

May 23, 2017



# Bristow Group Reports Fiscal Fourth Quarter and Full Fiscal Year 2017 Results

**Liquidity increased \$76 million in the March quarter to \$357 million**

HOUSTON, May 23, 2017 /PRNewswire/ -- Bristow Group Inc. (NYSE: BRS) today reported the following results for the quarter and full fiscal year ended March 31, 2017. All amounts shown are dollar amounts in thousands unless otherwise noted:

|                                                           | Three Month Period |            |           | Full Year    |              |           |
|-----------------------------------------------------------|--------------------|------------|-----------|--------------|--------------|-----------|
|                                                           | FY2017             | FY2016     | % Change  | FY2017       | FY2016       | % Change  |
| Operating revenue                                         | \$ 323,651         | \$ 375,268 | (13.8) %  | \$ 1,347,850 | \$ 1,629,547 | (17.3) %  |
| Net loss attributable to Bristow Group                    | (78,040)           | (25,255)   | (209.0) % | (170,536)    | (73,940)     | (130.6) % |
| Diluted loss per share                                    | (2.22)             | (0.72)     | (208.3) % | (4.87)       | (2.12)       | (129.7) % |
| Adjusted EBITDA <sup>(1)</sup>                            | 3,687              | 35,300     | (89.6) %  | 71,084       | 205,523      | (65.4) %  |
| Adjusted net income (loss) <sup>(1)</sup>                 | (40,302)           | 4,716      | (954.6) % | (74,525)     | 51,308       | (245.3) % |
| Adjusted diluted earnings (loss) per share <sup>(1)</sup> | (1.15)             | 0.13       | (984.6) % | (2.13)       | 1.45         | (246.9) % |
| Operating cash flow                                       | 25,562             | 60,342     | (57.6) %  | 10,702       | 116,026      | (90.8) %  |
| Capital expenditures                                      | 15,384             | 29,010     | (47.0) %  | 135,110      | 372,375      | (63.7) %  |
| Rent expense                                              | 55,718             | 51,345     | 8.5 %     | 212,608      | 211,840      | 0.4 %     |

|                                                         | March 31,         | December 31,      | March 31,         | % Change             | % Change       |
|---------------------------------------------------------|-------------------|-------------------|-------------------|----------------------|----------------|
|                                                         | 2017              | 2016              | 2016              | Quarter over quarter | Year over year |
| Cash                                                    | \$ 96,656         | \$ 71,159         | \$ 104,310        | 35.8 %               | (7.3) %        |
| Undrawn borrowing capacity on Revolving Credit Facility | 260,320           | 209,420           | 255,420           | 24.3 %               | 1.9 %          |
| Total liquidity                                         | <u>\$ 356,976</u> | <u>\$ 280,579</u> | <u>\$ 359,730</u> | 27.2 %               | (0.8) %        |

<sup>(1)</sup> A full reconciliation of non-GAAP financial measurements is included at the end of this news release

For the March 2017 quarter, we reported a GAAP net loss of \$78.0 million, or diluted loss per share of \$2.22, compared to GAAP net loss of \$25.3 million, or diluted loss per share of \$0.72, for the March 2016 quarter. Additionally, we reported an adjusted net loss of \$40.3 million, or adjusted diluted loss per share of \$1.15, for the March 2017 quarter compared to adjusted net income of \$4.7 million, or adjusted diluted earnings per share of \$0.13, for the March 2016 quarter.

## **BUSINESS AND FINANCIAL UPDATE**

- The March 2017 quarter results reflect the decrease of our oil and gas operations' margins due to the continued offshore oil and gas industry downturn with certain contract work ending during the quarter being partially offset by the one-time benefit of \$11.1 million from a contract termination payment.
- The March 2017 quarter and fiscal year 2017 results were also impacted by costs incurred resulting from the grounding of the Airbus H225 fleet, the impact of the depreciation of the British pound sterling and significant non-cash tax charges; the tax charges did not impact adjusted net loss and adjusted diluted loss per share.
- We increased liquidity during the March 2017 quarter by \$76.4 million and funded \$290.1 million of previously announced financings of which \$200 million was used to repay term loan debt, and further reduced capital expenditures and working capital needs; a previously announced executed commitment letter for up to \$230 million is currently expected to close no later than June 30, 2017.
- On March 31, 2017, we commenced search and rescue (SAR) operations at our tenth and final base and transitioned one of two Gap SAR bases to the U.K. SAR contract, with the final Gap SAR base expected to transition to the U.K. SAR contract in July 2017.
- We expect fiscal year 2018 results to be impacted by the continued offshore oil and gas industry downturn. Industry conditions in the March 2017 quarter are expected to continue into fiscal year 2018; however, we anticipate sequential quarterly improvement beginning in the second half of the fiscal year as new contracts commence and we further eliminate costs and focus our efforts on recovering costs from OEMs, while focusing on liquidity.

"I am very proud of our team's results in improving safety and efficiency during this past year," said Jonathan Baliff, President and Chief Executive Officer of Bristow Group. "Our fourth quarter results reflect the ongoing difficult conditions in the offshore oil and gas industry with reduced demand for helicopter transportation that will continue into fiscal 2018."

"Just like we successfully did in fiscal 2017, we will reduce costs, further improve liquidity and recover costs incurred resulting from the actions of OEMs. In addition to improving our balance sheet, these efforts should make us more competitive as we focus on getting more aircraft on contract."

Operating revenue from external clients by line of service was as follows:

|                                    | Three Month Period |                   |          | Full Year           |                     |          |
|------------------------------------|--------------------|-------------------|----------|---------------------|---------------------|----------|
|                                    | FY2017             | FY2016            | % Change | FY2017              | FY2016              | % Change |
| (in thousands, except percentages) |                    |                   |          |                     |                     |          |
| Oil and gas services               | \$ 233,753         | \$ 255,017        | (8.3) %  | \$ 956,649          | \$ 1,222,501        | (21.7) % |
| Fixed wing services                | 43,498             | 53,552            | (18.8) % | 191,609             | 208,538             | (8.1) %  |
| U.K. SAR services                  | 43,963             | 62,118            | (29.2) % | 189,555             | 177,230             | 7.0 %    |
| Corporate and other                | 2,437              | 4,581             | (46.8) % | 10,037              | 21,278              | (52.8) % |
| Total operating revenue            | <u>\$ 323,651</u>  | <u>\$ 375,268</u> | (13.8) % | <u>\$ 1,347,850</u> | <u>\$ 1,629,547</u> | (17.3) % |

#### FOURTH QUARTER FY2017 RESULTS

During fiscal year 2017, the offshore oil and gas industry continued to experience a significant downturn primarily due to a decline in crude oil prices which negatively impacted

activity with our oil and gas clients. This decline started in fiscal year 2015 and continued through fiscal year 2017, resulting in a significant decrease in gross revenue for our oil and gas services year-over-year. In addition to reduced activity, changes in foreign currency exchange rates also contributed to the decrease in gross revenue year-over-year.

Additionally, during March 2017, we came to an agreement with a client in our Asia Pacific Region for which we had incurred significant start-up costs on a project in Australia that was cancelled prior to contract commencement. In connection with the cancellation, we agreed to a termination fee with the client of \$11.1 million, which is recorded in operating revenue in the March 2017 quarter. Additionally, we had previously deferred revenue and costs totaling \$6.1 million each related to this contract, which is included in operating revenue and direct costs in the March 2017 quarter.

We reported a net loss of \$78.0 million and diluted loss per share of \$2.22 for the March 2017 quarter compared to net loss of \$25.3 million and diluted loss per share of \$0.72 for the March 2016 quarter. The year-over-year increase in net loss and diluted loss per share was primarily due to the decline in oil and gas revenue discussed above, higher interest expense resulting from additional borrowings and increased tax charges partially offset by less of a loss from disposal of assets and lower depreciation and amortization expense. Additionally, the March 2016 quarter included goodwill and intangible asset impairment charges of \$27.4 million (included in loss on impairment).

The net loss for the March 2017 quarter was significantly impacted by the following items:

- Organizational restructuring costs of \$2.8 million (\$2.1 million net of tax), which includes severance expense of \$1.1 million and other restructuring costs of \$1.7 million; \$0.6 million of the restructuring costs are included in direct costs and \$2.2 million are included in general and administrative expense,
- Loss on disposal of assets of \$1.4 million (\$0.8 million net of tax) and accelerated depreciation of \$1.1 million (\$0.7 million net of tax),
- Reversal of \$5.9 million (\$5.9 million net of tax) of contingent consideration related to the Airnorth acquisition, and
- Tax items totaling \$40.0 million that include a one-time non-cash tax effect from repositioning of certain aircraft from one tax jurisdiction to another related to recent financing transactions resulting in additional income tax expense of \$22.5 million and non-cash adjustments related to the valuation of deferred tax assets of \$17.5 million.

Excluding these items, adjusted net loss and adjusted diluted loss per share were \$40.3 million and \$1.15, respectively, for the March 2017 quarter compared to \$4.7 million and \$0.13, respectively, for the March 2016 quarter. Adjusted EBITDA, which excludes these items with the exception of accelerated depreciation and the tax items, also decreased year-over-year to \$3.7 million in the March 2017 quarter from \$35.3 million in the March 2016 quarter.

## **LIQUIDITY AND FINANCIAL FLEXIBILITY**

The second loan from Lombard funded in January 2017 in the amount of \$90.1 million. Additionally, the previously announced Macquarie term loan funded on March 7, 2017 in the amount of \$200 million. The proceeds from the Macquarie financing were used to repay \$154.1 million of our \$200 million term loan and \$45.9 million of our \$350 million term loan.

Also, as previously announced, we executed a credit agreement commitment letter for an approximate six-year, \$230 million secured equipment financing with PK Transportation Finance Ireland Limited, a part of GE Capital Aviation Services ("GECAS"). We expect this financing to close no later than June 30, 2017. The proceeds from the financing are expected to be used to repay amounts outstanding under our existing bank credit facilities.

Don Miller, Senior Vice President and Chief Financial Officer, commented, "Our liquidity improved by \$76.4 million in the March 2017 quarter to \$357.0 million as of March 31, 2017 resulting from the recently funded financings and operating cash flow of \$25.6 million generated during the quarter. Our improved liquidity is essential as we navigate through this challenging market environment."

## **REGIONAL PERFORMANCE**

### *Europe Caspian*

|                                         | Three Month Period                 |            |          | Full Year  |            |          |
|-----------------------------------------|------------------------------------|------------|----------|------------|------------|----------|
|                                         | FY2017                             | FY2016     | % Change | FY2017     | FY2016     | % Change |
|                                         | (in thousands, except percentages) |            |          |            |            |          |
| Operating revenue                       | \$ 162,511                         | \$ 206,517 | (21.3) % | \$ 710,581 | \$ 809,914 | (12.3) % |
| Earnings from unconsolidated affiliates | \$ 32                              | \$ (35)    | 191.4 %  | \$ 273     | \$ 310     | (11.9) % |
| Operating income (loss)                 | \$ (4,628)                         | \$ (5,837) | 20.7 %   | \$ 13,840  | \$ 50,406  | (72.5) % |
| Operating margin                        | (2.8) %                            | (2.8) %    | — %      | 1.9 %      | 6.2 %      | (69.4) % |
| Adjusted EBITDA                         | \$ 1,890                           | \$ 28,441  | (93.4) % | \$ 45,163  | \$ 123,952 | (63.6) % |
| Adjusted EBITDA margin                  | 1.2 %                              | 13.8 %     | (91.3) % | 6.4 %      | 15.3 %     | (58.2) % |
| Rent expense                            | \$ 34,065                          | \$ 33,267  | 2.4 %    | \$ 134,072 | \$ 136,377 | (1.7) %  |

Operating revenue, operating income and adjusted EBITDA decreased in the March 2017 quarter and fiscal year 2017 primarily due to the impact of the downturn in the oil and gas industry and the negative impact of changes in foreign currency exchange rates. Partially offsetting these decreases was an increase in operating revenue from increased activity in Norway. Eastern Airways contributed \$24.5 million and \$39.2 million in operating revenue and a negative \$4.3 million and negative \$0.7 million in adjusted EBITDA for the March 2017 and 2016 quarters, respectively, and \$110.4 million and \$133.5 million in operating revenue and a negative \$4.5 million and positive \$13.6 million in adjusted EBITDA for fiscal years 2017 and 2016, respectively.

A substantial portion of our revenue in the Europe Caspian region is contracted in British pound sterling, which depreciated significantly against the U.S. dollar in late June 2016 as a result of Brexit. Translation of results at lower British pound sterling exchange rates decreased operating revenue, operating income and adjusted EBITDA by \$16.9 million, \$6.0 million and \$4.0 million, respectively, for the March 2017 quarter compared to the March 2016 quarter and \$79.4 million, \$26.7 million and \$35.1 million, respectively, for fiscal year 2017 compared to fiscal year 2016.

The decrease in operating margin for fiscal year 2017 and the decrease in adjusted EBITDA margin for the March 2017 quarter and fiscal year 2017 compared to the prior year periods is primarily a result of the impact from the downturn in the offshore energy industry, which was only partially offset by the start-up of the U.K. SAR bases and cost reduction activities.

## Africa

|                                         | Three Month Period                 |            |          | Full Year  |            |          |
|-----------------------------------------|------------------------------------|------------|----------|------------|------------|----------|
|                                         | FY2017                             | FY2016     | % Change | FY2017     | FY2016     | % Change |
|                                         | (in thousands, except percentages) |            |          |            |            |          |
| Operating revenue                       | \$ 47,049                          | \$ 46,660  | 0.8 %    | \$ 200,104 | \$ 249,545 | (19.8) % |
| Earnings from unconsolidated affiliates | \$ 2,025                           | \$ 2,025   | — %      | \$ 2,068   | \$ 2,068   | — %      |
| Operating income (loss)                 | \$ 10,225                          | \$ (5,201) | 296.6 %  | \$ 30,179  | \$ 19,702  | 53.2 %   |
| Operating margin                        | 21.7 %                             | (11.1) %   | 295.5 %  | 15.1 %     | 7.9 %      | 91.1 %   |
| Adjusted EBITDA                         | \$ 12,203                          | \$ 5,519   | 121.1 %  | \$ 51,553  | \$ 60,371  | (14.6) % |
| Adjusted EBITDA margin                  | 25.9 %                             | 11.8 %     | 119.5 %  | 25.8 %     | 24.2 %     | 6.6 %    |
| Rent expense                            | \$ 2,000                           | \$ 1,431   | 39.8 %   | \$ 8,101   | \$ 7,456   | 8.7 %    |

Operating revenue for Africa increased in the March 2017 quarter compared to the prior year period primarily due to the temporary operational suspension of our S-76 fleet in the March 2016 quarter. Operating revenue decreased in fiscal year 2017 primarily due to an overall decrease in activity. A majority of our revenue in our Africa region is contracted at fixed U.S. dollar rates, resulting in minimal exposure to the devalued Nigerian naira upon translation into U.S. dollars for reporting purposes. We began providing fixed wing services in Africa which generated \$4.2 million of operating revenue for fiscal year 2017 which partially offset the decline in helicopter activity.

Operating income and operating margin increased in the March 2017 quarter and fiscal year 2017 primarily due to a decrease in depreciation and amortization expense and lower operating expenses. Operating expenses were \$3.4 million and \$17.7 million lower in the March 2017 quarter and fiscal year 2017, respectively, due to the devaluation of the Nigerian naira which resulted in naira-based expenses translating into fewer U.S. dollars. Operating income and adjusted EBITDA in the March 2017 quarter benefited \$2.0 million and \$0.5 million, respectively, and for fiscal year 2017 benefited \$13.5 million and \$13.7 million, respectively, from changes in foreign currency exchange rates due to the combination of currencies our Nigerian operations transact in.

Adjusted EBITDA declined in fiscal year 2017 as the impact of decreased revenue was only partially offset by cost reduction activities and the favorable exchange rate impact compared to fiscal year 2016. The increase of operating margin and adjusted EBITDA margin is primarily related to the reduction of operating expense due to the devaluation of the Nigerian naira and cost reduction activities, partially offset by the reduction in revenue due to the downturn of the oil and gas industry.

## Americas

|                                         | Three Month Period                 |           |           | Full Year  |            |          |
|-----------------------------------------|------------------------------------|-----------|-----------|------------|------------|----------|
|                                         | FY2017                             | FY2016    | % Change  | FY2017     | FY2016     | % Change |
|                                         | (in thousands, except percentages) |           |           |            |            |          |
| Operating revenue                       | \$ 51,966                          | \$ 65,016 | (20.1) %  | \$ 220,544 | \$ 290,299 | (24.0) % |
| Earnings from unconsolidated affiliates | \$ 613                             | \$ (357)  | 271.7 %   | \$ 5,207   | \$ (2,117) | 346.0 %  |
| Operating income (loss)                 | \$ (1,566)                         | \$ 4,180  | (137.5) % | \$ 4,224   | \$ 34,463  | (87.7) % |

|                        |          |           |           |           |           |          |
|------------------------|----------|-----------|-----------|-----------|-----------|----------|
| Operating margin       | (3.0) %  | 6.4 %     | (146.9) % | 1.9 %     | 11.9 %    | (84.0) % |
| Adjusted EBITDA        | \$ 5,635 | \$ 11,529 | (51.1) %  | \$ 39,952 | \$ 71,958 | (44.5) % |
| Adjusted EBITDA margin | 10.8 %   | 17.7 %    | (39.0) %  | 18.1 %    | 24.8 %    | (27.0) % |
| Rent expense           | \$ 6,757 | \$ 4,800  | 40.8 %    | \$ 23,015 | \$ 21,016 | 9.5 %    |

Operating revenue declined for the March 2017 quarter and fiscal year 2017 compared to the prior year periods primarily due to the decline in activity in our U.S. Gulf of Mexico operations.

Operating income, operating margin, adjusted EBITDA and adjusted EBITDA margin decreased in the March 2017 quarter and fiscal year 2017 compared to the prior year periods primarily due to the decline in activity, partially offset by a decrease in maintenance expense and salaries and benefits due to cost reduction initiatives. Our earnings from unconsolidated affiliates was impacted by foreign currency exchange rate changes, which reduced earnings from our investment in Líder by \$0.6 million, \$5.2 million, \$3.2 million and \$22.4 million for the March 2017 quarter, March 2016 quarter, fiscal year 2017 and fiscal year 2016, respectively.

#### *Asia Pacific*

|                         | Three Month Period                 |           |          | Full Year   |            |           |
|-------------------------|------------------------------------|-----------|----------|-------------|------------|-----------|
|                         | FY2017                             | FY2016    | % Change | FY2017      | FY2016     | % Change  |
|                         | (in thousands, except percentages) |           |          |             |            |           |
| Operating revenue       | \$ 62,628                          | \$ 57,877 | 8.2 %    | \$ 217,772  | \$ 272,054 | (20.0) %  |
| Operating income (loss) | \$ 3,610                           | \$ (710)  | 608.5 %  | \$ (20,870) | \$ 4,073   | (612.4) % |
| Operating margin        | 5.8 %                              | (1.2) %   | 583.3 %  | (9.6) %     | 1.5 %      | (740.0) % |
| Adjusted EBITDA         | \$ 5,487                           | \$ 6,197  | (11.5) % | \$ (5,026)  | \$ 28,361  | (117.7) % |
| Adjusted EBITDA margin  | 8.8 %                              | 10.7 %    | (17.8) % | (2.3) %     | 10.4 %     | (122.1) % |
| Rent expense            | \$ 10,956                          | \$ 9,223  | 18.8 %   | \$ 39,759   | \$ 37,053  | 7.3 %     |

Operating revenue increased in the March 2017 quarter compared to the March 2016 quarter primarily due to the early cancellation of a contract resulting in an additional \$17.2 million of operating revenue earned in the March 2017 quarter, partially offset by a decline in oil and gas activity. Operating revenue declined for fiscal year 2017 compared to fiscal year 2016 primarily due to a decline in oil and gas activity, partially offset by an increase due to the additional operating revenue from the early contract cancellation in fiscal year 2017.

Airnorth contributed \$17.2 million and \$14.3 million in operating revenue and a negative \$0.7 million and positive \$2.4 million in adjusted EBITDA for the March 2017 and 2016 quarters, respectively, and \$77.1 million and \$75.4 million in operating revenue and \$7.1 million and \$12.4 million in adjusted EBITDA for fiscal years 2017 and 2016, respectively.

Adjusted EBITDA and adjusted EBITDA margin declined for the March 2017 quarter and fiscal year 2017 compared to the prior year periods primarily due to a decline in oil and gas revenue which was only partially offset by cost reduction efforts and the contract cancellation billing in March 2017.

#### *Corporate and other*

|                                         | Three Month Period |             |             | Full Year    |              |             |
|-----------------------------------------|--------------------|-------------|-------------|--------------|--------------|-------------|
|                                         | FY2017             | FY2016      | %<br>Change | FY2017       | FY2016       | %<br>Change |
| (in thousands, except percentages)      |                    |             |             |              |              |             |
| Operating revenue                       | \$ 2,452           | \$ 4,945    | (50.4) %    | \$ 10,369    | \$ 23,487    | (55.9) %    |
| Earnings from unconsolidated affiliates | \$ (142)           | \$ —        | *           | \$ (603)     | \$ —         | *           |
| Operating loss                          | \$ (25,747)        | \$ (23,518) | (9.5) %     | \$ (104,616) | \$ (118,796) | 11.9 %      |
| Adjusted EBITDA                         | \$ (21,528)        | \$ (16,386) | (31.4) %    | \$ (60,558)  | \$ (79,119)  | 23.5 %      |
| Rent expense                            | \$ 1,940           | \$ 2,624    | (26.1) %    | \$ 7,661     | \$ 9,938     | (22.9) %    |

\* percentage change too large to be meaningful or not applicable

Operating revenue decreased in the March 2017 quarter and fiscal year 2017 compared to prior periods primarily due to a decline in Bristow Academy revenue.

While operating loss remained relatively flat, adjusted EBITDA decreased for the March 2017 quarter compared to the prior year period primarily due to a decline in the favorable impact from changes in foreign currency exchange rates of \$3.4 million and the decrease in Bristow Academy revenue. Operating loss and adjusted EBITDA improved for fiscal year 2017 compared to the prior year primarily due to cost reduction initiatives including lower compensation expense and professional fees and a favorable impact from changes in foreign currency exchange rates on our Corporate results of \$10.9 million compared to fiscal year 2016.

## **DIVIDEND**

On May 18, 2017, our Board of Directors approved a dividend of \$0.07 per share to be paid on June 22, 2017 to shareholders of record on June 7, 2017. Based on the number of shares outstanding as of March 31, 2017, the total quarterly dividend payment will be approximately \$2.5 million.

## **OUTLOOK**

We expect fiscal year 2018 results to be impacted by the continued offshore oil and gas industry downturn. Industry conditions in the March 2017 quarter are expected to continue into fiscal year 2018. However, fiscal year 2018 results are expected to be better than our annualized fourth quarter fiscal year 2017 results as we anticipate sequential quarterly improvement beginning in the second half of fiscal year 2018 as new contracts commence.

Our liquidity of \$357 million as of March 31, 2017 is expected to decrease during fiscal year 2018, but we expect liquidity as of March 31, 2018 to still be in excess of \$200 million as a result of the net impact of previously announced capex eliminations/deferrals and financings and debt repayments.

Additionally, our focus on continued cost elimination, recovering costs from OEMs, and lower net capex should further improve liquidity. Guidance for selected financial measures will be provided in the investor slide presentation during tomorrow's conference call.

## **CONFERENCE CALL**

Management will conduct a conference call starting at 10:00 a.m. ET (9:00 a.m. CT) on Wednesday, May 24, 2017 to review financial results for the fiscal year 2017 fourth quarter ended March 31, 2017. This release and the most recent investor slide presentation are available in the investor relations area of our web page at [www.bristowgroup.com](http://www.bristowgroup.com). 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 2017 Fourth 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 1-877-404-9648
- Replay: A telephone replay will be available through June 7, 2017 and may be accessed by calling toll free 1-877-660-6853, passcode: 13661548#

Via Telephone outside the U.S.:

- Live: Dial 1-412-902-0030
- Replay: A telephone replay will be available through June 7, 2017 and may be accessed by calling 1-201-612-7415, passcode: 13661548#

**ABOUT BRISTOW GROUP INC.**

Bristow Group Inc. is the leading global industrial aviation services provider offering helicopter transportation, search and rescue (SAR) and aircraft support services, including maintenance and training, to government and civil organizations worldwide. Bristow has major operations in the North Sea, Nigeria and the U.S. Gulf of Mexico, and in most of the other major offshore oil and gas producing regions of the world, including Australia, Brazil, Canada, Russia and Trinidad. Bristow provides SAR services to the private sector worldwide and to the public sector for all of the U.K. on behalf of the Maritime and Coastguard Agency. For more information, visit [bristowgroup.com](http://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 earnings guidance, expected contract revenue, capital deployment strategy, operational and capital performance, expected cost management activities, expected capital expenditure deferrals, shareholder return, liquidity, market and industry conditions. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Risks and uncertainties include without limitation: fluctuations in the demand for our services; fluctuations in worldwide prices of and supply and demand for oil and natural gas; fluctuations in levels of oil and natural gas production, exploration and development activities; the impact of competition; actions by clients and suppliers; the risk of*

reductions in spending on industrial aviation 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 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 do not achieve the anticipated benefit of our fleet investment program; availability of employees; and political instability, war or acts of terrorism in any of the countries where we operate. 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, 2016 and annual report on Form 10-K for the fiscal year ended March 31, 2016. 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.

Linda McNeill  
Investor Relations  
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(financial tables follow)

**BRISTOW GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share amounts and percentages)  
(Unaudited)

|                                                        | <b>Three Month Period</b> |                | <b>Full Year</b> |                  |
|--------------------------------------------------------|---------------------------|----------------|------------------|------------------|
|                                                        | <b>FY2017</b>             | <b>FY2016</b>  | <b>FY2017</b>    | <b>FY2016</b>    |
| Gross revenue:                                         |                           |                |                  |                  |
| Operating revenue from non-affiliates                  | \$ 306,595                | \$ 357,636     | \$ 1,276,374     | \$ 1,550,638     |
| Operating revenue from affiliates                      | 17,056                    | 17,632         | 71,476           | 78,909           |
| Reimbursable revenue from non-affiliates               | 12,543                    | 6,451          | 52,652           | 85,966           |
|                                                        | <u>336,194</u>            | <u>381,719</u> | <u>1,400,502</u> | <u>1,715,513</u> |
| Operating expense:                                     |                           |                |                  |                  |
| Direct cost                                            | 272,468                   | 301,163        | 1,103,984        | 1,227,541        |
| Reimbursable expense                                   | 12,217                    | 5,582          | 50,313           | 81,824           |
| Depreciation and amortization                          | 25,694                    | 29,959         | 118,748          | 136,812          |
| General and administrative                             | 46,089                    | 50,343         | 195,367          | 224,645          |
|                                                        | <u>356,468</u>            | <u>387,047</u> | <u>1,468,412</u> | <u>1,670,822</u> |
| Loss on impairment                                     | —                         | (27,391)       | (16,278)         | (55,104)         |
| Loss on disposal of assets                             | (1,422)                   | (6,837)        | (14,499)         | (30,693)         |
| Earnings from unconsolidated affiliates, net of losses | <u>2,168</u>              | <u>1,633</u>   | <u>6,945</u>     | <u>261</u>       |
| Operating loss                                         | (19,528)                  | (37,923)       | (91,742)         | (40,845)         |
| Interest expense, net                                  | (15,386)                  | (9,744)        | (49,919)         | (34,128)         |
| Other income (expense), net                            | (1,123)                   | 2,677          | (2,641)          | (4,258)          |
| Loss before provision for income taxes                 | (36,037)                  | (44,990)       | (144,302)        | (79,231)         |
| Benefit (provision) for income taxes                   | (43,626)                  | 11,582         | (32,588)         | 2,082            |
| Net loss                                               | (79,663)                  | (33,408)       | (176,890)        | (77,149)         |
| Net loss attributable to noncontrolling interests      | <u>1,623</u>              | <u>8,153</u>   | <u>6,354</u>     | <u>4,707</u>     |

|                                                  |                    |                    |                     |                    |
|--------------------------------------------------|--------------------|--------------------|---------------------|--------------------|
| Net loss attributable to Bristow Group           | (78,040)           | (25,255)           | (170,536)           | (72,442)           |
| Accretion of redeemable noncontrolling interests | —                  | —                  | —                   | (1,498)            |
| Net loss attributable to common stockholders     | <u>\$ (78,040)</u> | <u>\$ (25,255)</u> | <u>\$ (170,536)</u> | <u>\$ (73,940)</u> |
| Loss per common share:                           |                    |                    |                     |                    |
| Basic                                            | <u>\$ (2.22)</u>   | <u>\$ (0.72)</u>   | <u>\$ (4.87)</u>    | <u>\$ (2.12)</u>   |
| Diluted                                          | <u>\$ (2.22)</u>   | <u>\$ (0.72)</u>   | <u>\$ (4.87)</u>    | <u>\$ (2.12)</u>   |
| Non-GAAP measures:                               |                    |                    |                     |                    |
| Adjusted EBITDA                                  | \$ 3,687           | \$ 35,300          | \$ 71,084           | \$ 205,523         |
| Adjusted EBITDA margin                           | 1.1 %              | 9.4 %              | 5.3 %               | 12.6 %             |
| Adjusted net income (loss)                       | \$ (40,302)        | \$ 4,716           | \$ (74,525)         | \$ 51,308          |
| Adjusted diluted earnings (loss) per share       | \$ (1.15)          | \$ 0.13            | \$ (2.13)           | \$ 1.45            |

**BRISTOW GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(In thousands)  
(Unaudited)

|                                                                                     | <b>March 31,</b>    |                     |
|-------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                     | <b>2017</b>         | <b>2016</b>         |
| <b>ASSETS</b>                                                                       |                     |                     |
| Current assets:                                                                     |                     |                     |
| Cash and cash equivalents                                                           | \$ 96,656           | \$ 104,310          |
| Accounts receivable from non-affiliates                                             | 198,129             | 243,425             |
| Accounts receivable from affiliates                                                 | 8,786               | 5,892               |
| Inventories                                                                         | 124,911             | 142,503             |
| Assets held for sale                                                                | 38,246              | 43,783              |
| Prepaid expenses and other current assets                                           | 41,143              | 53,183              |
| Total current assets                                                                | 507,871             | 593,096             |
| Investment in unconsolidated affiliates                                             | 210,162             | 194,952             |
| Property and equipment – at cost:                                                   |                     |                     |
| Land and buildings                                                                  | 231,448             | 253,098             |
| Aircraft and equipment                                                              | 2,622,701           | 2,570,577           |
|                                                                                     | 2,854,149           | 2,823,675           |
| Less – Accumulated depreciation and amortization                                    | (599,785)           | (540,423)           |
|                                                                                     | 2,254,364           | 2,283,252           |
| Goodwill                                                                            | 19,798              | 29,990              |
| Other assets                                                                        | 121,652             | 161,655             |
| Total assets                                                                        | <u>\$ 3,113,847</u> | <u>\$ 3,262,945</u> |
| <b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' INVESTMENT</b> |                     |                     |
| Current liabilities:                                                                |                     |                     |
| Accounts payable                                                                    | \$ 98,215           | \$ 96,966           |
| Accrued wages, benefits and related taxes                                           | 59,077              | 59,431              |
| Income taxes payable                                                                | 15,145              | 27,400              |
| Other accrued taxes                                                                 | 9,611               | 7,995               |
| Deferred revenue                                                                    | 19,911              | 24,206              |
| Accrued maintenance and repairs                                                     | 22,914              | 22,196              |
| Accrued interest                                                                    | 12,909              | 11,985              |
| Other accrued liabilities                                                           | 46,679              | 48,392              |
| Deferred taxes                                                                      | 830                 | 1,881               |
| Short-term borrowings and current maturities of long-term debt                      | 131,063             | 60,394              |
| Contingent consideration                                                            | —                   | 29,522              |
| Total current liabilities                                                           | 416,354             | 390,368             |
| Long-term debt, less current maturities                                             | 1,150,956           | 1,071,578           |
| Accrued pension liabilities                                                         | 61,647              | 70,107              |
| Other liabilities and deferred credits                                              | 28,899              | 33,273              |
| Deferred taxes                                                                      | 154,873             | 172,254             |
| Redeemable noncontrolling interest                                                  | 6,886               | 15,473              |
| Stockholders' investment:                                                           |                     |                     |
| Common stock                                                                        | 379                 | 377                 |
| Additional paid-in capital                                                          | 809,995             | 801,173             |
| Retained earnings                                                                   | 991,906             | 1,172,273           |
| Accumulated other comprehensive loss                                                | (328,277)           | (289,819)           |

|                                                                                    |                     |                     |
|------------------------------------------------------------------------------------|---------------------|---------------------|
| Treasury shares, at cost                                                           | (184,796)           | (184,796)           |
| Total Bristow Group stockholders' investment                                       | 1,289,207           | 1,499,208           |
| Noncontrolling interests                                                           | 5,025               | 10,684              |
| Total stockholders' investment                                                     | 1,294,232           | 1,509,892           |
| Total liabilities, redeemable noncontrolling interest and stockholders' investment | <u>\$ 3,113,847</u> | <u>\$ 3,262,945</u> |

**BRISTOW GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

(Unaudited)

|                                                                                               | <b>Full Year</b> |                   |
|-----------------------------------------------------------------------------------------------|------------------|-------------------|
|                                                                                               | <b>FY2017</b>    | <b>FY2016</b>     |
| Cash flows from operating activities:                                                         |                  |                   |
| Net loss                                                                                      | \$ (176,890)     | \$ (77,149)       |
| Adjustments to reconcile net loss to net cash provided by operating activities:               |                  |                   |
| Depreciation and amortization                                                                 | 118,748          | 136,812           |
| Deferred income taxes                                                                         | 15,720           | (51,643)          |
| Write-off of deferred financing fees                                                          | 923              | —                 |
| Discount amortization on long-term debt                                                       | 1,606            | 1,000             |
| Loss on disposal of assets                                                                    | 14,499           | 30,693            |
| Loss on impairment                                                                            | 16,278           | 55,104            |
| Stock-based compensation                                                                      | 12,352           | 21,181            |
| Equity in earnings from unconsolidated affiliates less than (in excess of) dividends received | (4,438)          | 2,619             |
| Increase (decrease) in cash resulting from changes in:                                        |                  |                   |
| Accounts receivable                                                                           | 23,759           | 46,608            |
| Inventories                                                                                   | (1,958)          | (3,380)           |
| Prepaid expenses and other assets                                                             | 1,267            | 493               |
| Accounts payable                                                                              | 15,052           | 13,316            |
| Accrued liabilities                                                                           | (19,713)         | (34,035)          |
| Other liabilities and deferred credits                                                        | (6,503)          | (25,593)          |
| Net cash provided by operating activities                                                     | <u>10,702</u>    | <u>116,026</u>    |
| Cash flows from investing activities:                                                         |                  |                   |
| Capital expenditures                                                                          | (135,110)        | (372,375)         |
| Proceeds from asset dispositions                                                              | 18,471           | 60,035            |
| Investment in unconsolidated affiliates                                                       | —                | (4,410)           |
| Deposit received on aircraft held for sale                                                    | 290              | —                 |
| Net cash used in investing activities                                                         | <u>(116,349)</u> | <u>(316,750)</u>  |
| Cash flows from financing activities:                                                         |                  |                   |
| Proceeds from borrowings                                                                      | 708,267          | 928,802           |
| Payment of contingent consideration                                                           | (10,000)         | (9,453)           |
| Debt issuance costs                                                                           | (8,010)          | (5,139)           |
| Repayment of debt and debt redemption premiums                                                | (570,328)        | (677,003)         |
| Partial prepayment of put/call obligation                                                     | (49)             | (55)              |
| Acquisition of noncontrolling interest                                                        | —                | (7,309)           |
| Dividends paid to noncontrolling interest                                                     | (2,533)          | (153)             |
| Common stock dividends paid                                                                   | (9,831)          | (38,076)          |
| Net cash provided by financing activities                                                     | <u>107,516</u>   | <u>191,614</u>    |
| Effect of exchange rate changes on cash and cash equivalents                                  | <u>(9,523)</u>   | <u>9,274</u>      |
| Net increase (decrease) in cash and cash equivalents                                          | <u>(7,654)</u>   | <u>164</u>        |
| Cash and cash equivalents at beginning of period                                              | 104,310          | 104,146           |
| Cash and cash equivalents at end of period                                                    | <u>\$ 96,656</u> | <u>\$ 104,310</u> |

**BRISTOW GROUP INC. AND SUBSIDIARIES**  
**SELECTED OPERATING DATA**

(In thousands, except flight hours and percentages)

(Unaudited)

|                                                                         | <b>Three Month Period</b> |               | <b>Full Year</b> |               |
|-------------------------------------------------------------------------|---------------------------|---------------|------------------|---------------|
|                                                                         | <b>FY2017</b>             | <b>FY2016</b> | <b>FY2017</b>    | <b>FY2016</b> |
| Flight hours (excluding Bristow Academy and unconsolidated affiliates): |                           |               |                  |               |
| Europe Caspian                                                          | 20,203                    | 20,633        | 85,906           | 90,260        |

|                            |             |             |              |              |
|----------------------------|-------------|-------------|--------------|--------------|
| Africa                     |             |             |              |              |
|                            | 6,704       | 5,921       | 29,573       | 33,111       |
| Americas                   |             |             |              |              |
|                            | 6,151       | 7,257       | 23,655       | 36,841       |
| Asia Pacific               |             |             |              |              |
|                            | 6,359       | 7,025       | 26,118       | 31,638       |
| Consolidated               |             |             |              |              |
|                            | 39,417      | 40,836      | 165,252      | 191,850      |
| Operating revenue:         |             |             |              |              |
| Europe Caspian             | \$ 162,511  | \$ 206,517  | \$ 710,581   | \$ 809,914   |
| Africa                     |             |             |              |              |
|                            | 47,049      | 46,660      | 200,104      | 249,545      |
| Americas                   |             |             |              |              |
|                            | 51,966      | 65,016      | 220,544      | 290,299      |
| Asia Pacific               |             |             |              |              |
|                            | 62,628      | 57,877      | 217,772      | 272,054      |
| Corporate and other        |             |             |              |              |
|                            | 2,452       | 4,945       | 10,369       | 23,487       |
| Intra-region eliminations  |             |             |              |              |
|                            | (2,955)     | (5,747)     | (11,520)     | (15,752)     |
| Consolidated               |             |             |              |              |
|                            | \$ 323,651  | \$ 375,268  | \$ 1,347,850 | \$ 1,629,547 |
| Operating income (loss):   |             |             |              |              |
| Europe Caspian             | \$ (4,628)  | \$ (5,837)  | \$ 13,840    | \$ 50,406    |
| Africa                     |             |             |              |              |
|                            | 10,225      | (5,201)     | 30,179       | 19,702       |
| Americas                   |             |             |              |              |
|                            | (1,566)     | 4,180       | 4,224        | 34,463       |
| Asia Pacific               |             |             |              |              |
|                            | 3,610       | (710)       | (20,870)     | 4,073        |
| Corporate and other        |             |             |              |              |
|                            | (25,747)    | (23,518)    | (104,616)    | (118,796)    |
| Loss on disposal of assets |             |             |              |              |
|                            | (1,422)     | (6,837)     | (14,499)     | (30,693)     |
| Consolidated               |             |             |              |              |
|                            | \$ (19,528) | \$ (37,923) | \$ (91,742)  | \$ (40,845)  |
| Operating margin:          |             |             |              |              |
| Europe Caspian             | (2.8) %     | (2.8) %     | 1.9 %        | 6.2 %        |
| Africa                     |             |             |              |              |
|                            | 21.7 %      | (11.1) %    | 15.1 %       | 7.9 %        |
| Americas                   |             |             |              |              |
|                            | (3.0) %     | 6.4 %       | 1.9 %        | 11.9 %       |
| Asia Pacific               |             |             |              |              |
|                            | 5.8 %       | (1.2) %     | (9.6) %      | 1.5 %        |
| Consolidated               |             |             |              |              |
|                            | (6.0) %     | (10.1) %    | (6.8) %      | (2.5) %      |
| Adjusted EBITDA:           |             |             |              |              |

## Europe Caspian

|    |       |    |        |    |        |    |         |
|----|-------|----|--------|----|--------|----|---------|
| \$ | 1,890 | \$ | 28,441 | \$ | 45,163 | \$ | 123,952 |
|----|-------|----|--------|----|--------|----|---------|

## Africa

|        |       |        |        |
|--------|-------|--------|--------|
| 12,203 | 5,519 | 51,553 | 60,371 |
|--------|-------|--------|--------|

## Americas

|       |        |        |        |
|-------|--------|--------|--------|
| 5,635 | 11,529 | 39,952 | 71,958 |
|-------|--------|--------|--------|

## Asia Pacific

|       |       |         |        |
|-------|-------|---------|--------|
| 5,487 | 6,197 | (5,026) | 28,361 |
|-------|-------|---------|--------|

## Corporate and other

|          |          |          |          |
|----------|----------|----------|----------|
| (21,528) | (16,386) | (60,558) | (79,119) |
|----------|----------|----------|----------|

## Consolidated

|    |       |    |        |    |        |    |         |
|----|-------|----|--------|----|--------|----|---------|
| \$ | 3,687 | \$ | 35,300 | \$ | 71,084 | \$ | 205,523 |
|----|-------|----|--------|----|--------|----|---------|

## Adjusted EBITDA margin:

## Europe Caspian

|       |        |       |        |
|-------|--------|-------|--------|
| 1.2 % | 13.8 % | 6.4 % | 15.3 % |
|-------|--------|-------|--------|

## Africa

|        |        |        |        |
|--------|--------|--------|--------|
| 25.9 % | 11.8 % | 25.8 % | 24.2 % |
|--------|--------|--------|--------|

## Americas

|        |        |        |        |
|--------|--------|--------|--------|
| 10.8 % | 17.7 % | 18.1 % | 24.8 % |
|--------|--------|--------|--------|

## Asia Pacific

|       |        |         |        |
|-------|--------|---------|--------|
| 8.8 % | 10.7 % | (2.3) % | 10.4 % |
|-------|--------|---------|--------|

## Consolidated

|       |       |       |        |
|-------|-------|-------|--------|
| 1.1 % | 9.4 % | 5.3 % | 12.6 % |
|-------|-------|-------|--------|

## Three Month Period

## Full Year

## FY2017

## FY2016

## FY2017

## FY2016

## Depreciation and amortization:

## Europe Caspian

|    |       |    |        |    |        |    |        |
|----|-------|----|--------|----|--------|----|--------|
| \$ | 5,917 | \$ | 11,620 | \$ | 39,511 | \$ | 41,509 |
|----|-------|----|--------|----|--------|----|--------|

## Africa

|       |       |        |        |
|-------|-------|--------|--------|
| 3,984 | 5,063 | 16,664 | 29,337 |
|-------|-------|--------|--------|

## Americas

|       |       |        |        |
|-------|-------|--------|--------|
| 7,058 | 7,848 | 32,727 | 36,371 |
|-------|-------|--------|--------|

## Asia Pacific

|       |       |        |        |
|-------|-------|--------|--------|
| 5,505 | 3,081 | 19,091 | 20,526 |
|-------|-------|--------|--------|

## Corporate and other

|       |       |        |       |
|-------|-------|--------|-------|
| 3,230 | 2,347 | 10,755 | 9,069 |
|-------|-------|--------|-------|

## Consolidated

|    |        |    |        |    |         |    |         |
|----|--------|----|--------|----|---------|----|---------|
| \$ | 25,694 | \$ | 29,959 | \$ | 118,748 | \$ | 136,812 |
|----|--------|----|--------|----|---------|----|---------|

## Rent expense:

## Europe Caspian

|    |        |    |        |    |         |    |         |
|----|--------|----|--------|----|---------|----|---------|
| \$ | 34,065 | \$ | 33,267 | \$ | 134,072 | \$ | 136,377 |
|----|--------|----|--------|----|---------|----|---------|

## Africa

|       |       |       |       |
|-------|-------|-------|-------|
| 2,000 | 1,431 | 8,101 | 7,456 |
|-------|-------|-------|-------|

## Americas

|       |       |        |        |
|-------|-------|--------|--------|
| 6,757 | 4,800 | 23,015 | 21,016 |
|-------|-------|--------|--------|

## Asia Pacific

|        |       |        |        |
|--------|-------|--------|--------|
| 10,956 | 9,223 | 39,759 | 37,053 |
|--------|-------|--------|--------|

## Corporate and other

|       |       |       |       |
|-------|-------|-------|-------|
| 1,940 | 2,624 | 7,661 | 9,938 |
|-------|-------|-------|-------|

Consolidated

|           |           |            |            |
|-----------|-----------|------------|------------|
| \$ 55,718 | \$ 51,345 | \$ 212,608 | \$ 211,840 |
|-----------|-----------|------------|------------|

**BRISTOW GROUP INC. AND SUBSIDIARIES**  
**AIRCRAFT COUNT**  
**As of March 31, 2017**  
**(Unaudited)**

|                                                    | Percentage<br>of FY2017<br>Operating<br>Revenue | Aircraft in Consolidated Fleet |        |       |          |                      |                             | Unconsolidated<br>Affiliates <sup>(4)</sup> | Total |
|----------------------------------------------------|-------------------------------------------------|--------------------------------|--------|-------|----------|----------------------|-----------------------------|---------------------------------------------|-------|
|                                                    |                                                 | Helicopters                    |        |       |          | Fixed<br>Wing<br>(1) | Total <sup>(2)</sup><br>(3) |                                             |       |
|                                                    |                                                 | Small                          | Medium | Large | Training |                      |                             |                                             |       |
| Europe Caspian                                     | 53 %                                            | —                              | 16     | 78    | —        | 31                   | 125                         | —                                           | 125   |
| Africa                                             | 15 %                                            | 14                             | 28     | 5     | —        | 5                    | 52                          | 46                                          | 98    |
| Americas                                           | 16 %                                            | 14                             | 41     | 18    | —        | —                    | 73                          | 65                                          | 138   |
| Asia Pacific                                       | 16 %                                            | 3                              | 10     | 24    | —        | 14                   | 51                          | —                                           | 51    |
| Corporate and<br>other                             | — %                                             | —                              | —      | —     | 47       | —                    | 47                          | —                                           | 47    |
| Total                                              | 100 %                                           | 31                             | 95     | 125   | 47       | 50                   | 348                         | 111                                         | 459   |
| Aircraft not<br>currently in fleet: <sup>(5)</sup> |                                                 |                                |        |       |          |                      |                             |                                             |       |
| On order                                           |                                                 | —                              | 5      | 27    | —        | —                    | 32                          |                                             |       |
| Under option                                       |                                                 | —                              | —      | 4     | —        | —                    | 4                           |                                             |       |

(1) Includes 31 fixed wing aircraft operated by Eastern Airways which are included in the Europe Caspian region, three fixed wing aircraft Eastern Airways provides technical support for in our Africa region and 14 fixed wing aircraft operated by Airnorth which are included in the Asia Pacific region.

(2) Includes 20 aircraft held for sale and 122 leased aircraft as follows:

|                     | Held for Sale Aircraft in Consolidated Fleet |        |       |          |               |       |
|---------------------|----------------------------------------------|--------|-------|----------|---------------|-------|
|                     | Helicopters                                  |        |       |          | Fixed<br>Wing | Total |
|                     | Small                                        | Medium | Large | Training |               |       |
| Europe Caspian      | —                                            | 2      | —     | —        | —             | 2     |
| Africa              | 5                                            | 4      | —     | —        | —             | 9     |
| Americas            | —                                            | 5      | —     | —        | —             | 5     |
| Asia Pacific        | —                                            | —      | —     | —        | 1             | 1     |
| Corporate and other | —                                            | —      | —     | 3        | —             | 3     |
| Total               | 5                                            | 11     | —     | 3        | 1             | 20    |
|                     | Leased Aircraft in Consolidated Fleet        |        |       |          |               |       |
|                     | Helicopters                                  |        |       |          | Fixed<br>Wing | Total |
|                     | Small                                        | Medium | Large | Training |               |       |
| Europe Caspian      | —                                            | 6      | 39    | —        | 13            | 58    |
| Africa              | —                                            | 1      | 2     | —        | 2             | 5     |
| Americas            | 1                                            | 14     | 8     | —        | —             | 23    |
| Asia Pacific        | 3                                            | 3      | 9     | —        | 4             | 19    |
| Corporate and other | —                                            | —      | —     | 17       | —             | 17    |
| Total               | 4                                            | 24     | 58    | 17       | 19            | 122   |

(3) The average age of our fleet, excluding training aircraft, was nine years as of March 31, 2017.

- (4) The 111 aircraft operated by our unconsolidated affiliates do not include those aircraft leased to us. Includes 43 helicopters (primarily medium) and 22 fixed wing aircraft owned and managed by Líder, our unconsolidated affiliate in Brazil, which is included in our Americas region, and 39 helicopters and seven fixed wing aircraft owned by Petroleum Air Services ("PAS"), our unconsolidated affiliate in Egypt, which is included in our Africa region.
- (5) This table does not reflect aircraft which our unconsolidated affiliates may have on order or under option.

## BRISTOW GROUP INC. AND SUBSIDIARIES

### GAAP RECONCILIATIONS

#### (Unaudited)

These financial measures have not been prepared in accordance with generally accepted accounting principles ("GAAP") and have not been audited or reviewed by our independent auditor. These financial measures are therefore considered non-GAAP financial measures. A description of the adjustments to and reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measures is as follows:

|                                               | Three Month Period                                       |                   | Full Year          |                    |
|-----------------------------------------------|----------------------------------------------------------|-------------------|--------------------|--------------------|
|                                               | FY2017                                                   | FY2016            | FY2017             | FY2016             |
|                                               | (In thousands, except per share amounts and percentages) |                   |                    |                    |
| Net loss                                      | \$ (79,663)                                              | \$ (33,408)       | \$ (176,890)       | \$ (77,149)        |
| Loss on disposal of assets                    | 1,422                                                    | 6,837             | 14,499             | 30,693             |
| Special items                                 | (3,084)                                                  | 33,311            | 31,277             | 82,063             |
| Depreciation and amortization                 | 25,694                                                   | 29,959            | 118,748            | 136,812            |
| Interest expense                              | 15,692                                                   | 10,183            | 50,862             | 35,186             |
| Provision (benefit) for income taxes          | 43,626                                                   | (11,582)          | 32,588             | (2,082)            |
| Adjusted EBITDA                               | <u>\$ 3,687</u>                                          | <u>\$ 35,300</u>  | <u>\$ 71,084</u>   | <u>\$ 205,523</u>  |
| Benefit (provision) for income taxes          | \$ (43,626)                                              | 11,582            | \$ (32,588)        | \$ 2,082           |
| Tax benefit on loss on disposal of asset      | (618)                                                    | (3,178)           | (6,476)            | (8,665)            |
| Tax provision (benefit) on special items      | 38,923                                                   | (10,629)          | 49,342             | (8,996)            |
| Adjusted benefit (provision) for income taxes | <u>\$ (5,321)</u>                                        | <u>\$ (2,225)</u> | <u>\$ 10,278</u>   | <u>\$ (15,579)</u> |
| Effective tax rate <sup>(1)</sup>             | (121.1) %                                                | 25.7 %            | (22.6) %           | 2.6 %              |
| Adjusted effective tax rate <sup>(1)</sup>    | (14.5) %                                                 | (183.6) %         | 11.7 %             | 25.1 %             |
| Net loss attributable to Bristow Group        | \$ (78,040)                                              | \$ (25,255)       | \$ (170,536)       | \$ (72,442)        |
| Loss on disposal of assets                    | 804                                                      | 3,659             | 8,023              | 22,028             |
| Special items                                 | 36,934                                                   | 26,312            | 87,988             | 101,722            |
| Adjusted net income (loss)                    | <u>\$ (40,302)</u>                                       | <u>\$ 4,716</u>   | <u>\$ (74,525)</u> | <u>\$ 51,308</u>   |
| Diluted loss per share                        | \$ (2.22)                                                | \$ (0.72)         | \$ (4.87)          | \$ (2.12)          |
| Loss on disposal of assets                    | 0.02                                                     | 0.10              | 0.23               | 0.62               |
| Special items                                 | 1.05                                                     | 0.74              | 2.51               | 2.92               |
| Adjusted diluted earnings (loss) per share    | (1.15)                                                   | 0.13              | (2.13)             | 1.45               |

- (1) Effective tax rate is calculated by dividing benefit (provision) for income taxes by pretax net income. Adjusted effective tax rate is calculated by dividing adjusted benefit (provision) for income taxes by adjusted pretax net income. Tax expense (benefit) on loss on disposal of asset and tax expense (benefit) on special items is calculated using the statutory rate of the entity recording the loss on disposal of asset or special item.

| Three Months Ended<br>March 31, 2017                                        |                                          |                        |                                              |
|-----------------------------------------------------------------------------|------------------------------------------|------------------------|----------------------------------------------|
|                                                                             | Adjusted<br>EBITDA                       | Adjusted<br>Net Income | Adjusted<br>Diluted<br>Earnings<br>Per Share |
|                                                                             | (In thousands, except per share amounts) |                        |                                              |
| Organizational restructuring costs <sup>(1)</sup>                           | \$ 2,814                                 | \$ 2,071               | 0.06                                         |
| Additional depreciation expense resulting from fleet changes <sup>(2)</sup> | —                                        | 712                    | 0.02                                         |
| Reversal of Airnorth contingent consideration <sup>(3)</sup>                | (5,898)                                  | (5,898)                | (0.17)                                       |
| Tax items <sup>(4)</sup>                                                    | —                                        | 40,049                 | 1.14                                         |
|                                                                             | <u>\$ (3,084)</u>                        | <u>\$ 36,934</u>       | <u>1.05</u>                                  |

| Three Months Ended<br>March 31, 2016                                        |                                          |                        |                                              |
|-----------------------------------------------------------------------------|------------------------------------------|------------------------|----------------------------------------------|
|                                                                             | Adjusted<br>EBITDA                       | Adjusted<br>Net Income | Adjusted<br>Diluted<br>Earnings<br>Per Share |
|                                                                             | (In thousands, except per share amounts) |                        |                                              |
| Organizational restructuring costs <sup>(1)</sup>                           | \$ 5,920                                 | \$ 2,336               | \$ 0.07                                      |
| Additional depreciation expense resulting from fleet changes <sup>(2)</sup> | —                                        | 3,167                  | 0.09                                         |
| Goodwill and intangible asset impairment <sup>(5)</sup>                     | 27,391                                   | 15,705                 | 0.44                                         |
| Tax items <sup>(4)</sup>                                                    | —                                        | 5,104                  | 0.14                                         |
| Total special items                                                         | <u>\$ 33,311</u>                         | <u>\$ 26,312</u>       | <u>0.74</u>                                  |

| Fiscal Year Ended<br>March 31, 2017                                         |                                          |                        |                                              |
|-----------------------------------------------------------------------------|------------------------------------------|------------------------|----------------------------------------------|
|                                                                             | Adjusted<br>EBITDA                       | Adjusted<br>Net Income | Adjusted<br>Diluted<br>Earnings<br>Per Share |
|                                                                             | (In thousands, except per share amounts) |                        |                                              |
| Organizational restructuring costs <sup>(1)</sup>                           | \$ 20,897                                | \$ 14,998              | \$ 0.43                                      |
| Additional depreciation expense resulting from fleet changes <sup>(2)</sup> | —                                        | 6,843                  | 0.19                                         |
| Goodwill impairment <sup>(5)</sup>                                          | 8,706                                    | 7,138                  | 0.20                                         |
| Impairment of inventories <sup>(6)</sup>                                    | 7,572                                    | 5,428                  | 0.15                                         |
| Reversal of Airnorth contingent consideration <sup>(3)</sup>                | (5,898)                                  | (5,898)                | (0.17)                                       |
| Tax items <sup>(4)</sup>                                                    | —                                        | 59,479                 | 1.70                                         |
| Total special items                                                         | <u>\$ 31,277</u>                         | <u>\$ 87,988</u>       | <u>2.51</u>                                  |

| Fiscal Year Ended<br>March 31, 2016                                         |                                          |                        |                                              |
|-----------------------------------------------------------------------------|------------------------------------------|------------------------|----------------------------------------------|
|                                                                             | Adjusted<br>EBITDA                       | Adjusted<br>Net Income | Adjusted<br>Diluted<br>Earnings<br>Per Share |
|                                                                             | (In thousands, except per share amounts) |                        |                                              |
| Organizational restructuring costs <sup>(1)</sup>                           | \$ 26,959                                | \$ 19,094              | \$ 0.54                                      |
| Additional depreciation expense resulting from fleet changes <sup>(2)</sup> | —                                        | 20,577                 | 0.58                                         |
| Goodwill and intangible asset impairment <sup>(5)</sup>                     | 49,665                                   | 37,979                 | 1.08                                         |
| Impairment of inventories <sup>(6)</sup>                                    | 5,439                                    | 4,004                  | 0.11                                         |
| Tax items <sup>(4)</sup>                                                    | —                                        | 20,068                 | 0.57                                         |

|                                                                 |                  |                   |      |
|-----------------------------------------------------------------|------------------|-------------------|------|
| Accretion of redeemable noncontrolling interests <sup>(7)</sup> | —                | —                 | 0.04 |
| Total special items                                             | <u>\$ 82,063</u> | <u>\$ 101,722</u> | 2.92 |

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- (1) Organizational restructuring costs include severance expense related to separation programs across our global organization designed to increase efficiency and cut costs as well other restructuring costs.
- (2) Relates to additional depreciation expense due to fleet changes impacting the depreciable lives of certain aircraft.
- (3) Relates to reversal of contingent consideration related to the Airnorth acquisition.
- (4) Relates to a one-time non-cash tax effect from repositioning of certain aircraft from one tax jurisdiction to another related to recent financing transactions for the March 2017 quarter and fiscal year 2017 and non-cash adjustments related to the valuation of deferred tax assets for all periods presented.
- (5) Relates to impairments of goodwill of Eastern Airways within our Europe Caspian region in fiscal year 2017 and Bristow Norway and Eastern Airways within our Europe Caspian region, Bristow Academy within Corporate and other and our Africa region and impairment of intangibles of Eastern Airways within our Europe Caspian region in fiscal year 2016. Relates to impairments of goodwill and intangibles of Eastern Airways without our Europe Caspian region and goodwill impairment of our Africa region in the March 2016 quarter.
- (6) Relates to increase in inventory allowance as a result of our review of excess inventory on aircraft model types we plan to cease ownership of earlier than originally anticipated.
- (7) Relates to the accounting for changes in the redeemable value of put arrangements whereby the noncontrolling interest holders in Airnorth and Eastern Airways may require us to redeem the remaining shares in these companies. This change does not impact net earnings (loss), but rather is accounted for as a reduction of earnings (loss) available to common shareholders in the calculation of diluted earnings (loss) per share.

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/bristow-group-reports-fiscal-fourth-quarter-and-full-fiscal-year-2017-results-300462745.html>

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