



# Jefferies 2014 Global Energy Conference

Bristow Group Inc.  
November 12, 2014



# Forward-looking statements

This presentation may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about our future business, operations, capital expenditures, fleet composition, capabilities and results; modeling information, earnings and adjusted earnings growth guidance, expected operating margins, cash flow stability and other financial projections; future dividends, share repurchases and other uses of excess cash; plans, strategies and objectives of our management, including our plans and strategies to grow earnings and our business, our general strategy going forward, our business model and our operational excellence initiative; expected actions by us and by third parties, including our customers, competitors and regulators; impact of grounding and the effects thereof; the valuation of our company and its valuation relative to relevant financial indices; assumptions underlying or relating to any of the foregoing, including assumptions regarding factors impacting our business, financial results and industry; aircraft delivery dates and other matters. Our forward-looking statements reflect our views and assumptions on the date of this presentation regarding future events and operating performance. They involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, that may cause actual results to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include fluctuations in the demand for our services; fluctuations in worldwide prices of and demand for natural gas and oil; fluctuations in levels of natural gas and oil exploration, development and production activities; the impact of competition; actions by customers; the risk of reductions in spending on aircraft services by governmental agencies; changes in tax and other laws and regulations; changes in foreign exchange rates and controls; risks associated with international operations; operating risks inherent in our business, including the possibility of declining safety performance; general economic conditions including the capital and credit markets; our ability to obtain financing; the possibility that we may lack sufficient liquidity to continue to repurchase shares or pay a quarterly dividend; the risk of grounding of segments of our fleet for extended periods of time or indefinitely; our ability to re-deploy our aircraft to regions with greater demand; our ability to acquire additional aircraft and dispose of older aircraft through sales into the aftermarket; the possibility that we or our suppliers will be unable to deliver new aircraft on time or on budget; the possibility that we do not achieve the anticipated benefit of our fleet investment program; availability of employees; political instability, war or acts of terrorism in any of the countries where we operate; and those discussed under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2014 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2014. We do not undertake any obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# Bristow at a glance:

## *An industry leader*

- Leading provider of logistics services to the global oil and gas industry; we also provide search and rescue (SAR) services to oil and gas clients and governments
- Five-year total shareholder return of ~133% outperforming Oil Service Index, S&P 500 and Simmons Offshore Transportation Services Peer Group<sup>1</sup>
- Sustained growth evidenced by five-year operating revenue CAGR of ~9%<sup>2</sup>
- Generated gross cash flow returns above 9% since FY10 improving each year to 13%
- Adjusted EPS long-term growth rate of 10-15% and UK SAR is expected to provide an additional \$1 adjusted EPS by FY18
- Dividend increased over 100% since initiated in Q1 FY12 and we project 20 – 30% payout of future adjusted EPS
- Repurchased ~5% of shares since November 2013



# **TARGET ZERO**, our industry leading safety program, drives the passion and discipline of our employees

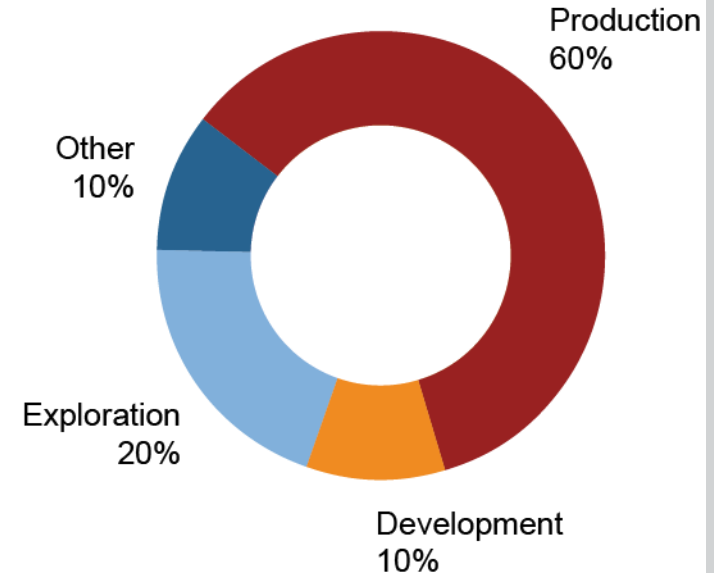
- Safety is our number one core value
- Bristow's 'Target Zero' program is now the leading example emulated industry-wide
- Safety performance accounts for 25% of management incentive compensation



# Bristow's services are utilized in every phase of offshore oil and gas growth, especially production

- Largest share of revenues (>60%) relates to oil and gas production, providing stability and growth opportunities
- There are ~8,000 offshore production installations worldwide — compared with >600 exploratory drilling rigs
- ~1,700 helicopters are servicing the worldwide oil and gas industry of which Bristow's fleet is approximately one-third
- Bristow revenues are primarily driven by our clients' operating expenses

Typical revenues by segment



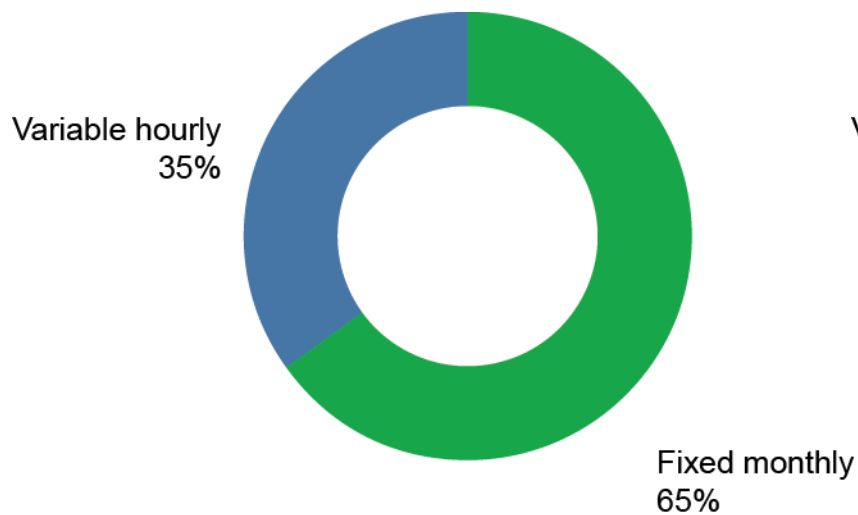
## HELICOPTER TRANSPORTATION SERVICES



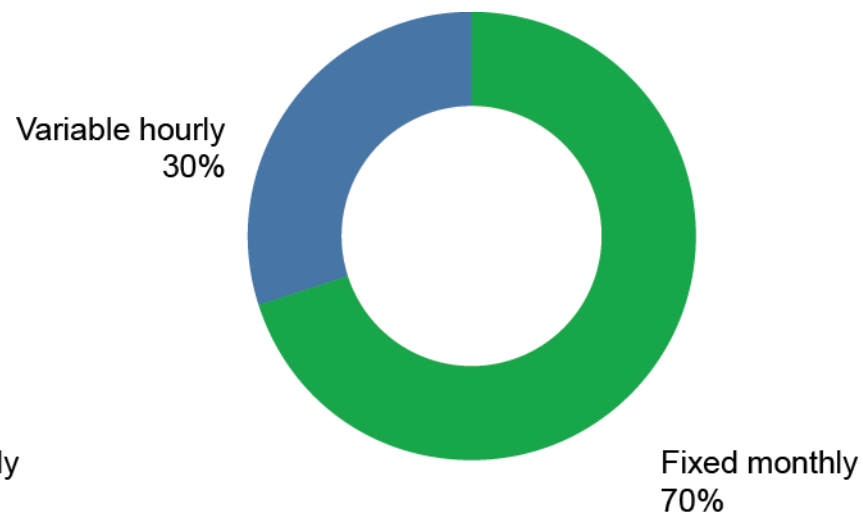
# Bristow's contract structure generates predictable income and cash flow

- Two-tiered contract structure includes both:
  - Fixed monthly standing charge to reserve helicopter capacity
  - Variable fees based on hours flown with fuel pass-through
- Bristow oil and gas contracts earn 65% of revenue without flying
- UK SAR contract earns 85% of revenue without flying

**Revenue sources**



**Operating income**



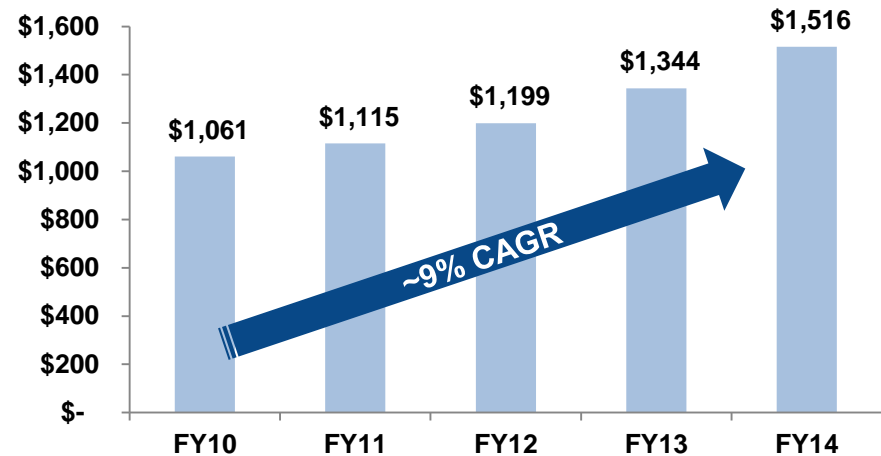
# Market environment outlook

- Recent declines in oil prices are supply oriented and expected to be shorter term in nature, with increased finding/production costs supporting a sustainable higher price in the long term
- Regardless, our business model has not been impacted by short term commodity price declines, but more from our clients' short term cost and capital restrictions; the long term outlook remains positive
- Global growth in helicopter demand is good, while large helicopter supply remains constrained. Total value of identified future helicopter opportunities is comparable to our last update
- SAR discussions are ongoing for multiple aircraft opportunities in various countries including Australia, Brazil, the Falklands, Greenland, Nigeria, Norway, Trinidad and the UK

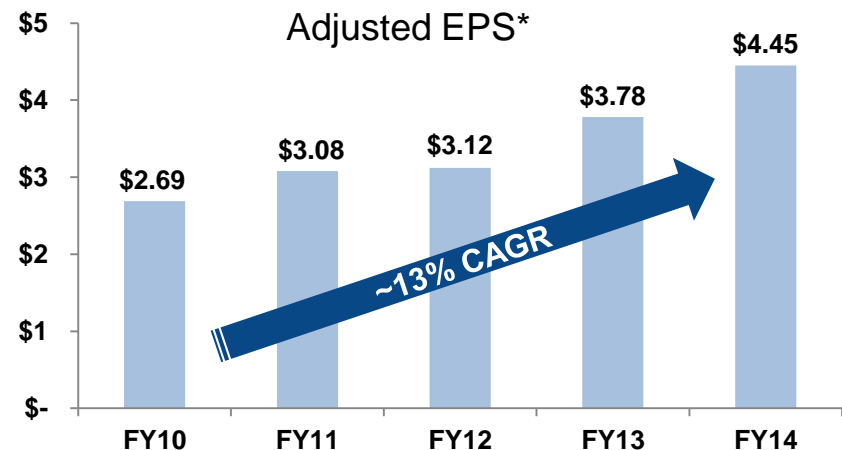
# Business model delivers stable growth and profitability

- We have delivered consistent revenue and earnings growth over the past five years
- Adjusted EPS growth has outpaced operating revenue growth due to an improved pricing environment as well as prudent balance sheet and cost management
- Sustainable long term adjusted EPS growth of 10-15%

Operating revenue (\$ in millions)

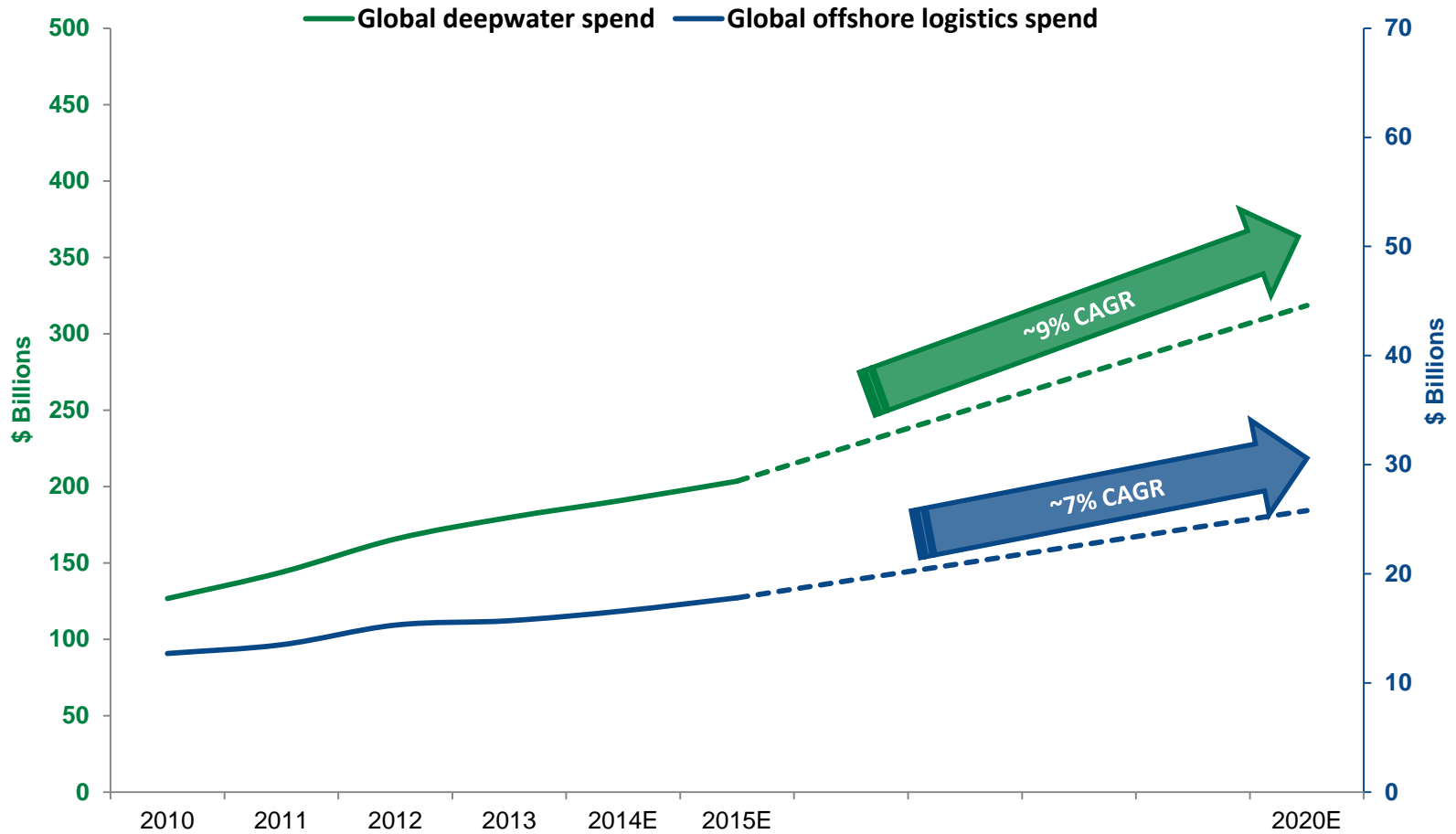


Adjusted EPS\*

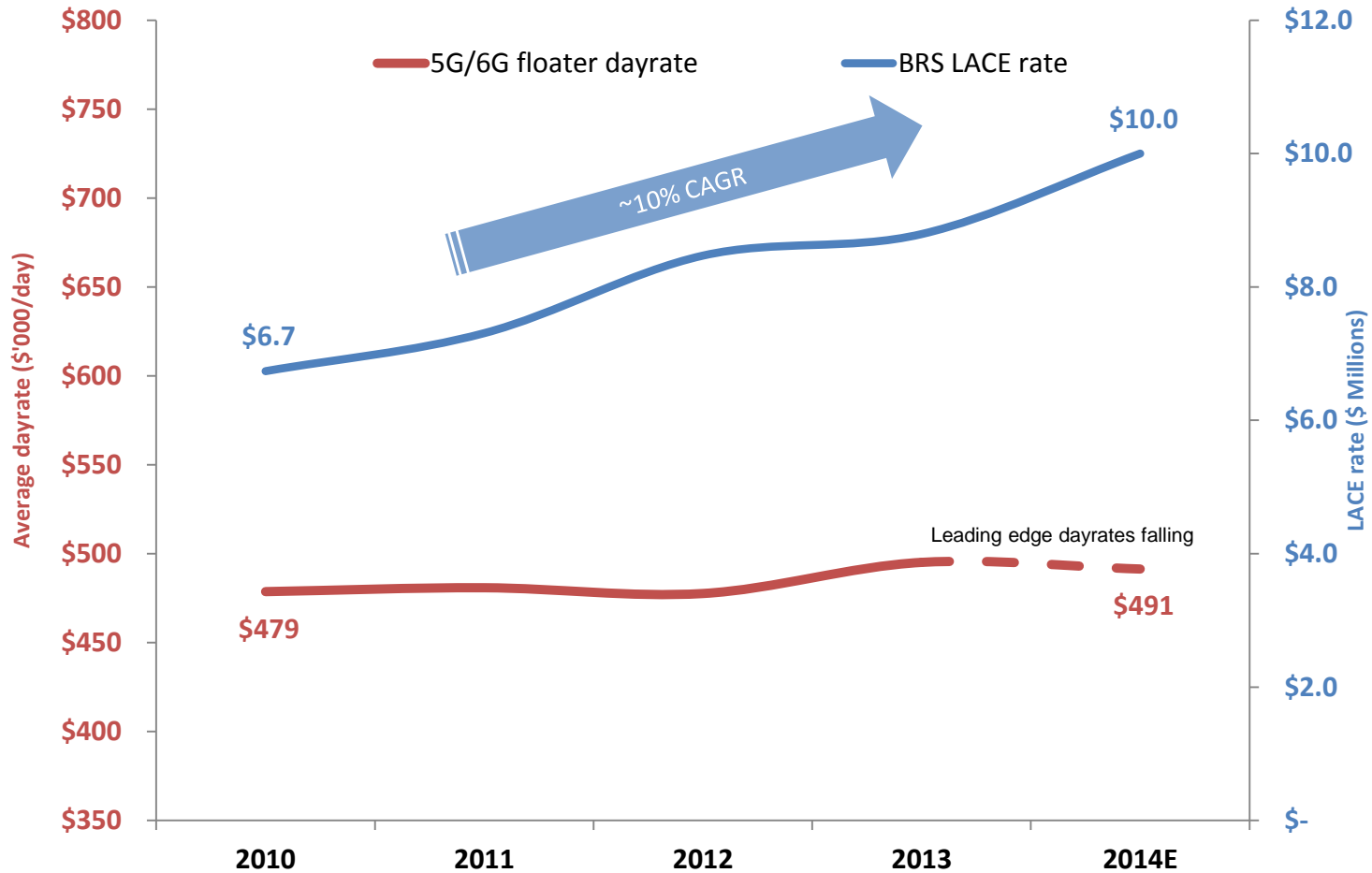




# Sustainable growth in deepwater means sustainable growth for offshore logistics and for Bristow

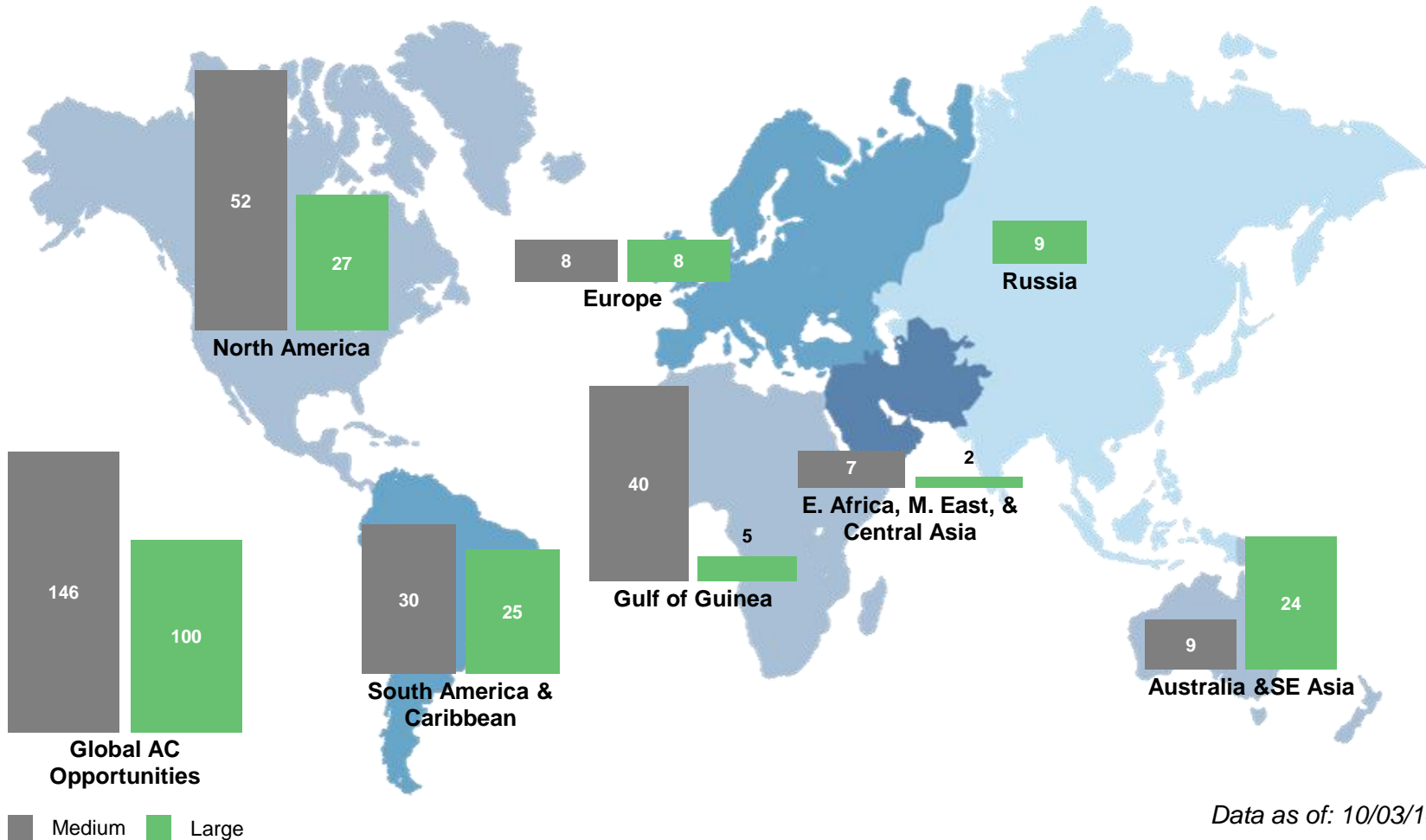


# LACE rate growth continues to outpace dayrates



# Opportunity tracker: next three years

246 qualified aircraft opportunities



Data as of: 10/03/14

# Opportunity management: next three years

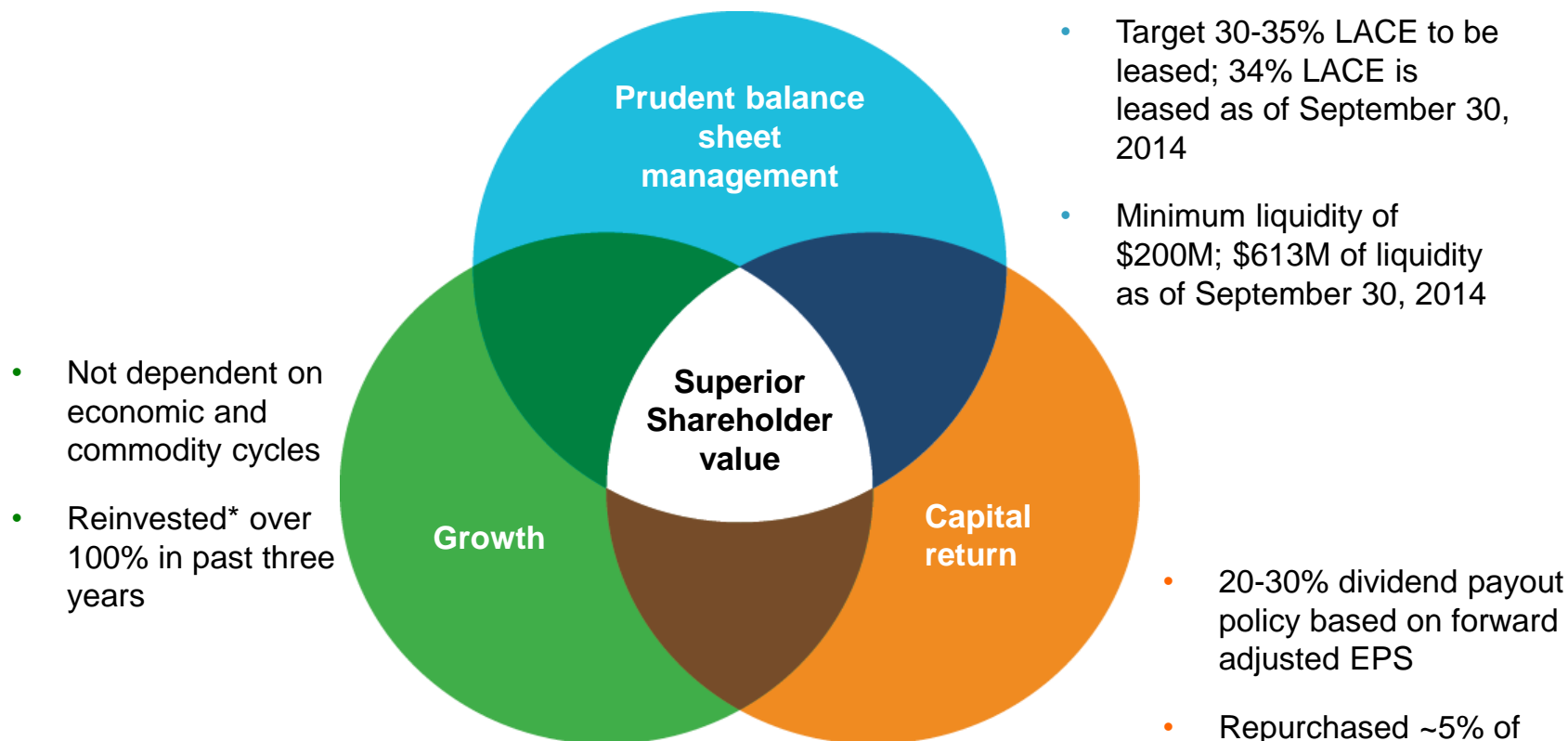
*246 qualified aircraft opportunities*

- Bristow uses specific opportunities to create our order book
- Opportunities are condensed to 129 realistic bids
- 50 high probability opportunities for new contracts are derived from a view that we have an ~33% new bid success rate
- Our order book is then managed using primarily capital efficient aircraft options with our original equipment manufacturers

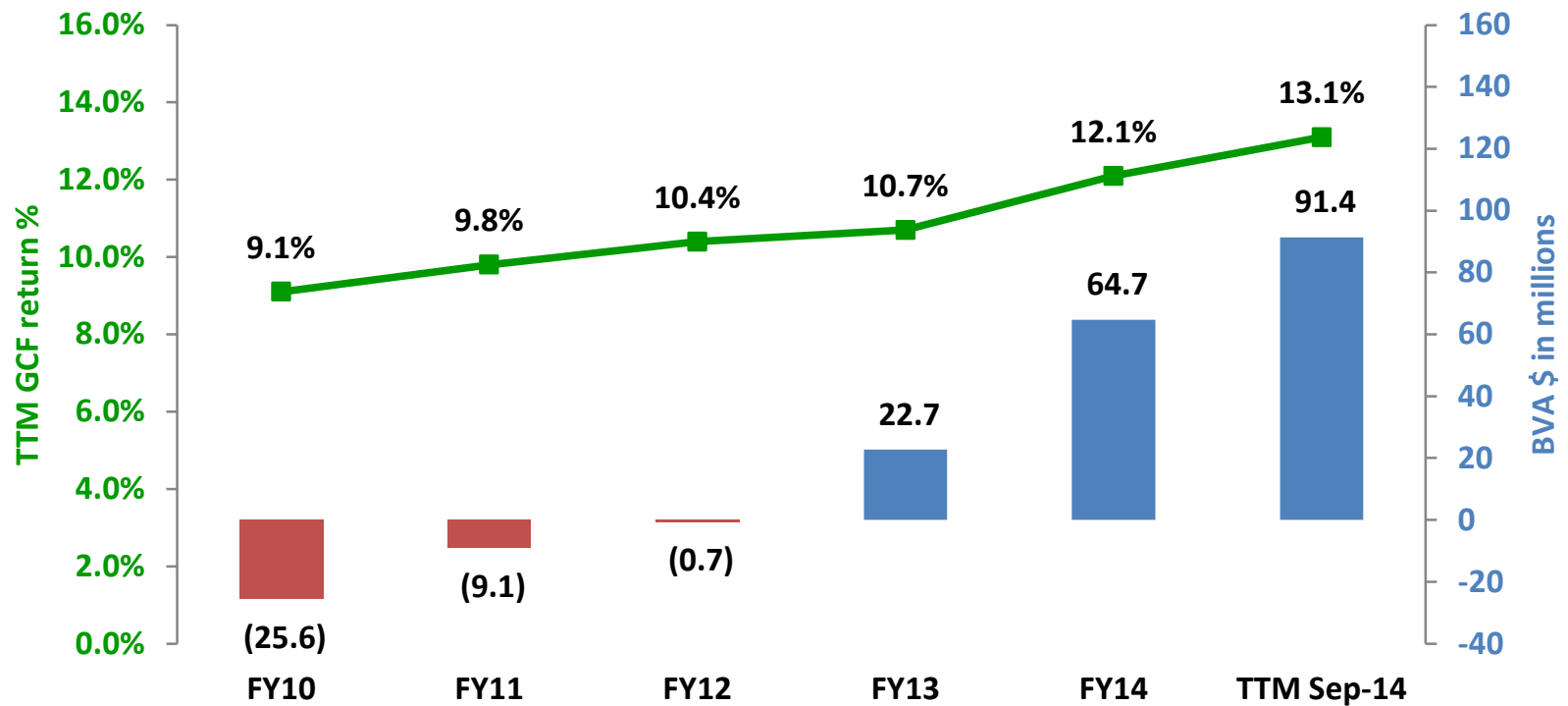


Data as of: 10/03/14

# Our value proposition will continue to be based on secular growth, financial safety and balanced return



# Bristow Value Added (BVA) drives improving Gross Cash Flow (GCF) performance . . .



... and providing the cash for a balanced return as demonstrated in the past year ...

## Regular Dividend

- Q2 FY15 quarterly dividend of \$0.32 per share – forward dividend yield of 1.7%<sup>1</sup>
- Over 100% increase to \$0.32 per share since dividend initiation in Q1 FY12
- Bristow has a 20-30% target payout ratio of forward adjusted EPS

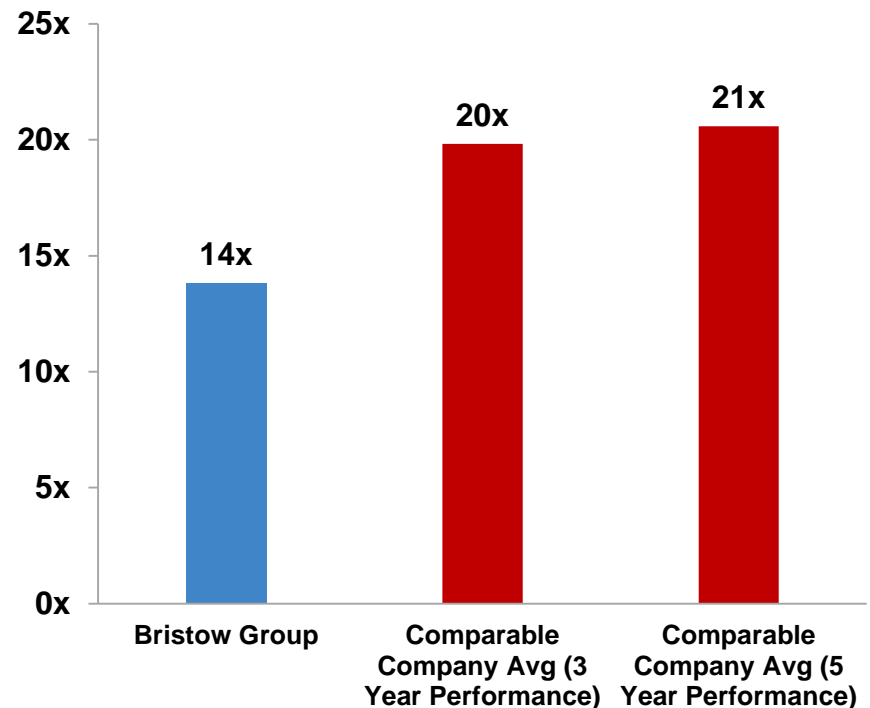
## Share Repurchase

- Opportunistic share repurchases
- Over 5% of total outstanding shares have been repurchased since share repurchase program initiation
- \$133.5 million of shares repurchased since November 2013<sup>2</sup>

# ... with potential valuation improvements as adjusted EPS and dividends continue to grow

- Bristow examined similar non-financial US headquartered public companies
- We compared companies with similar performance to ours
  - ✓ Adjusted EPS growth of 10-15% CAGR and those that
  - ✓ At least doubled their dividends per share over a three or five year period respectively
- These companies currently trade at a 40-50% P/E multiple premium to Bristow

**Current Price to Forward Earnings Multiple Comparison of Companies with Similar adjusted EPS and Dividend Growth**



Source: Analysis based off of 1000 largest US non-financial companies, using Capital IQ data, as of October 29, 2014; Bristow NTM P/E multiple based on \$73.65 stock price and the \$5.33 consensus median NTM Normalized EPS



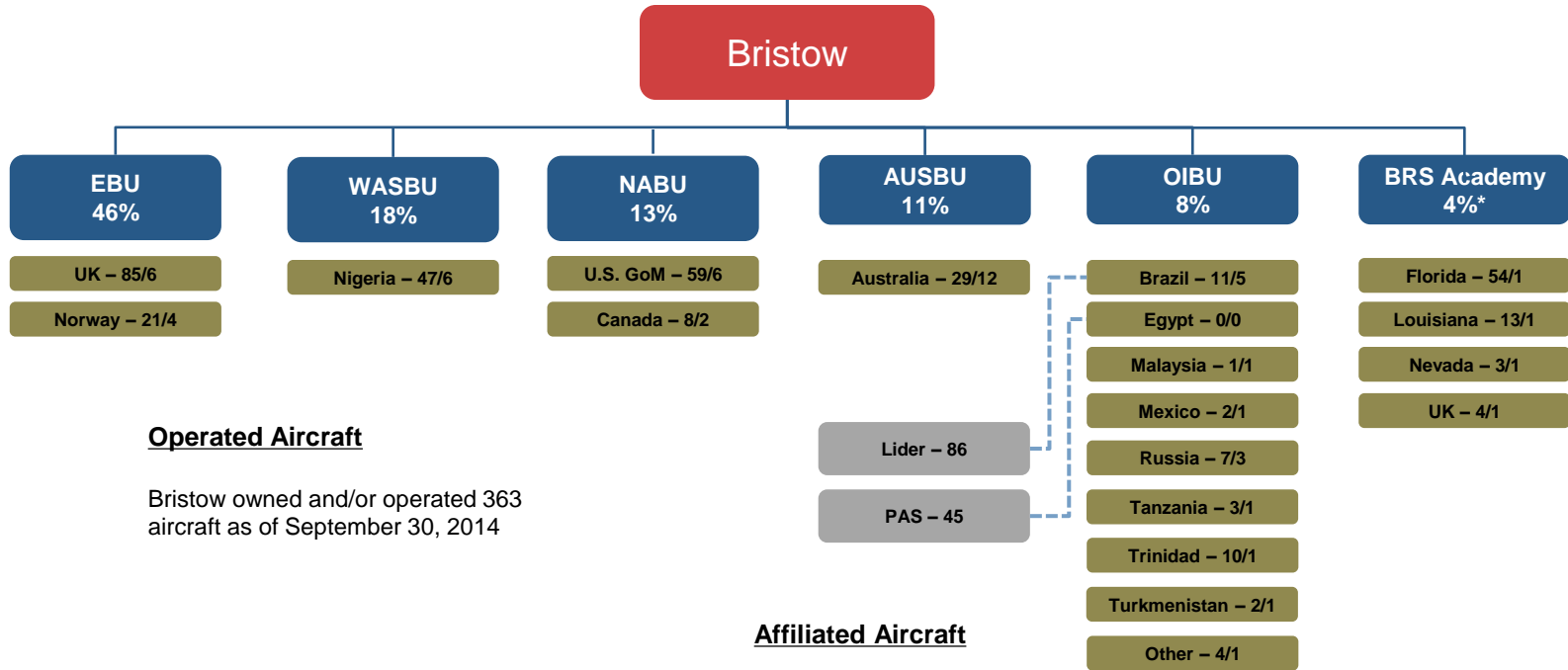
# Conclusions

- Declines in recent oil prices have not impacted our production and infrastructure oriented business model
- We continue to work with clients to identify cost effective logistics solutions with Bristow's global fleet and stable balance sheet driving demand for our services
- \$4.3 billion of contracts are being implemented on schedule and on budget starting in FY16
- Macro economic volatility did impact Q2 FY15 adjusted EPS, but strong BVA and cash flow performance continues
- Our fiscal year 2015 adjusted EPS guidance range reaffirmed at \$4.70 - \$5.20

# Appendix



# Organizational chart - as of September 30, 2014



## Operated Aircraft

Bristow owned and/or operated 363 aircraft as of September 30, 2014

## Affiliated Aircraft

Bristow affiliates and joint ventures operated 131 aircraft as of September 30, 2014

- Key**
- Corporate
  - Business Unit (% of FY15 operating revenue)
  - Region (# of aircraft / # of locations)
  - Joint Venture (# of aircraft)

\* Includes corporate and other

# Aircraft fleet – medium and large as of September 30, 2014

Large capacity 16-25 passengers



Type	No. of PAX	Engine	Aircraft		Total	Ordered
			Consl	Unconsl		
<b>Large Helicopters</b>						
AS332 L Super Puma	18	Twin Turbine	18	-	18	-
AW189	16	Twin Turbine	2	-	2	15
EC175	16	Twin Turbine	-	-	-	5
EC225	19	Twin Turbine	23	-	23	2
Mil Mi 8	20	Twin Turbine	7	-	7	-
Sikorsky S-61	25	Twin Turbine	2	-	2	-
Sikorsky S-92	19	Twin Turbine	65	8	73	6
			117	8	125	28

LACE

110

Medium capacity 12-15 passengers



<b>Medium Helicopters</b>						
AW139	12	Twin Turbine	18	2	20	-
Bell 212	12	Twin Turbine	-	14	14	-
Bell 412	13	Twin Turbine	23	19	42	-
EC155	13	Twin Turbine	1	-	1	-
Sikorsky S-76A/A++	12	Twin Turbine	2	5	7	-
Sikorsky S-76C/C++	12	Twin Turbine	51	34	85	-
Sikorsky S-76D	12	Twin Turbine	3	-	3	7
			98	74	172	7

LACE

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- Next Generation Aircraft
- Mature Aircraft

Fair market value of our owned fleet is ~\$1.8 billion and leased fleet is ~\$1.4 billion

# Aircraft fleet – small, training and fixed as of September 30, 2014 (continued)

Small capacity 4-7 passengers



## Type Small Helicopters

Type	No. of PAX	Engine	Aircraft		Total	Ordered
			Consl	Unconsl		
AW109	6	Twin Turbine	-	1	1	-
AS 350BB	4	Turbine	-	2	2	-
Bell 206B	4	Turbine	1	2	3	-
Bell 206 L Series	6	Turbine	5	6	11	-
Bell 407	6	Turbine	33	-	33	-
BK-117	7	Twin Turbine	2	-	2	-
EC135	6	Twin Turbine	-	3	3	-
			<u>41</u>	<u>14</u>	<u>55</u>	<u>-</u>

## LACE

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Training capacity 2-6 passengers



## Training Helicopters

AW109	6	Twin Turbine	2	-	2	-
AS 355	5	Twin turbine	2	-	2	-
Bell 206B	4	Turbine	12	-	12	-
Robinson R22	2	Piston	8	-	8	-
Robinson R44	4	Piston	7	-	7	-
Sikorsky 300CB/CBi	2	Piston	42	-	42	-
Fixed Wing			1	-	1	-
			<u>74</u>	<u>-</u>	<u>74</u>	<u>-</u>

■ Next Generation Aircraft

■ Mature Aircraft

## Fixed Wing

33 35 68 -

**Total** 363 131 494 35

**TOTAL LACE (Large Aircraft Equivalent)\*** 166

\* LACE does not include held for sale, training helicopters and fixed wing

# Operating lease strategy: lowering the cost *and* amount of capital needed to grow

## Leased aircraft as of September 30, 2014

	Small	Medium	Large	Total	Leased LACE	Total LACE	% Leased
EBU	-	1	35	36	36	67	53%
WASBU	-	1	1	2	2	23	7%
NABU	1	13	5	19	12	32	36%
AUSBU	2	2	6	10	8	22	35%
OIBU	-	-	-	-	-	23	-
<b>Total</b>	<b>3</b>	<b>17</b>	<b>47</b>	<b>67</b>	<b>56</b>	<b>166</b>	<b>34%*</b>

- **Of the 110 aircraft currently leased in our fleet, 67 are commercial (56 LACE), 30 are training and 13 fixed wing**
- **56 LACE aircraft represent approximately 34% of our commercial fleet**
- **Our goal is for commercial fleet operating leases to account for approximately 30-35% of our LACE**

\* The percentage of LACE leased is calculated by taking the total LACE for leased aircraft divided by the total LACE for all aircraft we operate, including both owned and leased aircraft. See 10-Q Note 5 "Commitments and Contingencies" for more information provided on operating leases.

# Consolidated fleet changes and aircraft sales for Q2 FY15

## Fleet changes

	Q1 FY15	Q2 FY15
Fleet Count Beginning	363	363
Delivered		
Large	6	2
Medium	3	-
Total Delivered	9	2
Removed		
Sales	(4)	(7)
Other*	(5)	5
Total Removed	(9)	(2)
	<u>363</u>	<u>363</u>

\* Includes writeoffs, lease returns and commencements

	# of a/c Sold	Cash received*
Q1 FY15	4	\$ 4.7
Q2 FY15	7	\$ 8.2
Total	<u>11</u>	<u>\$ 12.9</u>

\* Amounts stated in millions

## Held for sale aircraft in consolidated fleet

	Small	Medium	Large	Training	Total
EBU	-	-	5	-	5
WASBU	-	2	-	-	2
NABU	-	-	-	-	-
AUSBU	-	-	2	-	2
OIBU	-	4	-	-	4
Academy	-	-	-	1	1
Total	<u>-</u>	<u>6</u>	<u>7</u>	<u>1</u>	<u>14</u>

## Leased aircraft in consolidated fleet

	Small	Medium	Large	Training	Fixed wing	Total
EBU	-	1	35	-	13	49
WASBU	-	1	1	-	-	2
NABU	1	13	5	-	-	19
AUSBU	2	2	6	-	-	10
OIBU	-	-	-	-	-	-
Academy	-	-	-	30	-	30
Total	<u>3</u>	<u>17</u>	<u>47</u>	<u>30</u>	<u>13</u>	<u>110</u>

See 10-Q Note 5 "Commitments and Contingencies" for more information provided on operating leases

# Operating revenue, LACE and LACE rate by BU

## Operating Revenue, LACE, and LACE Rate by BU as of September 30, 2014

YTD op revenue<sup>1</sup>    LACE    LACE Rate<sup>2,3</sup>

EBU	\$328	67	\$9.78
WASBU	160	23	14.23
NABU	113	32	7.04
AUSBU	94	22	8.72
OIBU	71	23	6.20
Total	\$784 <sup>4</sup>	166	\$9.43

1) \$ in millions

2) LACE rate is annualized

3) \$ in millions per LACE

4) Excludes Bristow Academy and Eastern Airways



# Historical LACE by BU

## LACE

	FY10				FY11				FY12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EBU	45	45	45	42	42	43	48	46	44	46	46	45
WASBU	23	23	24	25	24	24	21	22	23	22	22	22
NABU	39	36	36	36	39	35	34	29	30	29	30	30
AUSBU	20	20	22	22	20	23	24	20	19	20	20	19
OIBU	36	34	34	35	33	33	33	38	39	38	38	34
Consolidated	163	158	161	160	157	158	159	154	154	154	155	149

	FY13				FY14				FY15	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
EBU	47	45	51	55	57	59	59	56	61	67
WASBU	22	22	20	21	21	21	22	23	23	23
NABU	30	31	39	37	37	33	34	34	33	32
AUSBU	18	17	17	19	19	19	20	22	23	22
OIBU	32	28	27	27	27	28	28	24	25	23
Consolidated	147	142	154	158	161	160	162	158	163	166

# Historical LACE rate by BU

	LACE Rate <sup>1,2</sup>											
	FY10				FY11				FY12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EBU	\$8.36	\$8.28	\$8.40	\$8.76	\$8.20	\$8.50	\$7.90	\$8.40	\$9.80	\$9.60	\$9.63	\$10.09
WASBU	9.08	8.81	8.66	8.34	9.70	9.40	10.70	9.90	9.10	10.30	11.17	11.46
NABU	5.05	5.44	5.26	5.23	5.40	6.10	6.00	6.60	5.80	6.30	5.89	5.79
AUSBU	5.38	5.56	5.59	5.67	6.80	6.00	6.00	7.50	8.60	7.10	6.96	7.78
OIBU	3.66	4.09	4.06	3.78	3.90	4.10	4.40	3.90	3.50	3.70	3.78	4.22
Consolidated	\$6.31	\$6.52	\$6.49	\$6.45	\$6.70	\$6.90	\$6.90	\$7.10	\$7.30	\$7.40	\$7.43	\$7.89

	FY13				FY14				FY15	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
EBU	\$10.60	\$11.03	\$9.74	\$9.13	\$9.63	\$9.95	\$10.30	\$10.84	\$10.60	\$9.78
WASBU	12.35	12.24	13.71	13.28	14.26	14.62	14.17	13.99	14.21	14.23
NABU	7.05	7.11	5.84	6.12	6.34	7.13	6.75	6.84	7.02	7.04
AUSBU	8.48	9.29	9.55	8.58	8.04	7.74	7.21	6.76	8.27	8.72
OIBU	4.22	4.62	4.76	4.94	4.97	4.73	4.58	5.57	5.80	6.20
Consolidated	\$8.55	\$8.95	\$8.49	\$8.35	\$8.78	\$9.07	\$8.97	\$9.34	\$9.55	\$9.43

1) \$ in millions

2) LACE rate is annualized

# Order and options book as of September 30, 2014

## ORDER BOOK<sup>1</sup>

Helicopter				
#	Class	Delivery Date	Location	Contracted
1	Large	December-14	AUSBU	1 of 1
1	Large	March-15	EBU	
2	Medium	June-15	WASBU	
1	Large	June-15	EBU	
1	Medium	June-15	NABU	
4	Medium	September-15	WASBU	
1	Large	September-15	EBU <sup>2</sup>	
1	Large	September-15	NABU	1 of 1
1	Large	December-15	AUSBU	1 of 1 <sup>2</sup>
1	Large	December-15	AUSBU	1 of 1
2	Large	December-15	EBU <sup>2</sup>	
1	Large	December-15	IBU	
1	Large	March-16	EBU	
1	Large	June-16	EBU	
2	Large	June-16	NABU	
1	Large	September-16	NABU	
2	Large	December-16	NABU	
24				4 of 24

## OPTIONS BOOK

Helicopter		
#	Class	Delivery Date
1	Large	September 2015
1	Large	December 2015
1	Medium	December 2015
1	Large	March 2016
3	Medium	March 2016
3	Large	June 2016
3	Medium	June 2016
3	Large	September 2016
2	Medium	September 2016
4	Large	December 2016
1	Medium	December 2016
2	Large	March 2017
1	Medium	March 2017
4	Large	June 2017
1	Medium	June 2017
3	Large	September 2017
1	Medium	September 2017
4	Large	December 2017
3	Medium	December 2017
1	Large	March 2018
2	Medium	March 2018
1	Large	June 2018
1	Large	September 2018
1	Large	December 2018
48		

1) Five large aircraft on order and seven large aircraft on option are subject to the successful development and certification of the aircraft

2) SAR configured

3) The aircraft that are indicated in grey italic will be leased upon delivery

# Order and options book as of September 30, 2014 (continued)

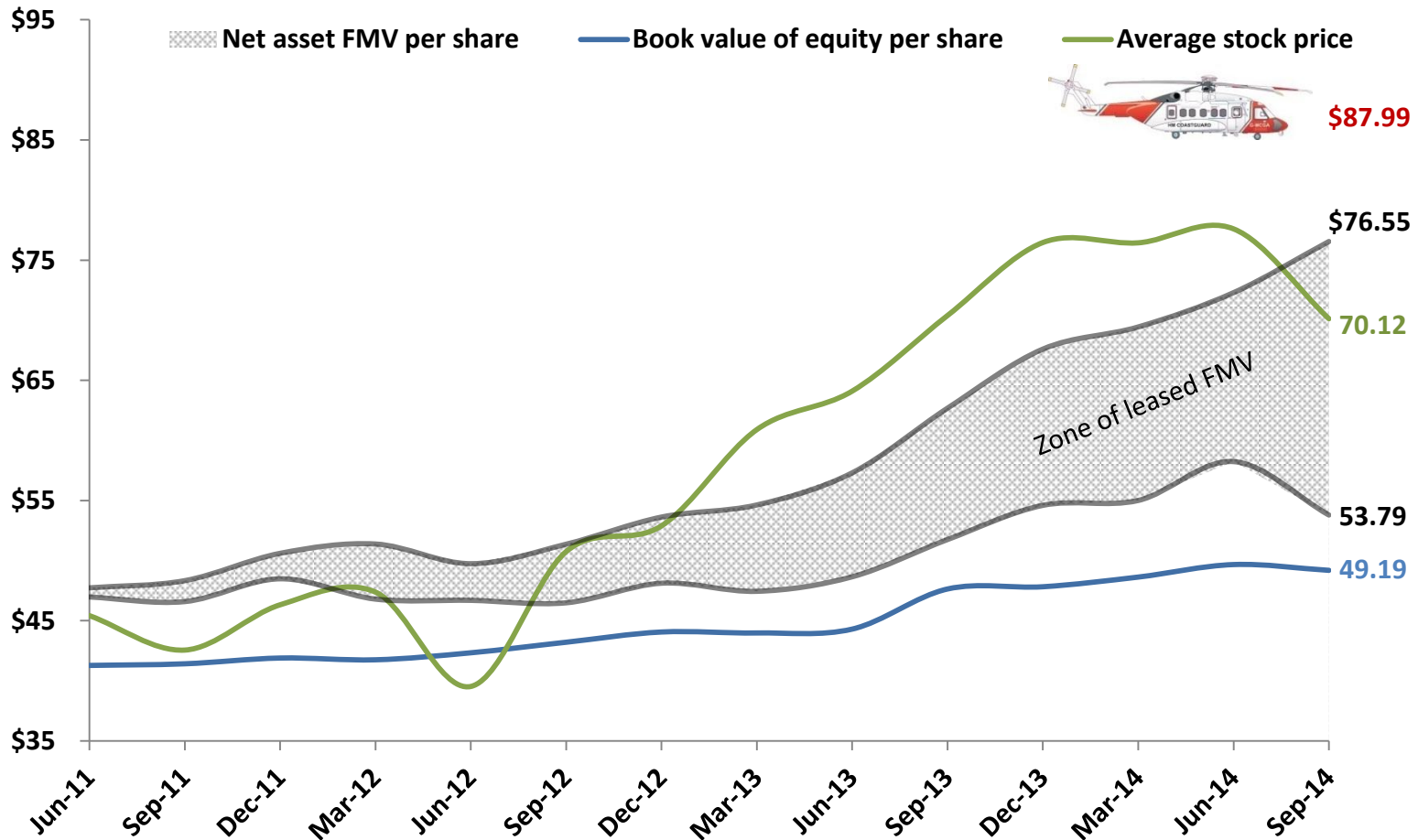
## UK SAR CONFIGURED ORDER BOOK

Helicopter				
#	Class	Delivery Date	Location	Contracted
1	<i>Large</i>	<i>December-14*</i>	<i>EBU</i>	<i>1 of 1</i>
2	Large	December-14	EBU	2 of 2
3	Large	March-15	EBU	3 of 3
2	<i>Large</i>	<i>March-15</i>	<i>EBU</i>	<i>2 of 2</i>
2	Large	June-15	EBU	2 of 2
1	<i>Large</i>	<i>June-15</i>	<i>EBU</i>	<i>1 of 1</i>
2	Large	September-15	EBU	2 of 2
1	<i>Large</i>	<i>September-15</i>	<i>EBU</i>	<i>1 of 1</i>
2	Large	December-15	EBU	2 of 2
16				16 of 16


The aircraft that are indicated in grey italic will be leased upon delivery

\*This aircraft was delivered on October 8, 2014

# Total net asset FMV with and without leased aircraft FMV



NOTE: The gray shaded area represents the range of FMV with and without the impact of leased aircraft (upper range includes leased aircraft and related NPV of lease payments; lower range excludes FMV of leased aircraft as well as the NPV of lease payments).

The reconciliation for net asset FMV per share (**shaded area**) and net asset FMV per share implied by our UK SAR aircraft (  ) is provided on the following pages

# Net asset FMV reconciliation as of September 30, 2014

(in millions)	September 30, 2014	
	Including leases	Excluding leases
(+) FMV of a/c	\$ 1,829	\$ 1,829
(+) FMV of leased a/c	1,415	-
(+) NBV of PPE w/o a/c	581	581
(+) Working capital	350	350
(-) LT debt	(766)	(766)
(-) Leased imputed debt	(602)	-
(-) Pension liability	(72)	(72)
Net asset FMV	\$ 2,735	\$ 1,922
# of common shares	35.7	35.7
<b>Net asset FMV per share</b>	<b>\$ 76.55</b>	<b>\$ 53.79</b>

# UK SAR net asset FMV reconciliation

(in millions)	September 30, 2014	UK SAR contribution FY16 - FY17	Implied
(+) FMV of a/c	1,829	79	1,908
(+) FMV of leased a/c	1,415	289	1,704
(+) NBV of PPE w/o a/c	581	113	694
(+) Working capital	350	174	524
(-) LT debt	(766)	(88)	(854)
(-) Leased imputed debt	(602)	(158)	(760)
(-) Pension liability	(72)	-	(72)
<b>Net asset FMV</b>	<b>\$ 2,735</b>	<b>\$ 409</b>	<b>\$ 3,144</b>
# of common shares	35.7	35.7	35.7
<b>Net asset FMV per share</b>	<b>\$ 76.55</b>	<b>\$ 11.44</b>	<b>\$ 87.99</b>

# Adjusted EBITDAR margin\* trend

	FY12					FY13				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
EBU	33.0%	31.4%	30.7%	36.1%	32.9%	32.2%	34.6%	39.5%	38.3%	36.2%
WASBU	29.5%	35.5%	37.2%	36.6%	35.0%	31.9%	26.5%	35.0%	31.8%	31.5%
NABU	14.3%	20.6%	14.8%	19.4%	17.3%	23.2%	20.7%	29.1%	29.5%	25.7%
AUSBU	20.2%	14.4%	23.5%	35.6%	24.3%	27.0%	28.0%	27.3%	26.0%	27.1%
OIBU	48.1%	19.1%	47.8%	42.9%	39.5%	36.2%	44.2%	55.7%	51.6%	46.6%
Consolidated	23.4%	24.0%	27.6%	31.2%	26.6%	26.3%	26.1%	31.5%	29.4%	28.3%

	FY14					FY15	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
EBU	30.3%	35.3%	35.3%	37.3%	34.7%	34.1%	33.7%
WASBU	31.3%	30.4%	33.5%	33.2%	32.1%	25.6%	31.1%
NABU	29.2%	31.0%	33.1%	35.4%	32.1%	39.7%	32.4%
AUSBU	17.7%	21.0%	15.0%	24.0%	19.6%	23.7%	22.6%
OIBU	67.4%	39.3%	33.2%	53.3%	47.7%	41.4%	18.5%
Consolidated	28.5%	28.7%	27.0%	30.4%	28.6%	29.2%	25.4%

\* Adjusted EBITDAR excludes special items and asset dispositions and margin is calculated by taking adjusted EBITDAR divided by operating revenue



# Adjusted EBITDAR\* reconciliation

(\$ in millions)	Fiscal year ended,									
	3/31/2012					3/31/2013				
	Q1	Q2	Q3	Q4	FY12	Q1	Q2	Q3	Q4	FY13
Net income	\$21	\$3	\$26	\$15	\$65	\$24	\$30	\$37	\$40	\$132
Income tax expense	\$7	-\$2	\$7	\$2	\$14	\$6	\$8	\$8	\$13	\$35
Interest expense	\$9	\$9	\$10	\$10	\$38	\$9	\$9	\$15	\$10	\$42
Gain on disposal of assets	-\$1	\$2	\$3	\$29	\$32	\$5	\$1	-\$7	-\$7	-\$8
Depreciation and amortization	\$23	\$25	\$23	\$25	\$96	\$21	\$23	\$25	\$27	\$96
Special items	\$0	\$25	\$0	\$3	\$28	\$2	-\$2	\$15	\$2	\$16
Adjusted EBITDA Subtotal	\$58	\$62	\$69	\$84	\$273	\$68	\$70	\$92	\$85	\$314
Rental expense	\$9	\$9	\$13	\$15	\$46	\$16	\$15	\$18	\$18	\$67
<b>Adjusted EBITDAR</b>	<b>\$67</b>	<b>\$71</b>	<b>\$82</b>	<b>\$99</b>	<b>\$319</b>	<b>\$84</b>	<b>\$85</b>	<b>\$109</b>	<b>\$103</b>	<b>\$381</b>

(\$ in millions)	Fiscal year ended,						
	3/31/2014					3/31/2015	
	Q1	Q2	Q3	Q4	FY14	Q1	Q2
Net income	\$27	\$110	\$19	\$32	\$188	\$45	\$28
Income tax expense	\$8	\$41	\$3	\$6	\$57	\$12	\$6
Interest expense	\$20	\$9	\$7	\$8	\$45	\$7	\$8
Gain on disposal of assets	\$2	\$3	-\$4	\$0	\$1	-\$1	\$0
Depreciation and amortization	\$23	\$24	\$24	\$26	\$96	\$25	\$28
Special items	\$0	-\$102	\$24	\$20	-\$59	\$6	\$7
Adjusted EBITDA Subtotal	\$79	\$85	\$72	\$92	\$328	\$95	\$77
Rental expense	\$23	\$23	\$28	\$31	\$106	\$33	\$35
<b>Adjusted EBITDAR</b>	<b>\$102</b>	<b>\$109</b>	<b>\$101</b>	<b>\$123</b>	<b>\$434</b>	<b>\$128</b>	<b>\$112</b>

\* Adjusted EBITDAR excludes special items and asset dispositions

# Bristow Value Added (BVA)

## Sample calculation for Q2 FY15 and Q2 FY14

**Bristow Value Added = Gross Cash Flow – (Gross Operating Assets X Capital Charge)**

$$\text{BVA} = \text{GCF} - (\text{GOA} \times 10.5\%^{**})$$

**Bristow Value Added calculation for Q2 FY15**

$$\text{\$26.1} = \text{\$120.0}^* - (\text{\$3,575}^* \times 2.625\%^{**})$$

**Bristow Value Added calculation for Q2 FY14**

$$\text{\$22.4} = \text{\$109.2}^* - (\text{\$3,309}^* \times 2.625\%^{**})$$

\* Reconciliation for these items follows right after this slide

\*\* Quarterly capital charge of 2.625% is based on annual capital charge of 10.5%

# Bristow gross cash flow reconciliation

(in millions)

<b>Gross cash flow reconciliation</b>	<b>Q2 FY14</b>	<b>Q2 FY15</b>
Net income	111	26
Depreciation and amortization	24	28
Interest expense	9	8
Interest income	(1)	(0)
Rent	23	35
Other income/expense-net	(105)	3
Gain/loss on asset sale	3	(0)
Special items	3	6
Tax effect from special items	35	(2)
Earnings (losses) from unconsolidated affiliates, net	(3)	3
Non-controlling interests	(1)	2
<b>Gross cash flow before Lider</b>	<b>\$98</b>	<b>\$109</b>
Gross cash flow - Lider proportional	12	11
<b>Gross cash flow after Lider</b>	<b>\$109</b>	<b>\$120</b>

# Bristow adjusted gross operating assets reconciliation

(in millions)

<b>Adjusted gross operating assets reconciliation</b>	<b>Q2 FY14</b>	<b>Q2 FY15</b>
Total assets	3,166	3,280
Accumulated depreciation	518	511
Capitalized operating leases	373	610
Cash and cash equivalents	(314)	(264)
Current assets from discontinued operations	0	0
Long-term assets from discontinued operations	0	0
Assets from discontinued operations	-	-
Investment in unconsolidated entities	(272)	(261)
Goodwill	(30)	(56)
Prepaid pension cost	-	-
Intangibles	(2)	(17)
Assets held for sale: net	(27)	(32)
Assets held for sale: gross	56	74
Adj. for gains & losses on assets sales	(8)	24
Accounts payable	(70)	(80)
Accrued maintenance and repairs	(17)	(20)
Other accrued taxes	(10)	(11)
Accrued wages, benefits and related taxes	(49)	(63)
Other accrued liabilities	(24)	(184)
Income taxes payable	(33)	(9)
Deferred revenue	(21)	(30)
ST deferred taxes	(2)	(12)
LT deferred taxes	(155)	(166)
<b>Adjusted gross operating assets before Lider</b>	<b>\$3,079</b>	<b>\$3,296</b>
Adjusted gross operating assets - Lider proportional	230	279
<b>Adjusted gross operating assets after Lider</b>	<b>3,309</b>	<b>3,575</b>

# GAAP reconciliation

	Three Months Ended September 30,		Six Months Ended September 30,	
	2014	2013	2014	2013
	(In thousands, except per share amounts)			
Adjusted operating income	\$ 49,689	\$ 59,087	\$ 118,993	\$ 117,752
Gain (loss) on disposal of assets	127	(3,064)	737	(4,785)
Special items <sup>(i)</sup>	(5,752)	(2,088)	(10,474)	(2,913)
Operating income	<u>\$ 44,064</u>	<u>\$ 53,935</u>	<u>\$ 109,256</u>	<u>\$ 110,054</u>
Adjusted EBITDAR	\$ 112,069	\$ 108,508	\$ 239,692	\$ 211,806
Gain (loss) on disposal of assets	127	(3,064)	737	(4,785)
Special items <sup>(i)</sup>	(6,781)	101,836	(12,375)	101,011
Depreciation and amortization	(28,205)	(23,858)	(53,539)	(46,677)
Rent expense	(35,441)	(23,314)	(68,557)	(46,375)
Interest expense	(7,958)	(9,078)	(15,321)	(29,448)
Provision for income taxes	(5,986)	(41,146)	(17,809)	(48,736)
Net income	<u>\$ 27,825</u>	<u>\$ 109,884</u>	<u>\$ 72,828</u>	<u>\$ 136,796</u>
Adjusted net income	\$ 31,062	\$ 46,504	\$ 78,431	\$ 83,544
Gain (loss) on disposal of assets <sup>(ii)</sup>	109	(2,438)	592	(3,780)
Special items <sup>(i) (ii)</sup>	(5,089)	66,540	(8,832)	57,728
Net income attributable to Bristow Group	<u>\$ 26,082</u>	<u>\$ 110,606</u>	<u>\$ 70,191</u>	<u>\$ 137,492</u>
Adjusted diluted earnings per share	\$ 0.87	\$ 1.27	\$ 2.19	\$ 2.28
Gain (loss) on disposal of assets <sup>(ii)</sup>	—	(0.07)	0.02	(0.10)
Special items <sup>(i) (ii)</sup>	(0.14)	1.81	(0.25)	1.58
Diluted earnings per share	0.73	3.01	1.96	3.75

(i) See information about special items in 10-Q or earnings release for Q2 FY15

(ii) These amounts are presented after applying the appropriate tax effect to each item and dividing by the weighted average shares outstanding during the related period to calculate the earnings per share impact

# Bristow leverage reconciliation

	<u>Debt</u>		<u>Investment</u>		<u>Capital</u>		<u>Leverage</u>
	(a)		(b)		(c) = (a) + (b)		(a) / (c)
(in millions)							
As of September 30, 2014	\$	779.5	\$	1,757.5	\$	2,537.0	30.7%
<b>Adjust for:</b>							
Unfunded Pension Liability		71.8				71.8	
NPV of Lease Obligations		602.2				602.2	
Letters of credit		2.6				2.6	
<b>Adjusted</b>	<u>\$</u>	<u>1,456.1</u>	(d)	<u>\$</u>	<u>1,757.5</u>	<u>\$</u>	<u>3,213.6</u>
							<u>45.3%</u>

## Calculation of debt to adjusted EBITDAR multiple

<b>TTM Adjusted EBITDAR*:</b>		
FY 2015	\$	461.5 (e)
	= (d) / (e)	3.15:1

\*Adjusted EBITDAR excludes gains and losses on dispositions of assets

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