Shareowner Frequently Asked Questions regarding Rockwell Collins’ acquisition of B/E Aerospace

1. When was the acquisition completed?

   Answer: Rockwell Collins, Inc. (NYSE Ticker: COL) completed the acquisition of B/E Aerospace, Inc. (Nasdaq Ticker: BEAV) before the market opened on April 13, 2017. As a result of the closing of the transaction, BEAV ceased trading on the Nasdaq national market on April 12, 2017.

2. As a former BEAV shareowner, what did I receive as a result of the acquisition?

   Answer: Each share of BEAV common stock received an amount equal to (a) $34.10 in cash, without interest, and (b) 0.3101 shares of COL common stock, $0.01 par value. Fractional shares were redeemed in cash. Each fractional share was valued using a COL stock price of $98.273, which was the average volume–weighted average price of COL common stock over the 20 consecutive trading days ending on April 12, 2017. Note, $98.273 should not be used as the cost basis for your new shares.

3. What is the cost basis of my new shares of COL?

   Answer: Since the transaction is considered a taxable event as referenced below, the cost basis in each full share of COL common stock received by each former BEAV shareowner is $97.99. This amount is equivalent to the fair market value of a COL share as of the close of market on April 12, 2017 and the open of market on April 13, 2017.

4. What is the tax treatment for the cash and shares that each former BEAV shareowner received?

   Answer: The transaction is considered a taxable event for U.S. federal income tax purposes for U.S. holders. If a U.S. holder’s holding period in the BEAV shares was greater than one year as of the date of the merger, the gain or loss over the adjusted tax basis in the BEAV shares exchanged in the merger will be long-term capital gain or loss. You should consult with your own tax advisor.
regarding the potential tax consequences in your particular circumstances.

Recognizing that tax consequences will depend on specific situations, the following example may be helpful. This example assumes a former BEAV shareowner held 100 BEAV shares at the time of the merger. The total consideration received by the former BEAV shareowner would be as follows:

1) 100 BEAV shares multiplied by $34.10 in cash = $3,410 cash received
2) 100 BEAV shares multiplied by 0.3101 COL shares = 31.01 shares of COL received
   a. 31 COL whole shares multiplied by $97.99 fair market value of COL at the time of the merger = $3,037.69
   b. 0.01 fractional shares of COL multiplied by $98.273 = $0.98

Total consideration received: $3,410+$3,037.69+$0.98= $6,448.67. Gain or loss would be determined by the difference between this amount and the former BEAV shareowner’s adjusted basis in the 100 BEAV shares exchanged for the merger consideration.

As mentioned above, the new tax basis in the 31 whole COL shares received would be $97.99 per COL share.

5. Who should I contact if I have questions about the receipt of my cash and COL shares?

Answer: If you held your BEAV shares in a brokerage account, you will need to contact your broker.

If you held your BEAV shares in certificate form or in book entry, you will need to contact the exchange agent as follows:

Wells Fargo Shareowner Services
Corporate Actions Department
Phone 1-800-468-9716