

CHICAGO BRIDGE & IRON CO N V

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### **McDermott Reports Growing Revenue, First Quarter Earnings**

McDermott's growing revenue pipeline, key contracts from Saudi Aramco and BP and continued excellent operational performance driven by the One McDermott Way were some of the key factors that drove the strong first quarter 2018 financial and operational results reported April 24.

I am extremely pleased with the performance our team delivered this quarter and the strong traction we are getting in the market, said David Dickson, President and Chief Executive Officer of McDermott. We achieved a significant milestone with over 84 million man-hours Lost-Time Incident ( LTI ) free as of March 31, 2018, demonstrating our continual commitment to safety. Our overall revenue opportunity pipeline remains strong at \$25 billion, with our disciplined bidding activity during the quarter resulting in a substantial increase to bids and change orders outstanding. Further, our legacy loss making projects are now substantially complete. As market conditions improve for our customers, opportunities for the combined organization continue to increase as our customers remain enthusiastic about the vertically integrated solution a combined McDermott and CB&I will offer.

First quarter 2018 earnings attributable to McDermott stockholders, computed in accordance with Generally Accepted Accounting Principles (GAAP), were \$35.2 million compared to \$21.9 million for the prior-year first quarter. McDermott operating income and operating margin for the first quarter of 2018 were \$68.4 million and 11.3%, compared to \$56.0 million and 10.8% for the first quarter of 2017.

McDermott reported first quarter 2018 revenues of \$607.8 million, an increase of \$88.4 million, compared to revenues of \$519.4 million for the prior-year first quarter. The key projects driving revenues for the first quarter of 2018 were the Saudi Aramco LTA II Lump Sum, Saudi Aramco Safaniya Phase 5, Inpex Ichthys and Pemex Abkatun-A2 projects. The increase from the prior-year first quarter was primarily due to the settlement of a significant change order in Asia and an increase in activity in the Middle East.

David also highlighted McDermott's continuing success in completing a key milestone for the financing of the combination with the closing of the notes offering and our integration teams have identified potential incremental savings of \$100 million in addition to the expected \$250 million in annualized cost synergies previously announced. We are excited to complete our transformational combination with CB&I so that we can begin integrating our two companies and deliver on the significant value-creating benefits of the transaction, he said.

As of March 31, 2018, McDermott's backlog was \$3.4 billion, compared to \$3.9 billion at December 31, 2017. Order intake in the first quarter of 2018 totaled \$321.2 million. In total, the revenue opportunity pipeline, including the backlog, was \$25.0 billion as of March 31, 2018, an increase of approximately \$0.5 billion from \$24.5 billion as of December 31, 2017 and \$5.4 billion from \$19.6 billion as of March 31, 2017.

### **Forward-Looking Statements**

McDermott cautions that statements in this communication which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties that may impact actual results of operations of McDermott, including after the proposed business combination with CB&I. These forward-looking statements include, among other things, statements about backlog, bids and change orders outstanding, target projects and revenue opportunity pipeline, to the extent these may be viewed as indicators of future revenues or profitability, and the anticipated benefits of the proposed combination with CB&I. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: the ability of McDermott and CB&I to obtain the shareholder approvals necessary to complete the proposed combination on the anticipated timeline or at all; the risk that a condition to the closing of the proposed combination may not be satisfied, or that the proposed combination may fail to close, including as the result of any inability to obtain the financing for the combination; the outcome of any legal proceedings, regulatory proceedings or enforcement matters that may be instituted relating to the proposed combination; the costs incurred to consummate the proposed combination; the possibility that the expected synergies from the proposed combination will not be realized, or will not be realized within the expected time period; difficulties related to the integration of the two companies; the credit ratings of the combined businesses following the proposed combination; disruption from the proposed combination making it more difficult to maintain relationships with customers, employees, regulators or suppliers; the diversion of management time and attention on the proposed combination; adverse changes in the markets in which McDermott and CB&I operate or credit markets; the inability of McDermott or CB&I to execute on contracts in backlog successfully; changes in project design or schedules; the availability of qualified personnel; changes in the terms, scope or timing of contracts; contract cancellations; change orders and other modifications and actions by customers and other business counterparties of McDermott and CB&I; changes in industry norms; and adverse outcomes in legal or other dispute resolution proceedings. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. You should not place undue reliance on forward-looking statements. For a more complete discussion of these and other risk factors, please see each of McDermott's and CB&I's annual and quarterly filings with the Securities

and Exchange Commission, including their respective annual reports on Form 10-K for the year ended December 31, 2017. This communication reflects the views of McDermott's management as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

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### **Additional Information and Where to Find It**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any proxy, vote or approval with respect to the proposed transactions or otherwise, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed transactions, McDermott International, Inc. ( McDermott ) has filed a Registration Statement on Form S-4 (the Registration Statement ) with the U.S. Securities and Exchange Commission (the SEC ) that includes (1) a joint proxy statement of McDermott and Chicago Bridge & Iron Company N.V. ( CB&I ), which also constitutes a prospectus of McDermott and (2) an offering prospectus of McDermott Technology, B.V. in connection with McDermott Technology, B.V.'s offer to acquire CB&I shares. The Registration Statement was declared effective by the SEC on March 29, 2018. McDermott and CB&I have mailed the definitive joint proxy statement/prospectus to stockholders of McDermott and shareholders of CB&I. In addition, McDermott and McDermott Technology, B.V. have filed a Tender Offer Statement on Schedule TO-T (the Schedule TO ) with the SEC and CB&I has filed a Solicitation/Recommendation Statement on Schedule 14D-9 (the Schedule 14D-9 ) with respect to the exchange offer. The solicitation and offer to purchase shares of CB&I's common stock is only being made pursuant to the Schedule TO and related offer to purchase. This material is not a substitute for the joint proxy statement/prospectus, the Schedule TO, the Schedule 14D-9 or the Registration Statement or for any other document that McDermott or CB&I may file with the SEC and send to McDermott's and/or CB&I's shareholders in connection with the proposed transactions. BEFORE MAKING ANY VOTING OR INVESTMENT DECISION OR DECISION WITH RESPECT TO THE EXCHANGE OFFER, WE URGE INVESTORS OF CB&I AND MCDERMOTT TO READ THE REGISTRATION STATEMENT, JOINT PROXY STATEMENT/PROSPECTUS, SCHEDULE TO (INCLUDING THE OFFER TO PURCHASE, RELATED LETTER OF TRANSMITTAL AND OTHER OFFER DOCUMENTS) AND SCHEDULE 14D-9, AS EACH MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, AND OTHER RELEVANT DOCUMENTS FILED BY MCDERMOTT AND CB&I WITH THE SEC CAREFULLY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MCDERMOTT, CB&I AND THE PROPOSED TRANSACTIONS.

Investors are able to obtain free copies of the Registration Statement, joint proxy statement/prospectus, Schedule TO and Schedule 14D-9, as each may be amended from time to time, and other relevant documents filed by McDermott and CB&I with the SEC at <http://www.sec.gov>, the SEC's website, or free of charge from McDermott's website (<http://www.mcdermott.com>) under the tab Investors and under the heading Financial Information or by contacting McDermott's Investor Relations Department at (281) 870-5147. These documents are also available free of charge from CB&I's website (<http://www.cbi.com>) under the tab Investors and under the heading SEC Filings or by contacting CB&I's Investor Relations Department at (832) 513-1068.

### **Participants in Proxy Solicitation**

McDermott, CB&I and their respective directors and certain of their executive officers and employees may be deemed, under SEC rules, to be participants in the solicitation of proxies from McDermott's and CB&I's shareholders in connection with the proposed transactions. Information regarding the officers and directors of McDermott is included in its annual report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 21, 2018, as amended by its annual report on Form 10-K/A filed with the SEC on March 8, 2018. Information regarding the officers and directors of CB&I is included in its annual report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 21, 2018, as amended by its annual report on Form 10-K/A filed with the SEC on March 22, 2018. Additional information regarding the persons who may be deemed participants and their interests is set forth in the Registration Statement and joint proxy statement/prospectus and other materials filed with the SEC in connection with the proposed transactions. Free copies of these documents may be obtained as described in the paragraphs above.