels and increased towing rates for the dry-cargo barge pools. Personnel costs were $1.9 million lower primarily due to the sale of the liquid unit tow operations in the second quarter of 2016, partially offset by higher personnel costs associated with the acquisition of fleeting assets during the fourth quarter of 2016. Repairs and maintenance costs were $1.2 million lower and insurance and loss reserves were $0.4 million lower primarily due to the sale of the liquid unit tow equipment in the second quarter of 2016. Fuel, lubes and supplies were $1.3 million higher primarily due to increased activity in the Company's liquid tank barge operations in Colombia. Other operating expenses were $2.1 million higher primarily due to increased container movements and higher trucking rates supporting terminal operations.

Gains (Losses) on Asset Dispositions and Impairments, Net. During the Current Nine Months, the Company sold two towboats, 50 dry-cargo barges and other equipment for net proceeds of $27.5 million and gains of $17.6 million, of which $9.9 million were recognized currently and $7.7 million were deferred. Equipment dispositions included the sale-leaseback of 50 dry-cargo barges for $12.5 million with lease back terms of 84 months. In addition, the Company recognized losses of $0.4 million related to the total loss of a 30,000 barrel tank barge while being transported to Colombia and recognized previously deferred gains of $1.8 million. During the Prior Nine Months, the Company sold 20 30,000 barrel inland river liquid tank barges, the rights to eight leased-in 30,000 barrel inland river liquid tank barges and 14 inland river towboats for net proceeds of $90.0 million and gains of $1.9 million. In addition, the Company recognized an impairment charge of $1.1 million related to equipment under construction and recognized previously deferred gains of $1.8 million.

Operating Income (Loss). Excluding gains (losses) on asset dispositions and impairments, net, operating loss as a percentage of operating revenues was 5% in the Current Nine Months and Prior Nine Months.

Foreign currency gains, net. During the Current Nine Months, foreign currency gains, net were primarily due to the strengthening of the Colombian peso in relation to the U.S. dollar underlying certain of the Company's intercompany lease obligations.

Equity in Losses of 50% or Less Owned Companies, Net of Tax. During the Current Nine Months, equity in losses of 50% or less owned companies, net of tax, primarily related to the results of SCFCo and reflect an improvement compared with the Prior Nine Months as a consequence of improving market conditions for iron ore, industrial commodities and agricultural products. In addition, the Company recognized interest income (not a component of segment profit (loss)) of $2.5 million and deferred gains of $1.3 million on notes due from and equipment previously sold to SCFCo.

During the Prior Nine Months, equity in losses of 50% or less owned companies, net of tax, primarily related to the results of SCFCo and reflected continued weakness in the iron ore and grain markets. In addition, the Company recognized interest income (not a component of segment profit (loss)) of $2.4 million and deferred gains of $1.4 million on notes due from and equipment previously sold to SCFCo.

Fleet Count

The composition of Inland River Services' fleet as of September 30 was as follows:

	Owned	Joint Ventured	Leased-in	Pooled or Managed	Total
2017					
Dry-cargo barges	641	258	50	494	1,443
Liquid tank barges:					
10,000 barrel	18	—	—	—	18
30,000 barrel	2	—	—	—	2
Specialty barges	10	—	—	—	10
Towboats:					
4,000 hp - 6,600 hp	3	11	4	—	18
3,300 hp - 3,900 hp	1	—	—	—	1
Less than 3,200 hp	2	2	—	—	4
Harbor boats:					
1,100 hp - 2,000 hp	9	—	6	—	15
Less than 1,100 hp	9	—	—	—	9
	695	271	60	494	1,520
2016					
Dry-cargo barges	657	258	—	490	1,405
Liquid tank barges:					
10,000 barrel	18	—	—	—	18
Specialty barges	11	—	—	—	11
Towboats:					
4,000 hp - 6,600 hp	2	11	4	—	17
3,300 hp - 3,900 hp	1	—	—	—	1
Less than 3,200 hp	2	2	—	—	4
Harbor boats:					
1,100 hp - 2,000 hp	7	—	6	—	13
Less than 1,100 hp	6	—	—	—	6
	704	271	10	490	1,475

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Shipping Services

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000	%	$'000	%	$'000	%	$'000	%
Operating Revenues:								
United States	91,794	88	45,574	79	204,738	84	134,953	79
Foreign	11,986	12	11,776	21	38,704	16	35,072	21
	103,780	100	57,350	100	243,442	100	170,025	100
Costs and Expenses:								
Operating:								
Personnel	23,730	23	11,808	21	53,380	22	33,139	19
Repairs and maintenance	4,026	4	2,255	4	10,100	4	7,648	5
Drydocking	6,883	7	671	1	10,273	4	2,306	1
Insurance and loss reserves	1,578	2	932	2	4,960	2	3,478	2
Fuel, lubes and supplies	5,492	5	3,284	5	12,790	5	9,412	6
Leased-in equipment	6,146	6	5,693	10	18,573	8	18,081	11
Other	18,011	17	3,899	7	26,994	11	11,981	7
	65,866	64	28,542	50	137,070	56	86,045	51
Administrative and general	9,612	9	6,675	12	24,728	10	20,930	12
Depreciation and amortization	13,516	13	8,216	14	32,792	14	22,193	13
	88,994	86	43,433	76	194,590	80	129,168	76
Gains (Losses) on Asset Dispositions and Impairments, Net	73	—	3	—	(342)	—	3	—
Operating Income	14,859	14	13,920	24	48,510	20	40,860	24
Other Income (Expense):								
Foreign currency gains (losses), net	5	—	(3)	—	8	—	(12)	—
Other, net	59	—	(5,534)	(9)	118	—	(6,461)	(4)
Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax	1,493	2	(551)	(1)	8,150	3	(2,116)	(1)
Segment Profit[(1)]	16,416	16	7,832	14	56,786	23	32,271	19

(1) Includes amounts attributable to both SEACOR and noncontrolling interests. See "Item 1. Financial Statements—Note 10. Noncontrolling Interests in Subsidiaries" included in Part I of this Quarterly Report on Form 10-Q.

Operating Revenues by Service Line. The table below sets forth, for the periods indicated, operating revenues by service line.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2017		2016		2017		2016	
	$'000	%	$'000	%	$'000	%	$'000	%
Operating Revenues:								
Marine Transportation:								
Time charter	41,929	40	21,571	38	99,847	41	59,044	35
Bareboat charter	7,883	8	8,744	15	25,085	10	26,041	15
Contract of affreightment	11,352	11	—	—	11,352	5	—	—
Voyage contract	12,614	12	—	—	15,223	6	—	—
Harbor towing and bunkering	18,867	18	15,753	27	56,039	23	51,690	30
Short-sea transportation	10,467	10	11,068	19	34,797	14	31,979	19
Technical management services	668	1	214	1	1,099	1	1,271	1
	103,780	100	57,350	100	243,442	100	170,025	100

International Shipholding Corporation Acquisition. On July 3, 2017, SEACOR acquired International Shipholding Corporation ("ISH") including: United Ocean Services, which operates Jones Act U.S.-flag dry-bulk carriers supporting the cross-U.S. Gulf trade of fertilizer, phosphate rock, coal, and petroleum coke; and Central Gulf Lines, Inc. ("CGL") and Waterman Steamship Company, two long-established U.S. based shipping lines that charter and operate vessels enrolled in the U.S. government's Maritime Security Program. CGL time charters four U.S.-flag Pure Car/Truck Carriers ("PCTCs"), to a third party when not moving U.S. military, commercial and U.S. government-impelled cargoes.

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Operating revenues were $46.4 million higher in the Current Year Quarter compared with the Prior Year Quarter.

Time charter revenues were $20.4 million higher primarily due to placing two newly built U.S-flag product tankers into service and the addition of four PCTCs as a consequence of the ISH acquisition. Bareboat charter revenues were $0.9 million lower primarily due to out-of-service time associated with drydocking one U.S.-flag product tanker following the completion of its bareboat charter and before commencing a time charter. Contract of affreightment revenues were $11.4 million higher due to the activities of two U.S.-flag dry bulk carriers acquired in the ISH acquisition. Voyage contract revenues were $12.6 million higher due to placing one newly built U.S.-flag multi-grade chemical articulated tug-barge into service and the activities of the PCTCs acquired in the ISH acquisition, which from time-to-time move government cargo on a voyage-by-voyage basis.

Operating revenues for harbor towing and bunkering were $3.1 million higher primarily due to increased activity for harbor tugs, the commencement of a time charter contract for one U.S.-flag offshore tug during February 2017 and the commencement of a bareboat charter contract for two foreign-flag harbor tugs during April 2017.

Operating revenues for short-sea transportation were $0.6 million lower primarily due to fewer voyages due to the impact of *Hurricane Irma*.

Operating Expenses. Operating expenses were $37.3 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to placing two newly built U.S.-flag product tankers and one newly built U.S.-flag multi-grade chemical articulated tug-barge into service, the drydocking of one U.S.-flag product tanker and the addition of the PCTCs and U.S.-flag dry-bulk carriers acquired in the ISH acquisition.

Administrative and general. Administrative and general expenses were $2.9 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to the ISH acquisition.

Depreciation and Amortization. Depreciation and amortization expenses were $5.3 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to placing two newly built U.S.-flag product tankers and one newly built U.S.-flag multi-grade chemical articulated tug-barge into service and the addition of the U.S.-flag dry-bulk carriers acquired in the ISH acquisition.

Operating Income. Operating income as a percentage of operating revenues was 14% in the Current Year Quarter compared with 24% in the Prior Year Quarter. The decrease was primarily due to costs associated with the ISH acquisition, and higher drydocking costs for one U.S-flag product tanker.

Other, net. During the Prior Year Quarter, the Company recognized a $5.5 million impairment charge related to its cost investment in a foreign container shipping company.

Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax. During the Current Year Quarter, equity in earnings of 50% or less owned companies, net of tax, included $0.8 million of earnings from Trailer Bridge and $0.7 million of earnings from ISH's 50% or less owned companies that own and operate two foreign-flag rail ferries and a full service railcar facility. In addition, the Company recognized interest income (not a component of segment profit) of $0.1 million on notes due from Trailer Bridge compared with $2.7 million in the Prior Year Quarter.

Current Nine Months compared with Prior Nine Months

Operating Revenues. Operating revenues were $73.4 million higher in the Current Nine Months compared with the Prior Nine Months.

Time charter revenues were $40.8 million higher primarily due to placing three newly built U.S-flag product tankers into service and the addition of four PCTCs as a consequence of the ISH acquisition. Bareboat charter revenues were $1.0 million lower primarily due to out-of-service time associated with drydocking one U.S.-flag product tanker following the completion of its bareboat charter and before commencing a time charter. Contract of affreightment revenues were $11.4 million higher due to the activities of two U.S.-flag dry-bulk carriers acquired in the ISH acquisition. Voyage contract revenues were $15.2 million higher due to placing one newly built U.S.-flag multi-grade chemical articulated tug-barge into service and the activities of the PCTCs acquired in the ISH acquisition, which from time-to-time move government cargo on a voyage-by-voyage basis.

Operating revenues for harbor towing and bunkering were $4.3 million higher primarily due to increased activity for harbor tugs, the commencement of a time charter contract for one U.S.-flag offshore tug during February 2017 and the commencement of a bareboat charter contract for two foreign-flag harbor tugs during April 2017.

Operating revenues for short-sea transportation were $2.8 million higher primarily due to higher cargo shipping demand.

Operating Expenses. Operating expenses were $51.0 million higher in the Current Nine Months compared with the Prior Nine Months primarily due to placing three newly built U.S.-flag product tankers and one newly built U.S.-flag multi-grade chemical articulated tug-barge into service, the drydocking of one U.S.-flag product tanker and the addition of the PCTCs and U.S.-flag dry-bulk carriers acquired in the ISH acquisition.

Administrative and general. Administrative and general expenses were $3.8 million higher in the Current Nine Months compared with the Prior Nine Months primarily due to the ISH acquisition and the accelerated vesting of share awards as a consequence of the Spin-off.

Depreciation and Amortization. Depreciation and amortization expenses were $10.6 million higher in the Current Nine Months compared with the Prior Nine Months primarily due to placing three newly built U.S.-flag product tankers and one newly built U.S.-flag multi-grade chemical articulated tug-barge into service and the addition of the U.S.-flag dry-bulk carriers acquired in the ISH acquisition.

Operating Income. Operating income as a percentage of operating revenues was 20% in the Current Nine Months compared with 24% in the Prior Nine Months. The decrease was primarily due to the costs associated with the ISH acquisition and higher drydocking costs for one U.S-flag product tanker.

Other, net. During the Prior Nine Months, the Company recognized a $6.5 million impairment charge related to its cost investment in a foreign container shipping company.

Equity in Earnings (Losses) of 50% or Less Owned Companies, Net of Tax. The Company recognized equity in earnings of 50% or less owned companies, net of tax, of $8.2 million in the Current Nine Months compared with equity in losses of 50% or less owned companies, net of tax, of $2.1 million in the Prior Nine Months. Equity in earnings from Trailer Bridge improved by $7.4 million following its recapitalization during December 2016 and equity in earnings from SeaJon improved $4.2 million as a consequence of a gain on the sale of its U.S.-flag dry-bulk articulated tug-barge during June 2017. The Company also recognized equity in earnings of $0.7 million from ISH's 50% or less owned companies that own and operate two foreign-flag rail ferries and a full service railcar facility. These improvements were partially offset by equity in losses from start-up costs incurred by Kotug Seabulk Maritime that was formed on April 1, 2017 and no contribution from the SeaJon II and SEA-Access 50% or less owned companies that ceased operations during 2016. In addition, the Company recognized interest income (not a component of segment profit) of $0.5 million on notes due from Trailer Bridge in the Current Nine Months compared with $7.7 million in the Prior Nine Months.

Fleet Count

The composition of Shipping Services' fleet as of September 30 was as follows:

	Owned	Joint Ventured	Leased-in	Total
2017				
Petroleum Transportation:				
Product tankers - U.S.-flag	7	—	3	10
Articulated tug-barge - U.S.-flag	1	—	—	1
Harbor Towing and Bunkering:				
Harbor tugs - U.S.-flag	15	—	8	23
Harbor tugs - Foreign-flag	6	2	—	8
Offshore tug - U.S.-flag	1	—	—	1
Ocean liquid tank barges - U.S.-flag	5	—	—	5
Ocean liquid tank barges - Foreign-flag	—	1	—	1
Liner and Short-Sea Transportation:				
RORO(1)/Deck barges - U.S.-flag	—	7	—	7
Short-sea container/RORO(1) - Foreign-flag	7	—	—	7
Other:				
PCTC(2) - U.S.-flag	—	—	4	4
Dry-bulk carrier - U.S.-flag(3)	2	—	—	2
Rail ferry - Foreign-flag	—	2	—	2
	44	12	15	71
2016				
Petroleum Transportation:				
Product tankers - U.S.-flag	5	—	3	8
Harbor Towing and Bunkering:				
Harbor tugs - U.S.-flag	15	—	9	24
Harbor tugs - Foreign-flag	4	—	—	4
Offshore tug - U.S.-flag	—	1	—	1
Ocean liquid tank barges - U.S.-flag	5	—	—	5
Liner and Short-Sea Transportation:				
RORO(1)/Deck barges - U.S.-flag	—	7	—	7
Short-sea container/RORO(1) - Foreign-flag	7	—	—	7
Other:				
Dry-bulk articulated tug-barge - U.S.-flag	—	1	—	1
	36	9	12	57

(1) Roll On/Roll Off.
(2) Pure Car/Truck Carrier.
(3) Excludes one U.S.-flag dry-bulk carrier removed from service.

Witt O'Brien's and Other

Segment profit (loss) of Witt O'Brien's and the Company's Other activities was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Witt O'Brien's	576	625	(688)	(1,444)
Other activities[(1)(2)]	54	(776)	(1,104)	(7,896)

(1) Includes amounts attributable to both SEACOR and noncontrolling interests. See "Item 1. Financial Statements—Note 10. Noncontrolling Interests in Subsidiaries" included in Part I of this Quarterly Report on Form 10-Q.

(2) The components of segment profit (loss) do not include interest income, which is a significant component of the Company's lending and leasing activities.

Witt O'Brien's. Segment loss in the Current Nine Months decreased by $0.8 million compared with the Prior Nine Months, primarily due to a reduction in bad debt expense.

Other activities. During the Prior Nine Months, Other activities included a $6.7 million reserve for one of the Company's notes receivable from third parties following a decline in the underlying collateral value.

Corporate and Eliminations

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Corporate Expenses	(5,059)	(7,290)	(25,129)	(23,231)
Eliminations	21	4	57	6
Operating Loss	(5,038)	(7,286)	(25,072)	(23,225)
Other Income (Expense):				
Derivative gains (losses), net	—	(862)	19,727	(3,527)
Foreign currency gains (losses), net	(45)	36	110	84
Other, net	5	74	250	79

Corporate Expenses. Corporate expenses in the Current Year Quarter were lower primarily due to amounts charged to SEACOR Marine for transition services provided pursuant to the transition services agreement entered into in connection with the Spin-off. Corporate expenses in the Current Nine Months were higher primarily due to higher compensation costs related to the accelerated vesting of share awards as a consequence of the Spin-off.

Derivative gains (losses), net. Derivative gains (losses), net, in the Current Nine Months, Prior Year Quarter and Prior Nine Months primarily related to changes in the fair value of the exchange option liability on SEACOR Marine's convertible senior notes. Upon the Spin-off, the exchange option on subsidiary convertible senior notes was terminated as the notes became the sole obligation of SEACOR Marine and convertible only into the common stock of SEACOR Marine.

Other Income (Expense) not included in Segment Profit (Loss)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	$'000	$'000	$'000	$'000
Interest income	2,367	4,492	6,651	13,100
Interest expense	(9,121)	(9,955)	(31,101)	(29,892)
Debt extinguishment gains (losses), net	3	557	(94)	5,395
Marketable security losses, net	(12,478)	(9,484)	(13,316)	(52,454)
	(19,229)	(14,390)	(37,860)	(63,851)

Interest income. Interest income in the Current Year Quarter and Current Nine Months was lower compared with the Prior Year Quarter and Prior Nine Months primarily due to lower outstanding balances of notes receivable from 50% or less owned companies following the exchange of notes receivable from Trailer Bridge for equity during the fourth quarter of 2016.

Interest expense. Interest expense in the Current Year Quarter was lower compared with the Prior Year Quarter primarily due to the repurchase of a portion of the Company's 7.375% Senior Notes and 2.5% Convertible Senior Notes as well as a $2.0 million reduction in interest expense related to the reversal of accumulated accrued interest on an income tax provision recorded in conjunction with the spin-off of Era Group Inc. ("Era Group"). Interest expense in the Current Nine Months was higher compared with the Prior Nine Months primarily due to higher interest expense on the SEA-Vista Credit Facility as well as lower capitalized interest partially offset by lower interest expense due to the repurchase of a portion of the Company's 7.375% Senior Notes and 2.5% Convertible Senior Notes as well as the interest reversal described above.

Debt extinguishment gains (losses), net. During the Current Year Quarter, the Company repurchased $13.2 million in principal amount of its 2.5% Convertible Senior Notes for total consideration of $13.3 million resulting in immaterial gains on debt extinguishment. During the Current Nine Months, the Company repurchased $7.6 million in principal amount of its 7.375% Senior Notes for $7.7 million resulting in losses on debt extinguishment of $0.2 million and repurchased $61.7 million of its 2.5% Convertible Senior Notes for total consideration of $61.9 million resulting in gains on debt extinguishment of $0.1 million. During the Prior Year Quarter the Company repurchased $41.4 million in principal amount of its 2.5% Convertible Senior Notes for total consideration of $41.0 million resulting in gains on debt extinguishment of $0.6 million. During the Prior Nine Months, the Company repurchased $22.6 million in principal amount of its 7.375% Senior Notes for $20.3 million resulting in a gain on debt extinguishment of $2.1 million and repurchased $117.4 million in principal amount of its 2.5% Convertible Senior Notes for total consideration of $114.9 million resulting in gains on debt extinguishment of $3.3 million.

Marketable security losses, net. The Company's most significant marketable security position is its investment in 9,177,135 shares of Dorian LPG Ltd. ("Dorian"), a publicly traded company listed on the New York Stock Exchange under the symbol "LPG." Marketable security losses during the Current Year Quarter, Current Nine Months, Prior Year Quarter and Prior Nine Months are primarily related to unrealized losses related to the Company's investment in Dorian.

Income Taxes

During the nine months ended September 30, 2017, the Company's effective income tax rate of (121.6)% was primarily due to the reversal of a provision related to potential tax exposures surrounding the spin-off of Era Group by means of a dividend to SEACOR's shareholders of all the issued and outstanding common stock of Era Group (the "Era Spin-off") and taxes not provided on income attributable to noncontrolling interests. During the year ended December 31, 2013, the Company provided for income taxes of $10.1 million relating to potential tax exposures surrounding the Era Spin-off. During the nine months ended September 30, 2017, the Company reversed this provision as the statute of limitations expired. In addition, the Company's reversed accumulated accrued interest of $2.0 million related to this provision, included as a reduction in interest expense in the accompanying condensed consolidated statements of income (loss).

Liquidity and Capital Resources

General

The Company's ongoing liquidity requirements arise primarily from working capital needs, capital commitments and its obligations to repay debt. 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, repurchase its outstanding notes or make other investments. Sources of liquidity are cash balances, marketable securities, construction reserve funds and cash flows from operations. From time to time, the Company may secure additional liquidity through asset sales or the issuance of debt, shares of Common Stock or common stock of its subsidiaries, preferred stock or a combination thereof.

The Company's capital commitments as of September 30, 2017 by year of expected payment were as follows (in thousands):

	Remainder of 2017	2018	2019	Total
Shipping Services	$ 4,689	$ 2,252	$ —	$ 6,941
Inland River Services	1,577	1,137	529	3,243
	$ 6,266	$ 3,389	$ 529	$ 10,184

Subsequent to September 30, 2017, the Company committed to purchase additional equipment for $2.6 million.

As of September 30, 2017, the Company had outstanding debt of $739.6 million, net of discounts and issuance costs, and letters of credit totaling $27.2 million with various expiration dates through 2019. In addition, as of September 30, 2017, the Company has guaranteed payments of amounts owed under certain sale-leaseback transactions, equipment financing and multi-employer pension obligations on behalf of SEACOR Marine totaling $101.6 million (including $16.7 million of the letters of credit included above), which decline as payments are made on the outstanding obligations. As of September 30, 2017, the holders of the Company's outstanding principal balances of $95.5 million for the 2.5% Convertible Senior Notes and $230.0 million for the 3.0% Convertible Senior Notes may require the Company to repurchase the notes on December 19, 2017 and November 19, 2020, respectively. The Company's long-term debt maturities, assuming the note holders require the Company to repurchase the notes on those dates, are as follows (in thousands):

Remainder of 2017	$ 104,947
2018	20,662
2019	172,056
2020	465,119
2021	403
Years subsequent to 2021	6,785
	$ 769,972

SEACOR's Board of Directors previously approved a securities repurchase plan that authorizes the Company to acquire its Common Stock, 7.375% Senior Notes, 3.0% Convertible Senior Notes and 2.5% Convertible Senior Notes (collectively the "Securities") through open market purchases, privately negotiated transactions or otherwise, depending on market conditions. As of September 30, 2017, the Company's repurchase authority for the Securities was $77.4 million.

As of September 30, 2017, the Company held balances of cash, cash equivalents, restricted cash, marketable securities and construction reserve funds totaling $384.0 million. As of September 30, 2017, construction reserve funds of $51.8 million were 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 qualifying equipment. Additionally, the Company had $26.0 million available under its SEA-Vista and ISH credit facilities. Subsequent to September 30, 2017, the Company borrowed $6.0 million under these facilities.

Summary of Cash Flows

	Nine Months Ended September 30,	
	2017	2016
	$'000	$'000
Cash flows provided by or (used in):		
Operating Activities-Continuing Operations	85,088	60,547
Operating Activities-Discontinued Operations	26,875	17,338
Investing Activities-Continuing Operations	(11,333)	(50,192)
Investing Activities-Discontinued Operations	2,720	(14,304)
Financing Activities-Continuing Operations	(86,747)	(60,890)
Financing Activities-Discontinued Operations	(7,149)	7,753
Effects of Exchange Rate Changes on Cash and Cash Equivalents-Continuing Operations	856	(1,937)
Effects of Exchange Rate Changes on Cash and Cash Equivalents-Discontinued Operations	208	499
Increase (Decrease) in Cash and Cash Equivalents	10,518	(41,186)

Operating Activities

Cash flows provided by continued and discontinued operating activities increased by $34.1 million in the Current Nine Months compared with the Prior Nine Months. The components of cash flows provided by (used in) operating activities during the Current Nine Months and Prior Nine Months were as follows:

	Nine Months Ended September 30,	
	2017	2016
	$'000	$'000
Operating income from continuing operations before depreciation, amortization and gains (losses) on asset dispositions and impairments, net	71,271	55,665
Operating income (loss) from discontinued operations before depreciation, amortization and gains (losses) on asset dispositions and impairments, net	(33,478)	12,014
Changes in operating assets and liabilities before interest and income taxes	(13,152)	10,902
Purchases of marketable securities	(1,720)	(8,679)
Proceeds from sale of marketable securities	52,551	9,169
Cash settlements on derivative transactions, net	1,267	(44)
Dividends received from 50% or less owned companies	14,163	3,024
Interest paid, excluding capitalized interest[1]	(19,048)	(11,782)
Income taxes (paid) refunded, net	4,019	(3,688)
Other	36,090	11,304
Total cash flows provided by continuing and discontinued operating activities	111,963	77,885

(1) During the Current Nine Months and Prior Nine Months, capitalized interest paid and included in purchases of property and equipment for continuing and discontinued operations was $4.4 million and $14.3 million, respectively.

Operating income from continuing operations before depreciation, amortization and gains (losses) on asset dispositions and impairments, net was $15.6 million higher in the Current Nine Months compared with the Prior Nine Months. See "Consolidated Results of Operations" included above for a discussion of the results of each of the Company's business segments.

Operating income (loss) from discontinued operations before depreciation, amortization and gains (losses) on asset dispositions and impairments, net was $45.5 million lower in the Current Nine Months compared with the Prior Nine Months.

During the Current Nine Months, cash used in operating activities of continuing and discontinued operations included $1.7 million to cover marketable security short positions. During the Current Nine Months, cash provided by operating activities of continuing and discontinued operations included $52.6 million received from the sale of marketable security long positions.

During the Prior Nine Months, cash used in operating activities of continuing and discontinued operations included $8.4 million to purchase marketable security long positions and $0.3 million to cover marketable security short positions. During the Prior Nine Months, cash provided by operating activities of continuing and discontinued operations included $8.9 million received from the sale of marketable security long positions and $0.3 million received upon entering into marketable security short positions.

Other cash flows provided by operating activities of continuing and discontinued operations in the Current Nine Months included $22.8 million and $10.8 million for the Current Nine Months and Prior Nine Months, respectively, for the amortization of stock expense. Additionally, other cash flows provided by activities of discontinued operations in the Current Nine Months includes an $18.2 million gain on the sale of ICP.

Investing Activities

During the Current Nine Months, net cash used in investing activities of continuing operations was $11.3 million primarily as follows:

- Capital expenditures were $99.3 million. Equipment deliveries during the nine months ended September 30, 2017 included two inland river liquid tank barges, three inland river towboats, one U.S.-flag articulated tug-barge, one U.S.-flag product tanker, one U.S.-flag harbor tug and two foreign-flag harbor tugs.
- The Company sold two inland river towboats, 50 dry-cargo barges and other property and equipment for net proceeds of $27.6 million. Equipment dispositions included the sale-leaseback of 50 dry-cargo barges for $12.5 million with leaseback terms of 84 months.
- Construction reserve fund account transactions included deposits of $13.8 million and withdrawals of $37.7 million.

- The Company made investments in, and advances to, 50% or less owned companies of $7.6 million, including $3.5 million to VA&E, $2.0 million to Trailer Bridge, $1.0 million to Avion, $0.9 million to SCFCo and $0.3 million to Kotug.
- The Company received $6.2 million from its 50% or less owned companies, including $2.1 million from Trailer Bridge and $2.0 million from Avion and $1.7 million from SCFCo.
- The Company received capital distributions of $3.5 million from SeaJon.
- The Company received $5.0 million from the sale of a controlling interest in a subsidiary.
- The Company received payments of $24.3 million on third party leases and notes receivable.
- On July 3, 2017 the Company acquired all of the equity of ISH for a net purchase price of ($5.3) million net of cash acquired of $15.7 million.

During the Current Nine Months, net cash provided by investing activities of discontinued operations was $2.7 million primarily as follows:

- Offshore Marine Services used net cash of $17.3 million related to the purchase and sale of equipment.
- Illinois Corn Processing used net cash of $1.2 million for the purchase of equipment.
- Offshore Marine Services received net cash of $4.1 million from construction reserve funds and restricted cash.
- Offshore Marine Services received net distributions of $5.0 million from its 50% or less owned companies.
- Offshore Marine Services used $7.8 million for business consolidations and acquisitions.

During the Prior Nine Months, net cash used in investing activities of continuing operations was $50.2 million primarily as follows:

- Capital expenditures were $207.8 million. Equipment deliveries during the period included two inland river towboats, twelve inland river dry-cargo barges and two U.S.-flag product tankers. In addition, the Company received one U.S.-flag harbor tug as partial consideration for the sale of certain Inland River Services equipment.
- The Company sold 20 30,000 barrel inland river liquid tank barges, the rights to eight leased-in 30,000 barrel inland river liquid tank barges, 14 inland river towboats, one U.S.-flag product tanker, one U.S.-flag harbor tug and other property and equipment for net proceeds of $152.1million ($142.1 million in cash, $8.0 million in seller financing and one U.S.-flag harbor tug valued at $2.0 million). Equipment dispositions included one 30,000 barrel inland river liquid tank barge under construction and the sale-leaseback of one U.S.-flag product tanker for $61.0 million with a leaseback term of 76 months. The Company also received $0.1 million of deposits on future equipment sales.
- Construction reserve fund account transactions included withdrawals of $16.8 million.
- The Company made investments in, and advances to, 50% or less owned companies of $4.5 million, including $3.0 million to Avion and $0.8 million in SCFCo.
- The Company received capital distributions of $8.4 million from SEA-Access.
- The Company received net advances on revolving credit lines provided to VA&E of $1.1 million.
- The Company made $1.8 million of net issuances on third party leases and notes receivables.

During the Prior Nine Months, net cash used in investing activities of discontinued operations was $14.3 million primarily as follows:

- Offshore Marine Services used net cash of $78.7 million related to the purchase and sale of equipment.
- Illinois Corn Processing used net cash of $3.5 million for the purchase of equipment.
- Offshore Marine Services used net cash of $76.7 million from construction reserve funds.
- Offshore Marine Services made investments in and advances to, 50% or less owned companies of $8.2 million.

Financing Activities

During the Current Nine Months, net cash used in financing activities of continuing operations was $86.7 million. The Company:

- purchased $7.6 million in principal amount of its 7.375% Senior Notes for $7.7 million;

- purchased $61.7 million in principal amount of its 2.5% Convertible Senior Notes for total consideration of $61.9 million. Consideration of $60.5 million was allocated to the settlement of the long-term debt and $1.4 million was allocated to the purchase of the conversion option embedded in the 2.5% Convertible Senior Notes;
- borrowed $38.9 million and repaid $52.5 million under the SEA-Vista Credit Facility;
- repaid $12.2 million under the ISH Credit Facility;
- made other scheduled payments on long-term debt and capital lease obligations of $0.3 million;
- acquired 110,298 shares of Common Stock for treasury for an aggregate purchase price of $7.6 million from its employees to cover their tax withholding obligations related to share award transactions. These shares were purchased in accordance with the terms of the Company's Share Incentive Plans and not pursuant to the repurchase authorization granted by SEACOR's Board of Directors; and
- received $16.4 million from share award plans.

During the Current Nine Months, net cash used in financing activities of discontinued operations was $7.1 million primarily due to a $7.4 million dividend payment to noncontrolling interests made by ICP.

During the Prior Nine Months, net cash used in financing activities of continuing operations was $60.9 million. The Company:

- purchased $22.6 million in principal amount of its 7.375% Senior Notes for $20.3 million;
- purchased $117.4 million in principal amount of its 2.5% Convertible Senior notes for total consideration of $114.9 million. Consideration of $107.8 million was allocated to the settlement of the long-term debt and $7.1 million was allocated to the purchase of the conversion option embedded in the 2.5% Convertible Senior Notes;
- borrowed $71.0 million and repaid $2.9 million under the SEA-Vista Credit Facility;
- issued other long-term debt of $7.5 million and incurred issuance costs of $0.1 million;
- made other scheduled payments on long-term debt and capital lease obligations of 0.3 million;
- acquired 47,455 shares of Common Stock for treasury for an aggregate purchase price of $2.4 million from its employees to cover their tax withholding obligations upon the lapsing of restrictions on share awards. These shares were purchased in accordance with the terms of the Company's Share Incentive Plans and not pursuant to the repurchase authorization granted by SEACOR's Board of Directors; and
- received $1.6 million from share award plans.

During the Prior Nine Months, net cash provided by financing activities of discontinued operations was $7.8 million primarily as follows:

- Offshore Marine services borrowed $36.4 million, net of issue costs, and repaid $25.1 million.
- Illinois Corn Processing paid dividends to noncontrolling interests of $3.3 million.

Short and Long-Term Liquidity Requirements

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 and debt service requirements, the Company believes that a combination of cash balances on hand, cash generated from operating activities, funding under existing subsidiary financing arrangements and access to the credit and capital markets will provide sufficient liquidity to meet its obligations. The Company continually evaluates possible acquisitions and dispositions of certain businesses and assets. The Company's sources of liquidity may be impacted by the general condition of the markets in which it operates and the broader economy as a whole, which may limit its access to the credit and capital markets on acceptable terms. Management will continue to closely monitor the Company's liquidity and the credit and capital markets.

Off-Balance Sheet Arrangements

For a discussion of the Company's off-balance sheet arrangements, refer to "Liquidity and Capital Resources" contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. There has been no material change in the Company's off-balance sheet arrangements during the Current Nine Months, except for the impact of the Spin-off. In addition, the Company has issued letters of credit or guaranteed the payments of amounts owed under certain sale-leaseback transactions, equipment financing and multi-employer pension obligations on behalf of SEACOR Marine. As of September 30, 2017, guarantees on behalf of SEACOR Marine totaled $101.6 million and will decline as payments are made on the outstanding obligations.

Contractual Obligations and Commercial Commitments

For a discussion of the Company's contractual obligations and commercial commitments, refer to “Liquidity and Capital Resources” contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. There has been no material change in the Company’s contractual obligations and commercial commitments during the Current Nine Months except for the impact of the Spin-off, the sale of the Company’s interest in ICP and the acquisition of ISH.

The contractual obligations and commercial commitments of the Company’s discontinued operations as of December 31, 2016 totaled $592.2 million and primarily included long-term debt obligations of $300.5 million, capital purchase obligations of $94.9 million, operating leases of $79.2 million, purchase obligations of $26.3 million and joint venture guarantees of $79.7 million.

The contractual obligations and commercial commitments of ISH as of July 3, 2017, the acquisition date, totaled $70.7 million and primarily included long-term debt obligations of $28.7 million, operating leases of $39.3 million and purchase obligations of $2.7 million. See Off-Balance Sheet Arrangements above for a discussion of guarantees made by the Company on behalf of SEACOR Marine.

Contingencies

On December 15, 2010, ORM and NRC were named as defendants in one of the several “master complaints” filed in the overall multi-district litigation relating to the *Deepwater Horizon* oil spill response and clean-up in the Gulf of Mexico, which is currently pending in the U.S. District Court for the Eastern District of Louisiana (the “MDL”). The “B3” master complaint naming ORM and NRC asserted various claims on behalf of a putative class against multiple defendants concerning the clean-up activities generally and the use of dispersants specifically. Both prior to and following the filing of the aforementioned master complaint, individual civil actions naming the Company, ORM, and/or NRC alleging B3 exposure-based injuries and/or damages were consolidated with the MDL and stayed pursuant to court order. The Company has continually taken the position that all of the B3 claims asserted against it, ORM, and NRC have no merit. On February 16, 2016, all but eleven B3 claims against ORM and NRC were dismissed with prejudice, whether by joinder in the master complaint, individual complaint, or otherwise (the “B3 Dismissal Order”). On August 2, 2016, the Court granted an omnibus motion for summary judgment as it concerns ORM and NRC in its entirety, dismissing the remaining eleven plaintiffs’ against ORM and NRC with prejudice (the “Remaining Eleven Plaintiffs’ Dismissal Order”). The deadline to appeal both of these orders has expired.

As noted above, various civil actions involving the Company, ORM, and/or NRC and concerning the *Deepwater Horizon* clean-up were consolidated with the MDL, although the majority of them have since been dismissed or otherwise resolved. The remaining claim is the following:

- On April 8, 2013, the Company, ORM, and NRC were named as defendants in *William and Dianna Fitzgerald v. BP Exploration et al.*, No. 2:13-CV-00650 (E.D. La.) (the “*Fitzgerald* Action”), which is a suit by a husband and wife whose son allegedly participated in the clean-up effort and became ill as a result of his exposure to oil and dispersants. While the decedent in the *Fitzgerald* Action’s claims against ORM and NRC were dismissed by virtue of the Remaining Eleven Plaintiffs’ Dismissal Order, the claim as against the Company remains stayed.

Following a status conference with the Court on February 17, 2017, the Court issued several new pretrial orders in connection with the remaining claims in the MDL.

On July 18, 2017, the Court issued an order dismissing all remaining “B3” claims in the MDL with prejudice, with the exception of certain claims specifically listed on an exhibit annexed to the order (the “Master MDL B3 Dismissal Order”). Nathan Fitzgerald, the decedent in the *Fitzgerald* Action, was listed on the exhibit annexed to the Master MDL B3 Dismissal Order and so this claim against the Company remains pending. The Company is unable to estimate the potential exposure, if any, resulting from this matter, to the extent it remains viable, but believes it is without merit and does not expect that it will have a material effect on its consolidated financial position, results of operations or cash flows.

On February 18, 2011, Triton Asset Leasing GmbH, Transocean Holdings LLC, Transocean Offshore Deepwater Drilling Inc., and Transocean Deepwater Inc. (collectively “Transocean”) named ORM and NRC as third-party defendants in a Rule 14(c) Third-Party Complaint in Transocean’s own Limitation of Liability Act action, which is part of the overall MDL, tendering to ORM and NRC the claims in the referenced master complaint that have already been asserted against ORM and NRC. Transocean, Cameron International Corporation (“Cameron”), Halliburton Energy Services, Inc., and M-I L.L.C. (“M-I”) also filed cross-claims against ORM and NRC for contribution and tort indemnity should they be found liable for any damages in Transocean's Limitation of Liability Act action and ORM and NRC asserted counterclaims against those same parties for identical relief. The remainder of the aforementioned cross-claims in Transocean’s limitation action remain pending, although the Company believes that the potential exposure, if any, resulting from these matters has been reduced as a result of the various developments in the MDL, including the B3 Dismissal Order and Remaining Eleven Plaintiffs’ Dismissal Order, and does not expect that these matters will have a material effect on its consolidated financial position, results of operations or cash flows.

On November 16, 2012, 668 individuals who served as beach clean-up workers in Escambia County, Florida during the *Deepwater Horizon* oil spill response commenced a civil action in the Circuit Court for the First Judicial Circuit of Florida, in and for Escambia County, *Abney et al. v. Plant Performance Services, LLC et al.*, No. 2012-CA-002947, in which they allege, among other things, that ORM and other defendants engaged in the contamination of Florida waters and beaches in violation of Florida Statutes Chapter 376 and injured the Plaintiffs by exposing them to dispersants during the course and scope of their employment. This case was removed to federal court and ultimately consolidated with the MDL on April 2, 2013. On April 22, 2013, a companion case to this matter was filed in the U.S. District Court for the Northern District of Florida, *Abood et al. v. Plant Performance Services, LLC et al.*, No. 3:13-CV-00284 (N.D. Fla.), which alleges identical allegations against the same parties but names an additional 174 Plaintiffs, all of whom served as clean-up workers in various Florida counties during the *Deepwater Horizon* oil spill response. This case was consolidated with the MDL on May 10, 2013. By court order, both of these matters were then stayed since they were consolidated with the MDL. The names of only a very small percentage of the claimants in these two matters appear to be listed on the exhibit to the Master MDL B3 Dismissal Order. The Company continues to evaluate the impact of the developments in the MDL, including the settlements discussed below, on these cases, but believes that the potential exposure, if any, resulting from these matters has been reduced as a result of these developments and does not expect that these matters will have a material effect on its consolidated financial position, results of operations or cash flows.

Separately, on March 2, 2012, the Court announced that BP Exploration and BP America Production Company (“BP America”) (collectively “BP”) and the Plaintiffs had reached an agreement on the terms of two proposed class action settlements that will resolve, among other things, Plaintiffs’ economic loss claims and clean-up related claims against BP. Both settlements were granted final approval by the Court, all appeals have concluded, and the deadline for submitting claims with respect to both settlements has passed. Although neither the Company, ORM, nor NRC are parties to the settlement agreements, the Company, ORM, and NRC are listed as released parties on the releases accompanying both settlement agreements. Consequently, class members who did not file timely requests for exclusion are barred from pursuing economic loss, property damage, personal injury, medical monitoring, and/or other released claims against the Company, ORM, and NRC. The Company believes these settlements have reduced the potential exposure, if any, in connection with the various cases relating to the *Deepwater Horizon* oil spill response and clean-up and continues to evaluate the settlements’ impacts on these cases.

In the course of the Company’s business, it may agree to indemnify the counterparty to an agreement. If the indemnified party makes a successful claim for indemnification, the Company would be required to reimburse that party in accordance with the terms of the indemnification agreement. Indemnification agreements generally are subject to threshold amounts, specified claim periods and other restrictions and limitations.

In connection with the SES Business Transaction, the Company remains contingently liable for certain obligations, including potential liabilities relating to work performed in connection with the *Deepwater Horizon* oil spill response. Pursuant to the agreement governing the sale, the Company’s potential liability to the purchaser may not exceed the consideration received by the Company for the SES Business Transaction. The Company is currently indemnified under contractual agreements with BP for the potential liabilities relating to work performed in connection with the *Deepwater Horizon* oil spill response.

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a 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, 2016. There has been no material change in the Company’s exposure to market risk during the Current Nine Months except for the impact of the Spin-off, the sale of the Company’s interest in ICP on July 3, 2017 and the acquisition of ISH on July 3, 2017. The Company’s remaining exposure to market risk is limited to the foreign exchange risk associated with the operations and intercompany lease obligations held by a subsidiary of the Company whose functional currency is the Colombian peso, marketable securities held by the Company and outstanding variable rate debt.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure 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 September 30, 2017. Based on their evaluation, the Company’s principal executive officer and principal financial officer concluded that the Company’s disclosure controls and procedures were not effective as of September 30, 2017 solely as a result of the material weaknesses in the Company’s internal control over financial reporting described in Management’s Annual Report included in its Annual report on Form 10-K for the year ended December 31, 2016.

The Company’s disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company in the reports it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosures. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those internal control systems determined to be effective can provide only a level of reasonable assurance with respect to financial statement preparation and presentation.

Management and the board of directors are deeply committed to maintaining internal controls over financial reporting and have no higher priority than the integrity of the Company's financial statements. Management and the board of directors are equally focused on ensuring that material weaknesses identified in the past and referenced in these notes will be remediated promptly and effectively. Management has developed a remediation plan that is currently being implemented, which includes an improved approval process of certain manual journal entries, limiting access to the Company's information technology system, and enhanced review and documentation controls relating to estimates of fair value and related impairment assessments. The Company is monitoring the effectiveness of the steps taken to ensure they are adequately addressing the identified weaknesses. The material weaknesses cannot be considered remediated until the applicable remedial controls have been fully implemented and have operated for a sufficient period of time to allow management to conclude, through testing, that these controls are operating effectively.

Notwithstanding the identified material weaknesses, management believes the condensed consolidated financial statements as included in this Quarterly Report on Form 10-Q fairly represent, in all material respects, the Company's financial condition, results of operations and cash flows as of and for the periods presented in accordance with generally accepted accounting principles in the United States.

Changes in Internal Control Over Financial Reporting

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 three months ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, except those related to addressing the Company's material weaknesses as described above.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of developments with respect to pending legal proceedings described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, see Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingencies” in this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

For a discussion of the Company’s risk factors, refer to Item 1A. “Risk Factors” contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016. There have been no material changes in the Company’s risk factors during the Current Nine Months.

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[(1)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Value of Securities that may Yet be Purchased under the Plans or Programs[(1)]
July 1 – 31, 2017	—	$ —	—	$ 89,154,977
August 1 – August 31, 2017	—	$ —	—	$ 77,380,819
September 1 – September 30, 2017	—	$ —	—	$ 77,380,819

(1) SEACOR’s Board of Directors previously approved a securities repurchase plan that authorizes the Company to acquire its Common Stock, 7.375% Senior Notes, 3.0% Convertible Senior Notes and 2.5% Convertible Senior Notes (collectively the “Securities”) through open market purchases, privately negotiated transactions or otherwise, depending on market conditions. During the Current Year Quarter, the Company repurchased $13.2 million in principal amount of its 2.5% Convertible Senior Notes reducing the securities purchase plan authority.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

31.1	Certification by the Principal 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 Principal 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 Principal 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 Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase

** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

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: November 1, 2017	By:	/S/ CHARLES FABRIKANT
		Charles Fabrikant, *Executive Chairman of the Board and Chief Executive Officer* *(Principal Executive Officer)*
DATE: November 1, 2017	By:	/S/ BRUCE WEINS
		Bruce Weins, *Senior Vice President and Chief Financial Officer* *(Principal Financial Officer)*

Exhibit 31.1

CERTIFICATION

I, Charles Fabrikant, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEACOR Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2017

/s/ CHARLES FABRIKANT

Name: Charles Fabrikant

Title: *Executive Chairman and Chief Executive Officer*
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Bruce Weins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEACOR Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2017

/s/ BRUCE WEINS

Name: Bruce Weins
Title: *Senior Vice President and*
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles Fabrikant, as Principal Executive Officer of SEACOR Holdings Inc. (the "*Company*"), certify, pursuant to 18 U.S.C. § 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying Quarterly Report on Form 10-Q for the period ending September 30, 2017 as filed with the U.S. Securities and Exchange Commission (the "*Report*") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 1, 2017

/s/ Charles Fabrikant
Charles Fabrikant
Executive Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Bruce Weins, as Principal Financial Officer of SEACOR Holdings Inc. (the "*Company*"), certify, pursuant to 18 U.S.C. § 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying Quarterly Report on Form 10-Q for the period ending September 30, 2017 as filed with the U.S. Securities and Exchange Commission (the "*Report*") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 1, 2017

/s/ BRUCE WEINS
Bruce Weins
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)