

February 3, 2010



# Bristow Group Reports Fiscal 2010 Third Quarter Financial Results

HOUSTON, Feb. 3 /PRNewswire-FirstCall/ -- Bristow Group Inc. (NYSE: BRS) today reported financial results for its fiscal 2010 third quarter ended December 31, 2009.

## For the December 2009 quarter:

- Revenue was \$303.3 million, an increase of 7% from the December 2008 quarter and 4% from the September 2009 quarter.
- Operating income was \$39.7 million, a decrease of 45% from the December 2008 quarter and 26% from the September 2009 quarter.
- Net income was \$27.1 million, a decrease of 43% from the December 2008 quarter and 20% from the September 2009 quarter.
- Diluted earnings per share was \$0.74, a decrease of \$0.58 from the December 2008 quarter and \$0.18 from the September 2009 quarter.
- The following items impacted the comparability of our results between the December 2009 and December 2008 quarters:

|                              | December 2009 Quarter                    |                   |                                     | December 2008 Quarter |                 |                                     |
|------------------------------|------------------------------------------|-------------------|-------------------------------------|-----------------------|-----------------|-------------------------------------|
|                              | Operating<br>Income                      | Net<br>Income     | Diluted<br>Earnings<br>Per<br>Share | Operating<br>Income   | Net<br>Income   | Diluted<br>Earnings<br>Per<br>Share |
|                              | -----                                    | -----             | -----                               | -----                 | -----           | -----                               |
|                              | (In thousands, except per share amounts) |                   |                                     |                       |                 |                                     |
| GOM Asset Sale(1)            | \$ -                                     | \$ -              | \$ -                                | \$37,780              | \$24,417        | \$0.69                              |
| Departure of two officers(2) | (1,744)                                  | (1,448)           | (0.04)                              | -                     | -               | -                                   |
| Aircraft incident charge(3)  | (1,978)                                  | (1,642)           | (0.05)                              | -                     | -               | -                                   |
| Hedging gains(4)             | -                                        | 2,328             | 0.06                                | -                     | -               | -                                   |
| Tax items(5)                 | -                                        | (1,000)           | (0.03)                              | -                     | 4,001           | 0.11                                |
|                              | ---                                      | -----             | -----                               | ---                   | -----           | -----                               |
| Total                        | <u>\$ (3,722)</u>                        | <u>\$ (1,762)</u> | <u>\$ (0.06)</u>                    | <u>\$37,780</u>       | <u>\$28,418</u> | <u>\$0.80</u>                       |

----

- (1) Represents the impact on the December 2008 quarter of the gain generated from the sale of 53 aircraft, related inventory, spare parts and offshore fuel equipment in the U.S. Gulf of Mexico (the

"GOM Asset Sale") on October 30, 2008 included in gain on GOM Asset Sale on the consolidated statements of income.

- (2) Represents compensation costs associated with the departure of two of the Company's officers during the December 2009 quarter included in general and administrative costs on the consolidated statements of income.
  - (3) Represents a charge in the December 2009 quarter related to damage to an aircraft operating in Nigeria as a result of a flight incident included in direct cost on the consolidated statements of income.
  - (4) Represents the impact of pre-tax hedging gains of \$2.8 million realized during the December 2009 quarter due to termination of forward contracts on euro-denominated aircraft purchase commitments included in other income (expense), net on the consolidated statements of income.
  - (5) Represents the unfavorable impact on our provision for income taxes in the December 2009 quarter from tax contingency items and changes in our expected foreign tax credit utilization and the favorable impact on our provision for income taxes in the December 2008 quarter of a benefit related to tax elections filed in the December 2008 quarter as part of an internal reorganization and the resolution of uncertain tax positions.
- In addition to the items impacting comparability of results in the table above, operating income, net income and diluted earnings per share were also impacted by:
- o A \$6.9 million increase in operating income in Australia primarily resulting from an improvement in our cost structure in this market since the December 2008 quarter, the addition of aircraft earning higher rates and a favorable impact from changes in exchange rates,
  - o A \$4.3 million increase in operating income in Eastern Hemisphere ("EH") Centralized Operations primarily resulting from an increase in cost allocations to other business units and a shift since the December 2008 quarter to allocate exchange rate exposures to other operating business units, partially offset by a charge of \$1.1 million to reduce the carrying value of obsolete inventory,
  - o A \$5.2 million increase in other income (expense), net, which includes the hedging gains of \$2.8 million discussed above,
  - o A decrease in our effective tax rate to 17.3% in the December 2009 quarter from 25.0% in the December 2008 quarter primarily resulting from the indefinite reinvestment outside the U.S. of foreign earnings and our ability to realize foreign tax credits,
  - o A \$4.2 million decrease in operating income in the U.S. Gulf of Mexico primarily resulting from decreased demand for aircraft in this market driven by decreased drilling activity,
  - o A \$3.7 million decrease in operating income in our Other International business unit that primarily resulted from the grounding of our aircraft in Kazakhstan since mid-October 2009, and
  - o A \$4.1 million increase in net interest expense that resulted from lower cash amounts invested and reduced investment performance as well as less capitalized interest.
- Additionally, our results for the December 2009 quarter were favorably impacted by changes in exchange rates versus the December 2008 quarter, which resulted in an increase in operating income of \$5.2 million, net income of \$6.2 million and diluted earnings per share of \$0.17. These

increases are primarily reflected in our results for Europe, West Africa and Australia and in other income (expense), net.

- The following items impacted the comparability of our results between the December 2009 and September 2009 quarters:

|                              | December 2009 Quarter<br>-----           |            |                                     | September 2009 Quarter<br>----- |         |                                     |
|------------------------------|------------------------------------------|------------|-------------------------------------|---------------------------------|---------|-------------------------------------|
|                              | Operating                                | Net        | Diluted<br>Earnings<br>Per<br>Share | Operating                       | Net     | Diluted<br>Earnings<br>Per<br>Share |
|                              | Income                                   | Income     | Share                               | Income                          | Income  | Share                               |
|                              | -----                                    | -----      | -----                               | -----                           | -----   | -----                               |
|                              | (In thousands, except per share amounts) |            |                                     |                                 |         |                                     |
| Departure of two officers(1) | \$ (1,744)                               | \$ (1,448) | \$ (0.04)                           | \$ -                            | \$ -    | \$ -                                |
| Aircraft incident charge(2)  | (1,978)                                  | (1,642)    | (0.05)                              | -                               | -       | -                                   |
| Hedging gains(3)             | -                                        | 2,328      | 0.06                                | -                               | 849     | 0.02                                |
| Tax items(4)                 | -                                        | (1,000)    | (0.03)                              | -                               | (2,075) | (0.06)                              |
| Reversal of bad debt(5)      | -                                        | -          | -                                   | 2,500                           | 1,875   | 0.05                                |
| Mexico earnings change(6)    | -                                        | -          | -                                   | 1,300                           | 1,075   | 0.03                                |
|                              | ---                                      | ---        | ---                                 | ----                            | ----    | ----                                |
| Total                        | \$ (3,722)                               | \$ (1,762) | \$ (0.06)                           | \$3,800                         | \$1,724 | \$0.04                              |
|                              | =====                                    | =====      | =====                               | =====                           | =====   | =====                               |

----

- (1) Represents compensation costs associated with the departure of two of the Company's officers during the December 2009 quarter included in general and administrative costs on the consolidated statements of income.
- (2) Represents a charge in the December 2009 quarter related to damage to an aircraft operating in Nigeria as a result of a flight incident included in direct cost on the consolidated statements of income.
- (3) Represents the impact of pre-tax hedging gains of \$2.8 million and \$1.1 million realized during the December 2009 and September 2009 quarters, respectively, due to termination of forward contracts on euro-denominated aircraft purchase commitments included in other income (expense), net on the consolidated statements of income.
- (4) Represents the unfavorable impact on our provision for income taxes in the December 2009 and September 2009 quarters from tax contingency items and changes in our expected foreign tax credit utilization.
- (5) Represents the reversal of a bad debt reserve in Kazakhstan in the September 2009 quarter included in direct cost on the consolidated statements of income.
- (6) Represents out of period earnings from our unconsolidated affiliate in Mexico realized in the September 2009 quarter included in earnings

(losses) from unconsolidated affiliates, net on our consolidated statements of income.

- In addition to the items impacting comparability of results in the table above, operating income, net income and diluted earnings per share were also impacted by:
  - o A decrease in our effective tax rate to 17.3% in the December 2009 quarter from 25.0% in the September 2009 quarter primarily resulting from the indefinite reinvestment outside the U.S. of foreign earnings and our ability to realize foreign tax credits, and
  - o A \$4.9 million decrease in operating income in our Other International business unit primarily resulting from the grounding of our aircraft in Kazakhstan since mid-October 2009.

### For the nine months ended December 31, 2009:

- Revenue was \$885.4 million, an increase of 3% from the nine months ended December 31, 2008.
- Operating income was \$138.1 million, a decrease of 10% from the nine months ended December 31, 2008.
- Net income was \$84.8 million, a decrease of 15% from the nine months ended December 31, 2008.
- Diluted earnings per share was \$2.32, a decrease of \$0.52 from the nine months ended December 31, 2008.
- The following items impacted the comparability of our results between the nine months ended December 31, 2009 and 2008:

|                                          | Nine Months Ended   |               |                                     |                     |               |                                     |
|------------------------------------------|---------------------|---------------|-------------------------------------|---------------------|---------------|-------------------------------------|
|                                          | December 31, 2009   |               |                                     | December 31, 2008   |               |                                     |
|                                          | Operating<br>Income | Net<br>Income | Diluted<br>Earnings<br>Per<br>Share | Operating<br>Income | Net<br>Income | Diluted<br>Earnings<br>Per<br>Share |
| (In thousands, except per share amounts) |                     |               |                                     |                     |               |                                     |
| GOM Asset<br>Sale(1)                     | \$ -                | \$ -          | \$ -                                | \$37,780            | \$24,417      | \$0.71                              |
| Departure of<br>three<br>officers(2)     | (4,874)             | (3,720)       | (0.10)                              | -                   | -             | -                                   |
| Hedging gains(3)                         | -                   | 3,004         | 0.08                                | -                   | -             | -                                   |
| Tax items(4)                             | -                   | (5,200)       | (0.14)                              | -                   | 4,700         | 0.14                                |
|                                          | ---                 | -----         | -----                               | ---                 | -----         | -----                               |
| Total                                    | \$ (4,874)          | \$ (5,916)    | \$ (0.16)                           | \$37,780            | \$29,117      | \$0.85                              |
|                                          | =====               | =====         | =====                               | =====               | =====         | =====                               |

- 
- (1) Represents the impact on the nine months ended December 31, 2008 of the gain generated from the GOM Asset Sale on October 30, 2008

included in gain on GOM Asset Sale on the consolidated statements of income.

- (2) Represents compensation costs associated with the departure of three of the Company's officers during the nine months ended December 31, 2009 included in general and administrative costs on the consolidated statements of income.
  - (3) Represents the impact of pre-tax hedging gains of \$3.9 million realized during the nine months ended December 31, 2009 due to termination of forward contracts on euro-denominated aircraft purchase commitments included in other income (expense), net on the consolidated statements of income.
  - (4) Represents the unfavorable impact on our provision for income taxes in the nine months ended December 31, 2009 from tax contingency items and changes in our expected foreign tax credit utilization and the favorable impact on our provision for income taxes in the nine months ended December 31, 2008 of a benefit related to tax elections filed in the December 2008 quarter as part of an internal reorganization and the resolution of uncertain tax positions.
- In addition to the items impacting comparability of results in the table above, operating income, net income and diluted earnings per share were also impacted by:
- o A \$16.1 million increase in operating income in West Africa primarily resulting from a favorable impact from changes in exchange rates and improved pricing,
  - o A \$19.0 million increase in operating income in Australia primarily resulting from cost reductions in this market and the addition of aircraft earning higher rates,
  - o A \$11.3 million increase in operating income in EH Centralized Operations primarily resulting from an increase in cost allocations to other business units and a shift in the current fiscal year to allocate exchange rate exposures to other operating business units,
  - o A decrease in our effective tax rate to 23.8% in the nine months ended December 31, 2009 from 26.8% the same period a year ago primarily resulting from the indefinite reinvestment outside the U.S. of foreign earnings and our ability to realize foreign tax credits,
  - o An \$8.7 million decrease in operating income in the U.S. Gulf of Mexico primarily resulting from decreased demand for aircraft in this market driven by decreased drilling activity,
  - o A \$9.3 million decrease in operating income in Western Hemisphere ("WH") Centralized Operations primarily resulting from an under recovery of maintenance costs from other Western Hemisphere business units driven by lower flight hours,
  - o A \$6.5 million decrease in operating income in Europe primarily resulting from an unfavorable impact of changes in exchange rates versus the same period a year ago, partially offset by a full period's contribution of operating income from our Bristow Norway operations which were consolidated beginning October 31, 2008, and
  - o A \$10.6 million increase in net interest expense primarily resulting from lower cash amounts invested and reduced investment performance, increased interest expense from our issuance of \$115 million of convertible senior notes in June 2008 and less capitalized interest.

## Capital and Liquidity

- At December 31, 2009, key balance sheet items, capital commitments and

- liquidity sources were:
- o \$1.4 billion in stockholders' investment and \$717 million of indebtedness,
  - o \$107 million in cash and a \$100 million undrawn revolving credit facility, and
  - o \$117 million in aircraft purchase commitments for 11 aircraft.
- Net cash generated by operating activities was \$69 million and net cash used in investing activities was \$110 million in the December 2009 quarter.

## CEO Remarks

"We realized solid operating results in Europe, West Africa and Australia during our third fiscal 2010 quarter," said William E. Chiles, President and Chief Executive Officer of Bristow Group.

"In Latin America, our investment in Lider in Brazil contributed to these positive results but was offset by poor performance from our joint venture in Mexico. In Europe, overall activity levels were strong. We're also seeing robust activity levels in Nigeria despite a challenging political environment. In Australia, our local team continues to make improvements in operations and cost structure and in our activity level.

"The U.S. Gulf of Mexico saw continued weakness, but we have not been impacted to as large a degree as other offshore service companies. Our efforts to maintain stable pricing and to upgrade our fleet to larger, more efficient and more profitable aircraft serving larger projects farther offshore in deeper water has us well positioned for opportunities that might arise.

"As previously announced, we changed our management organization structure to better focus on winning and doing work more effectively. Some aspects of the reorganization will take time to fully implement. We believe that this reorganization coupled with financial flexibility and adequate liquidity have positioned us well to weather the current uncertain market in order to benefit from a turnaround in industry conditions which we believe is likely over the next year or two," Chiles added.

## **CONFERENCE CALL**

Management will conduct a conference call starting at 9:00 a.m. EST (8:00 a.m. CST) on Thursday, February 4, 2010, to review financial results for the December 2009 quarter. The conference call can be accessed as follows:

### Via Webcast:

- Visit Bristow Group's investor relations Web page at [www.bristowgroup.com](http://www.bristowgroup.com)
- Live: Click on the link for "Bristow Group Fiscal 2010 Third Quarter Earnings Conference Call"
- Replay: A replay via webcast will be available approximately one hour after the call's completion and will be accessible for approximately 90 days

### Via Telephone within the U.S.:

- Live: Dial toll free (877) 941-8610
- Replay: A telephone replay will be available through February 18, 2010 and may be accessed by calling toll free (800) 406-7325, passcode: 4201643#

### Via Telephone outside the U.S.:

- Live: Dial (480) 629-9819
- Replay: A telephone replay will be available through February 18, 2010 and may be accessed by calling (303) 590-3030, passcode: 4201643#

## **ABOUT BRISTOW GROUP INC.**

Bristow Group Inc. is a leading provider of helicopter services to the worldwide offshore energy industry and one of two helicopter service providers to the offshore energy industry with global operations. Through its subsidiaries, affiliates and joint ventures, the Company has significant operations in most major offshore oil and gas producing regions of the world, including the North Sea, the U.S. Gulf of Mexico, Nigeria, Australia and Latin America. For more information, visit the Company's website at [www.bristowgroup.com](http://www.bristowgroup.com).

## **FORWARD-LOOKING STATEMENTS DISCLOSURE**

*Statements contained in this news release that state the Company's or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. These forward-looking statements include statements regarding the impact of activity levels, business performance, turnaround timing, market and industry conditions, liquidity and financial flexibility. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's SEC filings, including but not limited to the Company's quarterly report on Form 10-Q for the quarter ended December 31, 2009 and annual report on Form 10-K for the fiscal year ended March 31, 2009. Bristow Group Inc. disclaims any intention or obligation to revise any forward-looking statements, including financial estimates, whether as a result of new information, future events or otherwise.*

#### CONTACT:

Linda McNeill

Investor Relations

(713) 267-7622

(financial tables follow)

BRISTOW GROUP INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(In thousands, except per share amounts)  
(Unaudited)

|                     | Three Months Ended |           | Nine Months Ended |              |           |
|---------------------|--------------------|-----------|-------------------|--------------|-----------|
|                     | December 31,       |           | September 30,     | December 31, |           |
|                     | 2009               | 2008      | 2009              | 2009         | 2008      |
| Gross revenue:      |                    |           |                   |              |           |
| Operating revenue   |                    |           |                   |              |           |
| from non-affiliates | \$260,907          | \$236,491 | \$247,642         | \$757,440    | \$726,151 |
| Operating revenue   |                    |           |                   |              |           |
| from affiliates     | 14,581             | 16,792    | 17,460            | 46,643       | 52,492    |
| Reimbursable        |                    |           |                   |              |           |
| revenue from non-   |                    |           |                   |              |           |
| affiliates          | 27,615             | 28,617    | 24,746            | 78,214       | 76,196    |
| Reimbursable        |                    |           |                   |              |           |
| revenue from        |                    |           |                   |              |           |
| affiliates          | 203                | 1,087     | 1,767             | 3,076        | 3,959     |
|                     | 303,306            | 282,987   | 291,615           | 885,373      | 858,798   |
| Operating expense:  |                    |           |                   |              |           |
| Direct cost         | 189,456            | 176,038   | 173,392           | 543,525      | 551,404   |
| Reimbursable        |                    |           |                   |              |           |
| expense             | 28,219             | 28,689    | 26,304            | 81,180       | 79,437    |
| Depreciation and    |                    |           |                   |              |           |
| amortization        | 20,663             | 16,663    | 18,470            | 57,319       | 47,103    |
| General and         |                    |           |                   |              |           |
| administrative      | 30,758             | 25,586    | 29,686            | 89,246       | 78,776    |
|                     | 269,096            | 246,976   | 247,852           | 771,270      | 756,720   |
| Gain on GOM Asset   |                    |           |                   |              |           |
| Sale                | -                  | 37,780    | -                 | -            | 37,780    |
| Gain on disposal    |                    |           |                   |              |           |
| of assets           | 2,448              | (102)     | 4,880             | 13,337       | 5,865     |
| Earnings from       |                    |           |                   |              |           |
| unconsolidated      |                    |           |                   |              |           |
| affiliates, net     |                    |           |                   |              |           |
| of losses           | 3,068              | (1,417)   | 4,924             | 10,625       | 8,277     |
| Operating Income    | 39,726             | 72,272    | 53,567            | 138,065      | 154,000   |
| Interest income     | 365                | 1,087     | 210               | 797          | 5,739     |
| Interest expense    | (10,979)           | (8,276)   | (10,640)          | (31,631)     | (25,943)  |

|                                                              |          |          |          |          |          |
|--------------------------------------------------------------|----------|----------|----------|----------|----------|
| Other income<br>(expense), net                               | 3,695    | (1,522)  | 1,809    | 4,023    | 2,240    |
|                                                              | -----    | -----    | -----    | -----    | -----    |
| Income before<br>provision for<br>income taxes               | 32,807   | 63,561   | 44,946   | 111,254  | 136,036  |
| Provision for<br>income taxes                                | (5,681)  | (15,861) | (11,236) | (26,427) | (36,494) |
|                                                              | -----    | -----    | -----    | -----    | -----    |
| Net income from<br>continuing<br>operations                  | 27,126   | 47,700   | 33,710   | 84,827   | 99,542   |
| Loss from<br>discontinued<br>operations,<br>net of tax       | -        | -        | -        | -        | (246)    |
|                                                              | ---      | ---      | ---      | ---      | ---      |
| Net income                                                   | 27,126   | 47,700   | 33,710   | 84,827   | 99,296   |
| Net income<br>attributable to<br>noncontrolling<br>interests | (448)    | (535)    | (540)    | (1,256)  | (2,190)  |
|                                                              | -----    | -----    | -----    | -----    | -----    |
| Net income<br>attributable to<br>Bristow                     | 26,678   | 47,165   | 33,170   | 83,571   | 97,106   |
| Preferred stock<br>dividends                                 | -        | (3,162)  | (3,163)  | (6,325)  | (9,487)  |
|                                                              | ---      | -----    | -----    | -----    | -----    |
| Net income<br>available to<br>common stockholders            | \$26,678 | \$44,003 | \$30,007 | \$77,246 | \$87,619 |
|                                                              | =====    | =====    | =====    | =====    | =====    |
| Basic earnings per<br>common share:                          |          |          |          |          |          |
| Earnings from<br>continued<br>operations                     | \$0.74   | \$1.51   | \$0.98   | \$2.43   | \$3.18   |
| Loss from<br>discontinued<br>operations                      | -        | -        | -        | -        | (0.01)   |
|                                                              | ---      | ---      | ---      | ---      | ---      |
| Net earnings                                                 | \$0.74   | \$1.51   | \$0.98   | \$2.43   | \$3.17   |
|                                                              | =====    | =====    | =====    | =====    | =====    |
| Diluted earnings<br>per common share:                        |          |          |          |          |          |
| Earnings from<br>continued<br>operations                     | \$0.74   | \$1.32   | \$0.92   | \$2.32   | \$2.85   |
| Loss from<br>discontinued<br>operations                      | -        | -        | -        | -        | (0.01)   |
|                                                              | ---      | ---      | ---      | ---      | ---      |
| Net earnings                                                 | \$0.74   | \$1.32   | \$0.92   | \$2.32   | \$2.84   |
|                                                              | =====    | =====    | =====    | =====    | =====    |
| Weighted average<br>number of common<br>shares outstanding:  |          |          |          |          |          |

|         |        |        |        |        |        |
|---------|--------|--------|--------|--------|--------|
| Basic   | 35,896 | 29,101 | 30,491 | 31,733 | 27,635 |
| Diluted | 36,271 | 35,628 | 36,101 | 36,070 | 34,185 |

BRISTOW GROUP INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands)

|                                                     | December 31,<br>2009<br>---- | March 31,<br>2009<br>---- |
|-----------------------------------------------------|------------------------------|---------------------------|
|                                                     | (Unaudited)                  |                           |
| ASSETS                                              |                              |                           |
| Current assets:                                     |                              |                           |
| Cash and cash equivalents                           | \$107,059                    | \$300,969                 |
| Accounts receivable from non-affiliates             | 196,927                      | 194,030                   |
| Accounts receivable from affiliates                 | 34,710                       | 22,644                    |
| Inventories                                         | 187,220                      | 165,438                   |
| Prepaid expenses and other current assets           | 26,582                       | 20,226                    |
|                                                     | -----                        | -----                     |
| Total current assets                                | 552,498                      | 703,307                   |
| Investment in unconsolidated affiliates             | 203,916                      | 20,265                    |
| Property and equipment - at cost:                   |                              |                           |
| Land and buildings                                  | 93,241                       | 68,961                    |
| Aircraft and equipment                              | 2,014,147                    | 1,823,011                 |
|                                                     | -----                        | -----                     |
|                                                     | 2,107,388                    | 1,891,972                 |
| Less - Accumulated depreciation and<br>amortization | (400,475)                    | (350,515)                 |
|                                                     | -----                        | -----                     |
|                                                     | 1,706,913                    | 1,541,457                 |
| Goodwill                                            | 46,971                       | 44,654                    |
| Other assets                                        | 23,261                       | 24,888                    |
|                                                     | -----                        | -----                     |
|                                                     | \$2,533,559                  | \$2,334,571               |
|                                                     | =====                        | =====                     |

LIABILITIES AND STOCKHOLDERS' INVESTMENT

|                                                                   |          |          |
|-------------------------------------------------------------------|----------|----------|
| Current liabilities:                                              |          |          |
| Accounts payable                                                  | \$50,434 | \$44,892 |
| Accrued wages, benefits and related taxes                         | 39,486   | 39,939   |
| Income taxes payable                                              | 3,429    | -        |
| Other accrued taxes                                               | 2,528    | 3,357    |
| Deferred revenues                                                 | 22,697   | 17,593   |
| Accrued maintenance and repairs                                   | 13,352   | 10,317   |
| Accrued interest                                                  | 8,609    | 6,434    |
| Other accrued liabilities                                         | 18,406   | 20,164   |
| Deferred taxes                                                    | 9,348    | 6,195    |
| Short-term borrowings and current<br>maturities of long-term debt | 19,211   | 8,948    |
|                                                                   | -----    | -----    |
| Total current liabilities                                         | 187,500  | 157,839  |
| Long-term debt, less current maturities                           | 698,144  | 714,965  |
| Accrued pension liabilities                                       | 99,276   | 81,380   |
| Other liabilities and deferred credits                            | 27,151   | 16,741   |
| Deferred taxes                                                    | 149,389  | 127,266  |
| Stockholders' investment:                                         |          |          |
| 5.50% mandatory convertible preferred stock                       | -        | 222,554  |
| Common stock                                                      | 359      | 291      |
| Additional paid-in capital                                        | 669,174  | 436,296  |
| Retained earnings                                                 | 795,739  | 718,493  |

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Noncontrolling interests             | 10,261      | 11,200      |
| Accumulated other comprehensive loss | (103,434)   | (152,454)   |
|                                      | -----       | -----       |
|                                      | 1,372,099   | 1,236,380   |
|                                      | -----       | -----       |
|                                      | \$2,533,559 | \$2,334,571 |
|                                      | =====       | =====       |

BRISTOW GROUP INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In thousands)  
(Unaudited)

|                                                                                             | Nine Months Ended |           |
|---------------------------------------------------------------------------------------------|-------------------|-----------|
|                                                                                             | December 31,      |           |
|                                                                                             | 2009              | 2008      |
|                                                                                             | ----              | ----      |
| Cash flows from operating activities:                                                       |                   |           |
| Net income                                                                                  | \$84,827          | \$99,296  |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |                   |           |
| Depreciation and amortization                                                               | 57,319            | 47,103    |
| Deferred income taxes                                                                       | 18,892            | 13,802    |
| Loss on disposal of discontinued operations                                                 | -                 | 379       |
| Discount amortization on long-term debt                                                     | 2,213             | 1,504     |
| Gain on asset dispositions                                                                  | (13,337)          | (5,865)   |
| Gain on GOM Asset Sale                                                                      | -                 | (37,780)  |
| Gain on Heliservicio investment sale                                                        | -                 | (1,438)   |
| Stock-based compensation expense                                                            | 9,914             | 7,697     |
| Equity in earnings from unconsolidated affiliates (in excess of) below dividends received   | (6,853)           | 7,910     |
| Tax benefit related to stock-based compensation                                             | (409)             | (242)     |
| Increase (decrease) in cash resulting from changes in:                                      |                   |           |
| Accounts receivable                                                                         | 794               | (9,342)   |
| Inventories                                                                                 | (11,382)          | (16,600)  |
| Prepaid expenses and other assets                                                           | 14,555            | (22,887)  |
| Accounts payable                                                                            | 4,638             | 5,657     |
| Accrued liabilities                                                                         | 3,216             | 20,855    |
| Other liabilities and deferred credits                                                      | (1,370)           | (6,177)   |
|                                                                                             | -----             | -----     |
| Net cash provided by operating activities                                                   | 163,017           | 103,872   |
| Cash flows from investing activities:                                                       |                   |           |
| Capital expenditures                                                                        | (250,272)         | (388,007) |
| Proceeds from asset dispositions                                                            | 74,973            | 86,681    |
| Acquisitions, net of cash received                                                          | (178,961)         | (15,590)  |
|                                                                                             | -----             | -----     |
| Net cash used in investing activities                                                       | (354,260)         | (316,916) |
| Cash flows from financing activities:                                                       |                   |           |
| Proceeds from borrowings                                                                    | -                 | 115,000   |
| Debt issuance costs                                                                         | -                 | (3,768)   |
| Repayment of debt and debt redemption premiums                                              | (10,068)          | (20,996)  |
| Partial prepayment of put/call obligation                                                   | (52)              | (184)     |
| Preferred stock dividends paid                                                              | (6,325)           | (9,487)   |
| Issuance of common stock                                                                    | 1,336             | 225,260   |
| Tax benefit related to stock-based compensation                                             | 409               | 242       |
|                                                                                             | ---               | ---       |
| Net cash provided by (used in) financing                                                    |                   |           |

|                                                              |           |           |
|--------------------------------------------------------------|-----------|-----------|
| activities                                                   | (14,700)  | 306,067   |
| Effect of exchange rate changes on cash and cash equivalents | 12,033    | (18,420)  |
|                                                              | -----     | -----     |
| Net increase (decrease) in cash and cash equivalents         | (193,910) | 74,603    |
| Cash and cash equivalents at beginning of period             | 300,969   | 290,050   |
|                                                              | -----     | -----     |
| Cash and cash equivalents at end of period                   | \$107,059 | \$364,653 |
|                                                              | =====     | =====     |
| Supplemental disclosure of cash flow information:            |           |           |
| Cash paid during the period for:                             |           |           |
| Interest                                                     | \$31,830  | \$30,446  |
| Income taxes                                                 | \$9,904   | \$17,109  |
| Non-cash investing activities:                               |           |           |
| Contribution of note receivable and aircraft to RLR          | \$ -      | \$(6,551) |
| Aircraft received for investment in Heliservicio             | \$ -      | \$2,410   |

BRISTOW GROUP INC. AND SUBSIDIARIES  
SELECTED OPERATING DATA  
(In thousands, except flight hours and percentages)  
(Unaudited)

|                                                                           | Three Months Ended |          | Nine Months Ended |           |           |
|---------------------------------------------------------------------------|--------------------|----------|-------------------|-----------|-----------|
|                                                                           | December 31,       |          | September 30,     |           |           |
|                                                                           | December 31,       |          | December 31,      |           |           |
|                                                                           | 2009               | 2008     | 2009              | 2009      | 2008      |
|                                                                           | ----               | ----     | ----              | ----      | ----      |
| Flight hours<br>(excludes Bristow Academy and unconsolidated affiliates): |                    |          |                   |           |           |
| U.S. Gulf of Mexico                                                       | 16,452             | 25,445   | 18,372            | 54,593    | 97,975    |
| Arctic                                                                    | 1,260              | 1,279    | 2,843             | 6,451     | 7,411     |
| Latin America                                                             | 7,906              | 10,836   | 9,228             | 25,766    | 28,970    |
| Europe                                                                    | 13,597             | 13,241   | 14,242            | 42,694    | 33,812    |
| West Africa                                                               | 9,175              | 9,884    | 8,470             | 26,595    | 29,129    |
| Australia                                                                 | 3,304              | 3,649    | 2,794             | 8,978     | 11,502    |
| Other International                                                       | 2,828              | 2,793    | 2,582             | 7,903     | 8,539     |
|                                                                           | -----              | -----    | -----             | -----     | -----     |
| Consolidated total                                                        | 54,522             | 67,127   | 58,531            | 172,980   | 217,338   |
|                                                                           | =====              | =====    | =====             | =====     | =====     |
| Gross revenue:                                                            |                    |          |                   |           |           |
| U.S. Gulf of Mexico                                                       | \$42,456           | \$53,695 | \$42,614          | \$130,531 | \$177,695 |
| Arctic                                                                    | 3,228              | 3,005    | 6,123             | 13,746    | 14,088    |
| Latin America                                                             | 19,076             | 20,707   | 20,786            | 59,421    | 59,964    |
| WH Centralized Operations                                                 | 1,461              | 3,134    | 791               | 3,737     | 8,303     |
| Europe                                                                    | 119,267            | 102,477  | 113,890           | 348,200   | 296,210   |
| West Africa                                                               | 58,736             | 50,478   | 51,452            | 165,005   | 140,788   |
| Australia                                                                 | 38,188             | 25,029   | 30,333            | 96,684    | 87,368    |
| Other International                                                       | 14,269             | 17,076   | 16,221            | 43,925    | 52,234    |
| EH Centralized                                                            |                    |          |                   |           |           |

|                              |           |           |           |           |           |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Operations                   | 2,653     | 2,797     | 4,559     | 10,871    | 9,169     |
| Bristow Academy              | 6,026     | 5,563     | 7,151     | 20,470    | 17,286    |
| Intrasegment<br>eliminations | (2,054)   | (974)     | (2,303)   | (7,217)   | (4,335)   |
| Corporate                    | -         | -         | (2)       | -         | 28        |
|                              | ---       | ---       | ---       | ---       | ---       |
| Consolidated total           | \$303,306 | \$282,987 | \$291,615 | \$885,373 | \$858,798 |
|                              | =====     | =====     | =====     | =====     | =====     |

Operating income (loss):

|                               |          |          |          |           |           |
|-------------------------------|----------|----------|----------|-----------|-----------|
| U.S. Gulf of Mexico           | \$4,488  | \$8,721  | \$5,509  | \$16,237  | \$24,973  |
| Arctic                        | 22       | 184      | 2,085    | 2,712     | 2,603     |
| Latin America                 | 4,695    | 5,501    | 7,314    | 16,788    | 19,175    |
| WH Centralized<br>Operations  | (4,216)  | (2,509)  | (4,156)  | (11,581)  | (2,281)   |
| Europe                        | 15,968   | 13,757   | 14,172   | 48,918    | 55,434    |
| West Africa                   | 15,092   | 13,167   | 14,466   | 43,796    | 27,707    |
| Australia                     | 9,727    | 2,850    | 6,869    | 22,771    | 3,777     |
| Other International           | 1,695    | 5,429    | 6,611    | 11,593    | 12,672    |
| EH Centralized<br>Operations  | (422)    | (4,705)  | 2,247    | (1,068)   | (12,370)  |
| Bristow Academy               | (385)    | (168)    | 723      | 1,269     | 219       |
| Gain on GOM Asset Sale        | -        | 37,780   | -        | -         | 37,780    |
| Gain on disposal of<br>assets | 2,448    | (102)    | 4,880    | 13,337    | 5,865     |
| Corporate                     | (9,386)  | (7,633)  | (7,153)  | (26,707)  | (21,554)  |
|                               | -----    | -----    | -----    | -----     | -----     |
| Consolidated total            | \$39,726 | \$72,272 | \$53,567 | \$138,065 | \$154,000 |
|                               | =====    | =====    | =====    | =====     | =====     |

Operating margin:

|                     |        |        |       |       |       |
|---------------------|--------|--------|-------|-------|-------|
| U.S. Gulf of Mexico | 10.6%  | 16.2%  | 12.9% | 12.4% | 14.1% |
| Arctic              | 0.7%   | 6.1%   | 34.1% | 19.7% | 18.5% |
| Latin America       | 24.6%  | 26.6%  | 35.2% | 28.3% | 32.0% |
| Europe              | 13.4%  | 13.4%  | 12.4% | 14.0% | 18.7% |
| West Africa         | 25.7%  | 26.1%  | 28.1% | 26.5% | 19.7% |
| Australia           | 25.5%  | 11.4%  | 22.6% | 23.6% | 4.3%  |
| Other International | 11.9%  | 31.8%  | 40.8% | 26.4% | 24.3% |
| Bristow Academy     | (6.4)% | (3.0)% | 10.1% | 6.2%  | 1.3%  |
| Consolidated total  | 13.1%  | 25.5%  | 18.4% | 15.6% | 17.9% |

BRISTOW GROUP INC. AND SUBSIDIARIES  
AIRCRAFT COUNT  
AS OF DECEMBER 31, 2009

Aircraft in Consolidated Fleet

-----  
Helicopters  
-----

|                              |       |        |       |          |            | Unconsolidated |                |       |
|------------------------------|-------|--------|-------|----------|------------|----------------|----------------|-------|
|                              | Small | Medium | Large | Training | Fixed Wing | Total (1)      | Affiliates (2) | Total |
|                              | ----- | -----  | ----- | -----    | -----      | -----          | -----          | ----- |
| U.S.<br>Gulf<br>of<br>Mexico | 62    | 26     | 7     | -        | -          | 95             | -              | 95    |
| Arctic                       | 13    | 2      | -     | -        | 1          | 16             | -              | 16    |

|               |     |     |     |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|
| Latin         |     |     |     |     |     |     |     |     |
| America       | 5   | 32  | 2   | -   | -   | 39  | 89  | 128 |
| Europe        | -   | 11  | 40  | -   | -   | 51  | -   | 51  |
| West          |     |     |     |     |     |     |     |     |
| Africa        | 12  | 32  | 5   | -   | 4   | 53  | -   | 53  |
| Australia     | 2   | 10  | 18  | -   | -   | 30  | -   | 30  |
| Other         |     |     |     |     |     |     |     |     |
| International | -   | 11  | 10  | -   | -   | 21  | 44  | 65  |
| EH            |     |     |     |     |     |     |     |     |
| Centralized   |     |     |     |     |     |     |     |     |
| Operations    | -   | -   | -   | -   | -   | -   | 63  | 63  |
| Bristow       |     |     |     |     |     |     |     |     |
| Academy       | -   | -   | -   | 74  | -   | 74  | -   | 74  |
|               | --- | --- | --- | --- | --- | --- | --- | --- |
| Total         | 94  | 124 | 82  | 74  | 5   | 379 | 196 | 575 |
|               | === | === | === | === | === | === | === | === |
| Aircraft      |     |     |     |     |     |     |     |     |
| not           |     |     |     |     |     |     |     |     |
| currently     |     |     |     |     |     |     |     |     |
| in            |     |     |     |     |     |     |     |     |
| fleet: (3)    |     |     |     |     |     |     |     |     |
| On order      | -   | 6   | 5   | -   | -   | 11  |     |     |
| Under         |     |     |     |     |     |     |     |     |
| option        | -   | 41  | 13  | -   | -   | 54  |     |     |

----

- (1) Includes 11 aircraft held for sale.
- (2) The 196 aircraft operated or managed by our unconsolidated affiliates are in addition to those aircraft leased from us.
- (3) This table does not reflect aircraft which our unconsolidated affiliates may have on order or under option.

**SOURCE** Bristow Group Inc.