

August 8, 2011



# **BRISTOW GROUP REPORTS FINANCIAL PERFORMANCE FOR ITS FISCAL YEAR 2012 FIRST QUARTER ENDED JUNE 30, 2011**

- FIRST QUARTER ADJUSTED EPS OF \$0.54, WHICH EXCLUDES ASSET DISPOSITION EFFECTS**
- FIRST QUARTER GAAP EPS of \$0.57**
- COMPANY REAFFIRMS FULL FISCAL YEAR 2012 EPS GUIDANCE OF \$3.55 - \$3.90, EXCLUDING ASSET DISPOSITION AND SPECIAL ITEM EFFECTS**
- BRAZILIAN AFFILIATE, LIDER, OFFICIALLY QUALIFIED BY PETROBRAS AS BEST BID ON 14 MEDIUM AIRCRAFT, WITH SEVEN AIRCRAFT STARTING WORK IN SEPTEMBER 2011**

HOUSTON, Aug. 8, 2011 /PRNewswire/ -- Bristow Group Inc. (NYSE: BRS) today reported adjusted net income, excluding asset disposition effects, for the first quarter ended June 30, 2011 of \$20.0 million, or \$0.54 per diluted share, compared to \$19.6 million, or \$0.54 per diluted share, in the same period a year ago. GAAP net income for the first quarter was \$21.0 million, or \$0.57 per diluted share, compared to GAAP net income of \$20.8 million, or \$0.57 per diluted share in the same period a year ago.

Operating revenue for the first quarter increased 5% to \$286.8 million from \$272.0 million in the first quarter of fiscal year 2011. Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), which excludes asset disposition effects, was \$58.1 million for each of the quarters ended June 30, 2011 and 2010. Net cash provided by operating activities increased to \$52.9 million in the June 2011 quarter from \$25.7 million in the June 2010 quarter.

The quarter's financial performance was negatively affected by several factors, including:

- Front-loaded compensation costs of \$7.0 million, primarily at the corporate level and in our Europe Business Unit, related to:
  - Performance cash compensation accruals of \$3.7 million resulting from positive stock price performance and an additional award in June 2011.
  - Stock-based compensation accruals of \$2.2 million related to annual awards to our President and Chief Executive Officer as a result of meeting service criteria

for retirement.

- A salary increase for engineers in Norway related to prior periods as a new agreement that included a retroactive pay increase was finalized in the June 2011 quarter and salary costs incurred to support operations after an aircraft was damaged in a hard landing in the Northern North Sea; collectively these items resulted in \$1.1 million in non-recurring charges.
- An increase in professional fees of \$2.8 million primarily related to company initiatives to grow our business and reduce our cost of capital, such as Bristow Client Promise and Bristow Value Added (BVA).
- An increase in training costs in Australia of \$1.1 million related to the recent introduction of a new type of aircraft.

These three main factors, in aggregate, reduced earnings per diluted share by approximately \$0.22 and masked significant growth in the Other International Business Unit in the first quarter. Increased compensation cost represented 88% of the \$13.5 million increase in direct cost and 54% of the \$8.7 million increase in general and administrative expense over the prior year's June quarter.

"Despite first quarter results that were affected by front-loaded compensation costs, we remain on track to meet the annual earnings per share guidance of \$3.55 - \$3.90 we provided on our last quarterly conference call as we do not anticipate the majority of these costs incurred this quarter to recur in the remainder of fiscal year 2012," said William E. Chiles, President and Chief Executive Officer of Bristow Group. "We had operational successes in the first quarter that grew our revenue, including new contracts and improved flight activity in our Europe, Australia and Other International Business Units."

"As previously disclosed, we continue to expect revenue and earnings per share for the current fiscal year to be stronger than fiscal year 2011 as we contract our newer technology aircraft for our clients and take advantage of the growth opportunities in the Other International Business Unit as well as the gradual improvement in activity for the rest of the world." Chiles added, "We expect improvement in our financial results for the next three quarters of this fiscal year and, similar to last year, anticipate a stronger second half compared to the first half of fiscal year 2012."

### **FIRST QUARTER FY2012 RESULTS**

- Operating revenue increased 5% to \$286.8 million compared to \$272.0 million in the same period a year ago.
- Adjusted operating income decreased 8% to \$35.0 million compared to \$38.0 million in the same period a year ago. Adjusted operating margin decreased to 12.7% from 14.6% in the first quarter of the previous fiscal year. The calculation of operating margin has been changed to exclude reimbursable revenue.
- Adjusted EBITDA, which excludes asset dispositions effects, was \$58.1 million for each of the quarters ended June 30, 2011 and 2010.
- Adjusted net income increased 2% to \$20.0 million, or \$0.54 per diluted share, compared to \$19.6 million, or \$0.54 per diluted share, in the June 2010 quarter.

Our Europe Business Unit saw an increase in flying activity over the prior year quarter as a result of new contracts with existing clients, which resulted in increased operating income. Operating margin remained mostly flat despite the increase in operating revenue and operating income as a result of the additional compensation cost incurred in the current quarter, which was partially offset by an increase in earnings from unconsolidated affiliates.

Operating income and operating margin in our West Africa Business Unit continued to be negatively affected by the loss of a major contract that was not fully offset by increased activity on two new contracts. Additionally, operating results were affected by an increase in direct cost due to salaries and benefits, depreciation, housing and security expense.

Our North America Business Unit continues to face a challenging market due to the impact of the severe reduction in the issuance of drilling and completion permits following the Deepwater Horizon event in 2010. We are continuing to reduce our cost structure in order to align the business with the current level of demand. However, based on current discussions with our major clients, especially concerning activity for large aircraft, we anticipate an increasing level of activity in the Gulf during the second half of fiscal year 2012.

Our Australia Business Unit saw an increase in revenue over the prior year resulting from new contracts and a favorable impact of changes in foreign currency exchange rates. However, operating income and operating margin declined primarily due to an increase in training costs with the introduction of a new aircraft type into this market and an increase in depreciation and amortization expense. We do not expect some of the costs incurred in the first quarter to recur at the same levels in future periods, which when coupled with a continued high level of activity in this market is expected to result in improved operating margin in the second half of fiscal year 2012.

As anticipated, our Other International Business Unit is emerging as the growth engine for Bristow. In the first quarter, higher operating revenue was delivered by our entry into Suriname, increased activity in Brazil and Russia and new contracts in Ghana and Trinidad. Operating margin was significantly higher primarily due to the strong performance of our unconsolidated affiliate in Brazil, which generated \$2.7 million of equity earnings for the three months ended June 30, 2011.

## **GUIDANCE**

Bristow is reaffirming today the diluted earnings per share guidance provided in May 2011 for the full fiscal year 2012 of \$3.55 to \$3.90.

"Our 2012 guidance reaffirmation demonstrates confidence in the financial improvement Bristow has historically shown through the year, especially in the second half. Our success will depend on our continued ability to grow and implement a new financial management tool called Bristow Value Added (BVA)," said Jonathan E. Baliff, Senior Vice President and Chief Financial Officer of Bristow Group. "A key objective is to increase our cash return on capital over our cost of capital while continuing top-line growth through fleet additions and our Client Promise effort to get paid for Target Zero performance. The cash returns generated by these successes will differentiate Bristow as a unique investment in the oilfield service sector."

As a reminder, our GAAP earnings per share guidance does not include unrealized gains

and losses on disposals of assets as well as special items because their timing and amounts are more variable and less predictable. This guidance is based on current foreign currency exchange rates. In providing this guidance, the Company has not included the impact of any changes in accounting standards and any impact from significant acquisitions or divestitures.

Changes in events or other circumstances that the Company cannot currently anticipate or predict could result in earnings per share for fiscal year 2012 that are significantly above or below this guidance. Factors that could cause such changes are described below under Forward-Looking Statements Disclosure.

## **CONFERENCE CALL**

Management will conduct a conference call starting at 10:00 a.m. ET (9:00 a.m. CT) on Tuesday, August 9, to review financial results for the fiscal year 2012 first quarter ended June 30, 2011. 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 2012 First 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 1-877-941-8609
- Replay: A telephone replay will be available through August 23, 2011 and may be accessed by calling toll free 1-800-406-7325, passcode: 4453695#

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

- Live: Dial 480-629-9818
- Replay: A telephone replay will be available through August 23, 2011 and may be accessed by calling 303-590-3030, passcode: 4453695#

## **ABOUT BRISTOW GROUP INC.**

Bristow Group Inc. is the leading provider of helicopter services to the worldwide offshore energy industry based on the number of aircraft operated and one of two helicopter service providers to the offshore energy industry with global operations. The Company has major transportation 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 Alaska, Australia, Brazil, Mexico, Russia and Trinidad. For more information, visit the Company's

website at [www.bristowgroup.com](http://www.bristowgroup.com).

## **FORWARD-LOOKING STATEMENTS DISCLOSURE**

*Statements contained in this news release that state the Company's or management's intentions, hopes, beliefs, expectations or predictions of the future are forward-looking statements. These forward-looking statements include statements regarding earnings guidance, capital allocation strategy, the impact of activity levels, business performance, and other 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.*

*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 June 30, 2011 and the annual report on Form 10-K for the fiscal year ended March 31, 2011. 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  
(713) 267-7622

(financial tables follow)

### **BRISTOW GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME**

(In thousands, except per share amounts)

(Unaudited)

|  | <b>Three Months Ended<br/>June 30,</b> |                |
|--|--|----------------|
|  | <b>2011</b>                            | <b>2010</b>    |
| Gross revenue:   |  |                |
| Operating revenue from non-affiliates                  | \$ 277,029                             | \$ 254,594     |
| Operating revenue from affiliates                      | 9,732                                  | 17,415         |
| Reimbursable revenue from non-affiliates               | 34,301                                 | 20,063         |
| Reimbursable revenue from affiliates                   | 43                                     | 166            |
|  | <u>321,105</u>                         | <u>292,238</u> |
| Operating expense:                                     |  |                |
| Direct cost  | 196,622                                | 183,164        |
| Reimbursable expense                                   | 33,134                                 | 20,178         |
| Depreciation and amortization                          | 22,708                                 | 19,331         |
| General and administrative                             | 39,645                                 | 30,902         |
|  | <u>292,109</u>                         | <u>253,575</u> |
| Gain on disposal of assets                             | 1,416                                  | 1,718          |
| Earnings from unconsolidated affiliates, net of losses | 5,993                                  | (702)          |
| Operating income                                       | <u>36,405</u>                          | <u>39,679</u>  |
| Interest income  | 171                                    | 292            |
| Interest expense                                       | (8,955)                                | (11,038)       |
| Other income (expense), net                            | 204                                    | 515            |
| Income before provision for income taxes               | <u>27,825</u>                          | <u>29,448</u>  |

|   |                  |                  |
|---|------------------|------------------|
| Provision for income taxes                            | (6,606)          | (8,540)          |
| Net income  | 21,219           | 20,908           |
| Net income attributable to noncontrolling interests   | (174)            | (100)            |
| Net income attributable to Bristow Group              | <u>\$ 21,045</u> | <u>\$ 20,808</u> |
| Earnings per common share:                            |                  |                  |
| Basic   | <u>\$ 0.58</u>   | <u>\$ 0.58</u>   |
| Diluted   | <u>\$ 0.57</u>   | <u>\$ 0.57</u>   |
| Cash dividends declared per common share              | <u>\$ 0.15</u>   | <u>\$ —</u>      |
| Weighted average number of common shares outstanding: |                  |                  |
| Basic   | 36,352           | 35,969           |
| Diluted   | 37,066           | 36,281           |
| Adjusted EBITDA                                       | \$ 58,072        | \$ 58,099        |

**BRISTOW GROUP INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands)

|  | <u>June 30,<br/>2011</u> | <u>March 31,<br/>2011</u> |
|--|--------------------------|---------------------------|
|  | <u>(Unaudited)</u>       |                           |
| <b>ASSETS</b>                                    |                          |                           |
| Current assets:                                  |                          |                           |
| Cash and cash equivalents                        | \$ 117,070               | \$ 116,361                |
| Accounts receivable from non-affiliates          | 247,703                  | 247,135                   |
| Accounts receivable from affiliates              | 10,643                   | 15,384                    |
| Inventories                                      | 198,111                  | 196,207                   |
| Assets held for sale                             | 34,441                   | 31,556                    |
| Prepaid expenses and other current assets        | 15,592                   | 22,118                    |
| Total current assets                             | <u>623,560</u>           | <u>628,761</u>            |
| Investment in unconsolidated affiliates          | 209,554                  | 208,634                   |
| Property and equipment – at cost:                |                          |                           |
| Land and buildings                               | 82,883                   | 98,054                    |
| Aircraft and equipment                           | 2,182,210                | 2,116,259                 |
|  | <u>2,265,093</u>         | <u>2,214,313</u>          |
| Less – Accumulated depreciation and amortization | <u>(463,133)</u>         | <u>(446,431)</u>          |
|  | 1,801,960                | 1,767,882                 |
| Goodwill   | 29,738                   | 32,047                    |
| Other assets                                     | 35,746                   | 38,030                    |
|  | <u>\$ 2,700,558</u>      | <u>\$ 2,675,354</u>       |

**LIABILITIES AND STOCKHOLDERS' INVESTMENT**

|   |           |           |
|---|-----------|-----------|
| Current liabilities:                      |           |           |
| Accounts payable                          | \$ 51,479 | \$ 56,972 |
| Accrued wages, benefits and related taxes | 32,530    | 34,537    |
| Income taxes payable                      | 15,716    | 15,557    |
| Other accrued taxes                       | 4,444     | 4,049     |
| Deferred revenues                         | 9,449     | 9,613     |
| Accrued maintenance and repairs           | 11,132    | 16,269    |
| Accrued interest                          | 7,951     | 2,279     |
| Other accrued liabilities                 | 18,140    | 19,613    |

|  |                     |                     |
|--|---------------------|---------------------|
| Deferred taxes   | 9,822               | 12,176              |
| Short-term borrowings and current maturities of long-term debt | 10,911              | 8,979               |
| Total current liabilities                                      | 171,574             | 180,044             |
| Long-term debt, less current maturities                        | 721,466             | 698,482             |
| Accrued pension liabilities                                    | 98,081              | 99,645              |
| Other liabilities and deferred credits                         | 15,359              | 30,109              |
| Deferred taxes   | 155,417             | 148,299             |
| Commitments and contingencies                                  |                     |                     |
| Stockholders' investment:                                      |                     |                     |
| Common stock   | 366                 | 363                 |
| Additional paid-in capital                                     | 693,504             | 689,795             |
| Retained earnings  | 967,295             | 951,660             |
| Accumulated other comprehensive loss                           | (129,829)           | (130,117)           |
|  | 1,531,336           | 1,511,701           |
| Noncontrolling interests                                       | 7,325               | 7,074               |
|  | 1,538,661           | 1,518,775           |
|  | <u>\$ 2,700,558</u> | <u>\$ 2,675,354</u> |

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

(In thousands)

(Unaudited)

|   | <b>Three Months Ended<br/>June 30,</b> |             |
|---|--|-------------|
|   | <b>2011</b>                            | <b>2010</b> |
| Cash flows from operating activities:   |  |             |
| Net income  | \$ 21,219                              | \$ 20,908   |
| Adjustments to reconcile net income to net cash provided by operating activities:             |  |             |
| Depreciation and amortization   | 22,708                                 | 19,331      |
| Deferred income taxes   | 2,949                                  | 5,740       |
| Discount amortization on long-term debt   | 822                                    | 776         |
| Gain on disposal of assets  | (1,416)                                | (1,718)     |
| Gain on sale of joint ventures  | —                                      | (578)       |
| Stock-based compensation  | 5,196                                  | 3,730       |
| Equity in earnings from unconsolidated affiliates (in excess of) less than dividends received | (1,393)                                | 702         |
| Tax benefit related to stock-based compensation   | (101)                                  | (163)       |
| Increase (decrease) in cash resulting from changes in:  |  |             |
| Accounts receivable   | 10,640                                 | (20,451)    |
| Inventories   | (5,420)                                | (944)       |
| Prepaid expenses and other assets   | 3,701                                  | 162         |
| Accounts payable  | (5,527)                                | (1,466)     |
| Accrued liabilities   | 459                                    | 2,563       |
| Other liabilities and deferred credits  | (948)                                  | (2,942)     |
| Net cash provided by operating activities   | 52,889                                 | 25,650      |
| Cash flows from investing activities:   |  |             |
| Capital expenditures  | (72,235)                               | (29,508)    |
| Deposits on assets held for sale  | —                                      | 1,000       |
| Proceeds from sale of joint ventures  | —                                      | 1,291       |
| Proceeds from asset dispositions  | 833                                    | 4,022       |
| Net cash used in investing activities   | (71,402)                               | (23,195)    |
| Cash flows from financing activities:   |  |             |
| Proceeds from borrowings  | 55,000                                 | 1,963       |
| Repayment of debt and debt redemption premiums  | (31,274)                               | (6,767)     |
| Distributions to noncontrolling interest owners   | —                                      | (637)       |
| Partial prepayment of put/call obligation   | (15)                                   | (14)        |

|  |                   |                  |
|--|-------------------|------------------|
| Common stock dividends paid                                  | (5,410)           | —                |
| Issuance of common stock                                     | 1,183             | 111              |
| Tax benefit related to stock-based compensation              | 101               | 163              |
| Net cash provided by (used in) financing activities          | 19,585            | (5,181)          |
| Effect of exchange rate changes on cash and cash equivalents | (363)             | (1,209)          |
| Net increase (decrease) in cash and cash equivalents         | 709               | (3,935)          |
| Cash and cash equivalents at beginning of period             | 116,361           | 77,793           |
| Cash and cash equivalents at end of period                   | <u>\$ 117,070</u> | <u>\$ 73,858</u> |

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

|  | <b>Three Months Ended</b> |               |
|--|---------------------------|---------------|
|  | <b>June 30,</b>           |               |
|  | <b>2011</b>               | <b>2010</b>   |
| Flight hours (excludes Bristow Academy and unconsolidated affiliates): |                           |               |
| Europe   | 14,182                    | 12,967        |
| West Africa  | 9,629                     | 9,760         |
| North America  | 20,434                    | 21,404        |
| Australia  | 3,382                     | 3,240         |
| Other International  | 6,429                     | 11,478        |
| Consolidated total   | <u>54,056</u>             | <u>58,849</u> |

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| Operating revenue:        |                   |                   |
| Europe                    | \$ 108,288        | \$ 85,630         |
| West Africa               | 52,251            | 57,650            |
| North America             | 43,913            | 52,082            |
| Australia                 | 40,920            | 33,755            |
| Other International       | 34,549            | 32,622            |
| Corporate and other       | 6,847             | 10,582            |
| Intrasegment eliminations | (7)               | (312)             |
| Consolidated total        | <u>\$ 286,761</u> | <u>\$ 272,009</u> |

|                            |                  |                  |
|----------------------------|------------------|------------------|
| Operating income (loss):   |                  |                  |
| Europe                     | \$ 23,249        | \$ 18,299        |
| West Africa                | 11,231           | 15,636           |
| North America              | 1,584            | 5,308            |
| Australia                  | 4,524            | 7,952            |
| Other International        | 11,910           | 2,265            |
| Corporate and other        | (17,509)         | (11,499)         |
| Gain on disposal of assets | 1,416            | 1,718            |
| Consolidated total         | <u>\$ 36,405</u> | <u>\$ 39,679</u> |

|                   |      |   |      |
|-------------------|------|---|------|
| Operating margin: |      |   |      |
| Europe            | 21.5 | % | 21.4 |
| West Africa       | 21.5 | % | 27.1 |
| North America     | 3.6  | % | 10.2 |



|                     |      |   |      |   |
|---------------------|------|---|------|---|
| Australia           | 11.1 | % | 23.6 | % |
| Other International | 34.5 | % | 6.9  | % |
| Consolidated total  | 12.7 | % | 14.6 | % |

*In addition to segment information for the three months ended June 30, 2011 and 2010, we have presented in the tables below the revised operating margin for the three months ended September 30 and December 31, 2010 and March 31, 2011 based on the revised operating margin calculation of operating income divided by operating revenue.*

|                     | Three Months Ended    |                      |                   |
|---------------------|-----------------------|----------------------|-------------------|
|                     | September 30,<br>2010 | December 31,<br>2010 | March 31,<br>2011 |
| (Unaudited)         |                       |                      |                   |
| Operating margin:   |                       |                      |                   |
| Europe              | 22.1 %                | 25.4 %               | 23.6 %            |
| West Africa         | 30.5 %                | 30.4 %               | 26.1 %            |
| North America       | 16.4 %                | 4.2 %                | (4.0) %           |
| Australia           | 17.8 %                | 18.8 %               | 19.1 %            |
| Other International | 30.9 %                | 28.2 %               | 47.1 %            |
| Consolidated total  | 18.7 %                | 16.5 %               | 18.2 %            |

**BRISTOW GROUP INC. AND SUBSIDIARIES**  
**AIRCRAFT COUNT**  
**AS OF JUNE 30, 2011**

|                                      | Aircraft in Consolidated Fleet |        |       |          |       |      |           | Unconsolidated |       |
|--------------------------------------|--------------------------------|--------|-------|----------|-------|------|-----------|----------------|-------|
|                                      | Helicopters                    |        |       |          |       |      |           |                |       |
|                                      | Small                          | Medium | Large | Training | Fixed | Wing | Total (1) | Affiliates (2) | Total |
| Europe                               | —                              | 17     | 39    | —        | —     | —    | 56        | 64             | 120   |
| West Africa                          | 12                             | 27     | 7     | —        | —     | 3    | 49        | —              | 49    |
| North America                        | 70                             | 25     | —     | —        | —     | —    | 95        | —              | 95    |
| Australia                            | 2                              | 14     | 16    | —        | —     | —    | 32        | —              | 32    |
| Other International                  | 5                              | 44     | 17    | —        | —     | —    | 66        | 135            | 201   |
| Corporate and other                  | —                              | —      | —     | 74       | —     | —    | 74        | —              | 74    |
| Total                                | 89                             | 127    | 79    | 74       | —     | 3    | 372       | 199            | 571   |
| Aircraft not currently in fleet: (3) |                                |        |       |          |       |      |           |                |       |
| On order(4) (5)                      | —                              | —      | 11    | —        | —     | —    | 11        |                |       |
| Under option                         | —                              | 15     | 24    | —        | —     | —    | 39        |                |       |

(1) Includes 17 aircraft held for sale.

(2) The 199 aircraft operated or managed by our unconsolidated affiliates are in addition to those aircraft leased from us.

(3) This table does not reflect aircraft which our unconsolidated affiliates may have on order or under option.

(4) Signed client contracts are currently in place for 5 of these aircraft.

Includes 4 aircraft with delivery dates in fiscal year 2013 that are cancellable until August 31, 2011 with penalties of \$0.8 million (5) each.

## BRISTOW GROUP INC. AND SUBSIDIARIES

### GAAP RECONCILIATIONS

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. Adjusted EBITDA is calculated by taking our income before provision for income taxes and adjusting for interest expense, depreciation and amortization, gain on disposal of assets and special items, if any. Adjusted operating income, adjusted net income and adjusted diluted earnings per share are each adjusted for gain on disposal of assets and special items, if any, during the reported periods. Management believes these non-GAAP financial measures provide meaningful supplemental information regarding our results because they exclude amounts that management does not consider part of our normal and recurring operations when assessing and measuring the operational and financial performance of the organization. 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 Months Ended                       |                  |                       |                      |                   |
|--|--|------------------|-----------------------|----------------------|-------------------|
|  | June 30,<br>2011                         | June 30,<br>2010 | September 30,<br>2010 | December 31,<br>2010 | March 31,<br>2011 |
|  | (In thousands, except per share amounts) |                  |                       |                      |                   |
|  | (Unaudited)                              |                  |                       |                      |                   |
| Adjusted EBITDA                          | \$ 58,072                                | \$ 58,099        | \$ 72,687             | \$ 64,435            | \$ 73,309         |
| Gain on disposal of assets               | 1,416                                    | 1,718            | 1,897                 | (33)                 | 6,596             |
| Special items                            | —  | —                | —                     | 1,200                | (2,445)           |
| Interest expense                         | (8,955)                                  | (11,038)         | (11,452)              | (13,773)             | (9,924)           |
| Depreciation and amortization            | (22,708)                                 | (19,331)         | (20,968)              | (21,338)             | (29,240)          |
| Income before provision for income taxes | <u>\$ 27,825</u>                         | <u>\$ 29,448</u> | <u>\$ 42,164</u>      | <u>\$ 30,491</u>     | <u>\$ 38,296</u>  |
| Adjusted operating income                | \$ 34,989                                | \$ 37,961        | \$ 51,662             | \$ 43,172            | \$ 50,057         |
| Gain on disposal of assets               | 1,416                                    | 1,718            | 1,897                 | (33)                 | 6,596             |
| Special items                            | —  | —                | —                     | 3,500                | (6,806)           |
| Operating income                         | <u>\$ 36,405</u>                         | <u>\$ 39,679</u> | <u>\$ 53,559</u>      | <u>\$ 46,639</u>     | <u>\$ 49,847</u>  |
| Adjusted net income                      | \$ 19,965                                | \$ 19,588        | \$ 37,132             | \$ 26,285            | \$ 31,623         |
| Gain on disposal of assets               | 1,080                                    | 1,220            | 1,748                 | (27)                 | 5,378             |
| Special items                            | —  | —                | —                     | 15,501               | (6,133)           |
| Net income                               | <u>\$ 21,045</u>                         | <u>\$ 20,808</u> | <u>\$ 38,880</u>      | <u>\$ 41,759</u>     | <u>\$ 30,868</u>  |
| Adjusted diluted earnings per share      | \$ 0.54                                  | \$ 0.54          | \$ 1.01               | \$ 0.71              | \$ 0.86           |
| Gain on disposal of assets               | 0.03                                     | 0.03             | 0.05                  | —                    | 0.15              |
| Special items                            | —  | —                | —                     | 0.42                 | (0.17)            |
| Diluted earnings per share               | <u>\$ 0.57</u>                           | <u>\$ 0.57</u>   | <u>\$ 1.06</u>        | <u>\$ 1.13</u>       | <u>\$ 0.84</u>    |

SOURCE Bristow Group Inc.