

2000 FINANCIALS

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets forth Selected Consolidated Financial and Other Data for the periods and as of the dates indicated. The selected consolidated income statement and cash flow data for each of the years in the five-year period ended December 31, 2000 and the selected consolidated balance sheet data as of December 31, 2000, 1999, 1998, 1997 and 1996 have been derived from the audited consolidated financial statements of Chicago Bridge & Iron Company N.V. and Subsidiaries (the "Company").

(In thousands, except share and employee data)

Years Ended December 31,	2000	1999	1998	1997	1996
INCOME STATEMENT DATA					
Revenues	\$ 634,108	\$ 674,770	\$ 775,692	\$ 672,811	\$ 663,721
Cost of revenues	568,323	598,335	703,363	609,173	590,030
Gross profit	65,785	76,435	72,329	63,638	73,691
Selling and administrative expenses	47,215	49,849	46,959	44,988	42,921
Other operating income, net ⁽¹⁾	(2,400)	(2,788)	(991)	(4,807)	(493)
Special charges ⁽²⁾	55,664	—	—	—	—
Management Plan charge ⁽³⁾	—	—	—	16,662	—
(Loss) income from operations	(34,694)	29,374	26,361	6,795	31,263
Interest expense	(5,190)	(2,980)	(3,488)	(3,892)	(5,002)
Interest income	430	766	1,616	1,416	990
(Loss) income before taxes and minority interest	(39,454)	27,160	24,489	4,319	27,251
Income tax benefit (expense)	7,020	(7,605)	(7,347)	730	(7,789)
(Loss) income before minority interest	(32,434)	19,555	17,142	5,049	19,462
Minority interest in (income) loss	(1,341)	(1,171)	(105)	354	(2,900)
Net (loss) income	\$ (33,775)	\$ 18,384	\$ 17,037	\$ 5,403	\$ 16,562
PER SHARE DATA					
Net (loss) income—basic ^{(2) (4)}	\$ (3.59)	\$ 1.67	\$ 1.41	\$ 0.43	N/A
Net (loss) income—diluted ^{(2) (4)}	(3.59)	1.65	1.40	0.43	N/A
Dividends ⁽⁴⁾	0.24	0.24	0.24	0.18	N/A
BALANCE SHEET DATA					
Total assets	\$ 543,577	\$ 337,325	\$ 348,709	\$ 400,650	\$ 351,496
Long-term debt	101,800	25,000	5,000	44,000	53,907
Total shareholders' equity	155,747	104,410	101,656	103,826	90,746
Contract capital ⁽⁵⁾	65,823	71,321	76,969	95,243	121,926
CASH FLOW DATA					
Cash flows from operating activities	\$ 4,086	\$ 22,461	\$ 50,824	\$ 40,407	\$ 25,159
Cash flows from investing activities	(65,568)	(8,911)	(2,142)	(21,907)	(11,348)
Cash flows from financing activities	50,618	(779)	(53,286)	(20,124)	(14,797)
OTHER FINANCIAL DATA					
Depreciation and amortization	\$ 17,541	\$ 17,765	\$ 17,710	\$ 16,911	\$ 17,281
Adjusted EBITDA ⁽⁶⁾	38,511	47,139	44,071	40,368	48,544
Capital expenditures	11,525	13,450	12,249	34,955	20,425
OTHER DATA					
Number of employees:					
Salaried	1,737	1,378	1,525	1,464	1,516
Hourly and craft	3,954	4,288	4,928	4,630	4,432
New business taken ⁽⁷⁾	\$ 707,413	\$ 716,499	\$ 760,989	\$ 757,985	\$ 687,227
Backlog ⁽⁷⁾	605,883	510,614	507,783	554,982	485,704

FOOTNOTES FOR PREVIOUS TABLE

⁽¹⁾ Other operating income, net generally represents gains on the sale of property, plant and equipment. 1997 was favorably impacted by non-recurring income of approximately \$4.0 million from the recognition of income related to a favorable appeals court decision and the resolution of disputed liabilities. In addition, 1997 includes a \$1.6 million gain from the sale of assets, primarily from the sale of the Cordova, Alabama, manufacturing facility.

⁽²⁾ In 2000, the Company recognized special charges of \$55.7 million (\$44.1 million after-tax), which is equivalent to a net loss per common share of \$4.69. Excluding the special charges, net income per common share was \$1.10. Included in special charges were a \$28.2 million non-cash valuation allowance against a net long-term receivable for the Indonesian Tuban (T.P.P.I.) Project; \$22.2 million in special charges for payments associated with the Company's voluntary resignation offer, severance and other benefits-related costs; and \$5.3 million in facilities-related expenses.

⁽³⁾ Upon consummation of the Offering (Note 1), the Company made a contribution to the Chicago Bridge & Iron Management Defined Contribution Plan (the "Management Plan") in the form of 925,670 shares having a value of \$16.7 million. Accordingly, the Company recorded expense of \$16.7 million in 1997. Except as described in Note 13, all shares have vested and have been distributed.

⁽⁴⁾ A Reorganization (Note 1) was completed in March 1997 and did not materially affect the carrying amounts of the Company's assets and liabilities. The Reorganization is reflected in the Company's financial statements as of January 1, 1997. Also in March 1997, the Company completed a common share offering (the "Offering"—Note 1). Thus, net income per share and dividend data are not applicable for years prior to 1997.

⁽⁵⁾ Contract capital is defined as contract receivables plus net contracts in progress less accounts payable.

⁽⁶⁾ Adjusted EBITDA is defined as income (loss) from operations plus special charges, plus the Management Plan charge, plus depreciation and amortization expenses. While EBITDA should not be construed as a substitute for operating income (loss) or a better measure of liquidity than cash flow from operating activities, which are determined in accordance with United States GAAP, it is included herein to provide additional information regarding the ability of the Company to meet its capital expenditures, working capital requirements and any future debt service. EBITDA is not necessarily a measure of the Company's ability to fund its cash needs, particularly because it does not include capital expenditures. See "Management's Discussion and Analysis of Results of Operations and Financial Condition."

⁽⁷⁾ New business taken represents the value of new project commitments received by the Company during a given period. Such commitments are included in backlog until work is performed and revenue recognized or until cancellation. Backlog may also fluctuate with currency movements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and accompanying Notes.

RESULTS OF OPERATIONS

The following table indicates new business taken by geographic area for the years ended December 31, 2000, 1999 and 1998:

(In millions)

	2000	1999	1998
NEW BUSINESS TAKEN BY GEOGRAPHIC AREA			
North America	\$ 404	\$ 293	\$ 276
Europe, Africa, Middle East	83	296	211
Asia Pacific	63	75	108
Central and South America	157	52	166
Total	\$ 707	\$ 716	\$ 761

2000 VERSUS 1999

NEW BUSINESS TAKEN/BACKLOG—New business taken during 2000 was \$707.4 million compared with \$716.5 million in 1999. Over 57% of the new business taken during 2000 was for contracts awarded in North America. During 2000, new business taken increased 200% in the Central and South America (CSA) area and included the following significant awards: a liquefied natural gas (LNG) storage tank in the Caribbean, an LNG terminal in the Dominican Republic for an electric power project and tankage for a heavy crude oil storage terminal in Venezuela. New business in North America increased 38% during 2000 and included awards for process vessels and tankage for a Canadian oil sands project, pressure vessels for a refinery turnaround project in California and a grassroots storage terminal in North America. New business during 2000 declined 72% in the Europe, Africa, Middle East (EAME) area and 15% in the Asia Pacific (AP) area. The decline was due in large measure to softer regional demand from the Company's core hydrocarbon customers, coupled with the fact that the EAME area received an order in 1999 for an LNG expansion project valued in excess of \$100 million. Backlog at December 31, 2000 was \$605.9 million (including backlog of \$125.1 million from the acquisition of Howe-Baker International, L.L.C. ["HBI"]) compared with the backlog at December 31, 1999 of \$510.6 million. During 2000, the Company removed the \$50.0 million remaining on the Tuban (T.P.P.I.) Project (Note 4) from backlog.

Including the backlog acquired from the Engineered Construction Division and the Water Division ("PDM Divisions") of Pitt-Des Moines, Inc. ("PDM") in February 2001, backlog increased to approximately \$750 million at December 31, 2000 on a pro forma basis. The Company anticipates new business in 2001 to increase due to the following factors: additional business opportunities resulting from recent acquisitions, an emerging upturn in the energy market and an upturn in capital spending by customers in the hydrocarbon industry.

REVENUES—Revenues were \$634.1 million in 2000 compared with \$674.8 million in 1999. The decline in revenues year over year was due primarily to reduced capital spending in the hydrocarbon industry and the resultant impact on the Company's base business. The Company's revenues fluctuate based on the changing project mix and are dependent on the amount and timing of new awards, and on other matters such as project schedules. During 2000, revenues increased 12% in North America and 11% in the EAME area, but declined 44% in the CSA area and 36% in the AP area. The decrease in revenue in the CSA area resulted from a significant volume of work being put in place in 1999 following a record level of new business awarded during 1998. Included in the 2000 results was \$44.0 million in revenues from start-up and recently acquired businesses. HBI has not been included in the results of operations for 2000, but will be reflected effective January 1, 2001.

The Company expects improving market conditions in the second half of 2001 and anticipates that total revenue for 2001, including HBI and 11 months for the PDM Divisions, should exceed \$1.1 billion. Achievement of this expectation is dependent on the amount and timing of new awards, and on other matters such as project schedules. Revenues in 2001 are expected to improve as contract awards, particularly in CSA, taken in 2000 are put into place. The Company's flow of revenue will fluctuate based on the changing mix of projects worldwide. Based on the current backlog, it is expected that there will be a shift in the geographic distribution of revenues with an increase in North America and CSA and a decline in EAME.

GROSS PROFIT—Gross profit decreased \$10.6 million to \$65.8 million in 2000 from \$76.4 million in 1999. Gross profit as a percentage of revenues ("gross margin") was 10.4% in 2000 and 11.3% in 1999, reflecting market conditions and \$3.2 million of continuing start-up costs at the Company's high purity piping business.

SPECIAL CHARGES—During 2000, the Company took additional actions to size its operations appropriately for the level of base business going forward and to position its core business in advance of the acquisition and integration of HBI. The Company recognized special charges of \$55.7 million in 2000. The Company recorded charges of \$17.7 million for involuntary and voluntary terminations of 275 employees (including 230 salaried employees, a 16% reduction in the Company's pre-HBI number of salaried employees) and \$4.5 million for other benefits-related charges. The Company also recognized charges of \$5.3 million reflecting the commitment to down-size or lower costs at five facilities worldwide and other exit costs including asset write-downs and lease termination costs. A special charge of \$28.2 million in the fourth quarter resulted from a full valuation allowance against a net long-term receivable for the Tuban (T.P.P.I.) Project and was based on the Company's assessment of the status of the project. For a further discussion of the special charges, see Note 4 to the Consolidated Financial Statements.

The Company anticipates integration costs and synergies for the recent acquisitions to be about equal at \$4.0 – \$5.0 million each during 2001. Restructuring costs including facility rationalizations are expected to be higher than the integration savings during the first half of 2001.

(LOSS) INCOME FROM OPERATIONS—Income from operations, excluding the special charges, decreased 28.6% to \$21.0 million in 2000, compared with \$29.4 million in 1999. The decline was due primarily to losses at the aforementioned high purity piping business totaling \$7.9 million for the year. The Company continues to evaluate and has taken certain actions to improve results from its high purity piping business. Including the special charges, the loss from operations was \$34.7 million. The fourth quarter of 2000 results include the recognition of \$3.1 million of income related to a favorable trial court decision from a claim against certain of the Company's insurers to recover legal fees expended in an environmental litigation. Selling and administrative expenses decreased to \$47.2 million, or 7.4% of revenues, in 2000 compared with \$49.8 million, or 7.4% of revenues, in 1999. The 2000 selling and administrative expenses included \$4.7 million for the high purity piping business and a \$3.8 million decrease in performance-based and variable pay compared with 1999.

Interest expense increased \$2.2 million to \$5.2 million in 2000 from \$3.0 million in 1999. The increase was mostly due to higher average debt levels in 2000. Interest income consisted primarily of interest earned on cash balances at non-U.S. subsidiaries and decreased to \$0.4 million in 2000 compared with \$0.8 million in 1999. Net interest expense increased \$2.6 million to \$4.8 million in 2000 compared with \$2.2 million in 1999. The Company expects interest expense to increase in 2001 compared with 2000 due to higher average debt levels, primarily from recent acquisitions, and additional cash requirements for the repurchase of shares from PDM.

The Company recorded a \$7.0 million income tax benefit in 2000 compared with a \$7.6 million income tax expense in 1999. Excluding the special charges, income tax expense would have been \$4.5 million in 2000, or an effective tax rate of 28.0% in 2000 compared with 28.0% in 1999. The Company believes the inclusion of HBI will generate U.S. taxable income and as a result is anticipating an effective tax rate of 34% in 2001.

Net income for 2000 was \$10.3 million, or \$1.10 per diluted share, excluding the special charges, compared with net income of \$18.4 million, or \$1.65 per diluted share, for 1999. Including the special charges, the net loss for 2000 was \$33.8 million or \$3.59 per diluted share, and the fourth quarter net loss was \$39.4 million or \$4.08 per diluted share.

1999 VERSUS 1998

NEW BUSINESS TAKEN/BACKLOG—New business taken during 1999 was \$716.5 million compared with a historically high level of \$761.0 million in 1998. The level of new business taken was achieved in spite of challenging market conditions for the engineering and construction industry. Included in the 1999 new business taken was an order for an LNG expansion project in Nigeria worth in excess of \$100 million, one of the Company's largest single project awards in over a decade, and tankage for a crude export terminal in Russia on the Black Sea at the terminus of the Caspian pipeline. Over 59% of the new business taken during 1999 was for contracts awarded outside of North America. During 1999, new business taken increased 40% in the EAME area and 6% in North America, but declined 68% in the CSA area and 31% in the AP area. The CSA decline is a result of returning to a more historic level of new business after the record level of new business achieved in 1998. Backlog at December 31, 1999 was \$510.6 million compared with the backlog at December 31, 1998 of \$507.8 million.

REVENUES—Revenues were \$674.8 million in 1999 compared with \$775.7 million in 1998, reflecting the difficult industry conditions. Revenues in 1999 were lower in all areas except CSA. The increase in revenue in the CSA area resulted from a significant volume of work being put in place following a record level of new business awarded during 1998, including three heavy crude oil projects in Venezuela. Compared with the prior year, 1999 revenues declined primarily due to mechanical work put in place on the Saldanha Steel project in South Africa during 1998.

GROSS PROFIT—Gross profit increased \$4.1 million to \$76.4 million in 1999 from \$72.3 million in 1998. Gross margin was 11.3% in 1999 and 9.3% in 1998. Gross profit increased as a result of project cost savings, contract extras and expanded scope. Gross profit also benefited from favorable developments related to outstanding legal exposures, including reductions of \$1.0 million from product liability litigation and \$0.8 million from potential liability claims.

INCOME FROM OPERATIONS—Income from operations increased 11.4% to \$29.4 million in 1999, compared with \$26.4 million in 1998. The significant turnaround in CSA, driven by increased volume and improved project execution, was a key reason for the increase. Selling and administrative expenses increased to \$49.8 million, or 7.4% of revenues, in 1999 compared with \$47.0 million, or 6.1% of revenues, in 1998. Most of the increase came in the fourth quarter of 1999 and reflects the cost of stock and performance-based pay, selling expense for pursuing work in new geographies and costs related to the Company's new high-technology businesses.

Interest expense decreased \$0.5 million to \$3.0 million in 1999 from \$3.5 million in 1998. The decrease primarily reflected lower average debt levels. Interest income consisted primarily of interest earned on cash balances at non-U.S. subsidiaries and decreased to \$0.8 million in 1999 compared with \$1.6 million in 1998. Net interest expense increased \$0.3 million to \$2.2 million in 1999 compared with \$1.9 million in 1998.

The Company recorded income tax expense of \$7.6 million in 1999 compared with a \$7.3 million income tax expense in 1998. The effective tax rate was 28.0% in 1999 compared with 30.0% in 1998. The lower effective tax rate was the result of higher earnings in countries with lower tax rates.

Net income for 1999 was \$18.4 million, or \$1.65 per diluted share, an 18% increase, compared with net income of \$17.0 million, or \$1.40 per diluted share, for 1998.

LIQUIDITY AND CAPITAL RESOURCES

In 2000, the Company generated cash from operations of \$4.1 million compared with \$22.5 million in 1999. The reduction in operating cash flow was due primarily to \$7.1 million of payments related to special charges and \$11.0 million from reduced operating income and increased net interest expense.

In 2000, the Company expended \$11.5 million for capital expenditures and realized \$4.2 million in proceeds from the sale of property and equipment. The capital expenditures in 2000 included \$6.3 million for field equipment, \$3.6 million for the improvement of facilities and \$1.6 million for information systems. In 1999, the Company expended \$13.5 million for capital expenditures and realized \$4.5 million in proceeds from the sale of field equipment and an excess warehouse facility. The capital expenditures in 1999 included \$5.9 million for information systems, \$4.8 million for field equipment and \$2.8 million for the improvement of facilities.

On December 1, 2000, the Company and a group of five banks entered into a three-year, unsecured \$200 million revolving credit facility replacing the Company's prior \$100 million revolving credit facility. Under the new revolving credit facility, committed amounts are available for general corporate purposes, including working capital, letters of credit, share repurchase, acquisitions and other requirements of the Company. Letters of credit may be issued, subject to a \$100 million sublimit, on a committed basis and expire one year after issuance, unless otherwise provided. The revolving credit facility will terminate on December 1, 2003.

At December 31, 2000, the Company's long-term debt stood at \$101.8 million compared with \$25.0 million at the end of 1999. This increase reflects expenditures for business acquisitions of \$58.3 million, assumed debt of \$5.7 million from the HBI acquisition and \$18.8 million for the purchase of 1,183,664 shares of the Company's stock, or 12% of shares outstanding as of year-end 1999. During 1999, the Company had repurchased 1,354,033 shares, or 12% of shares outstanding as of year-end 1998 for \$17.5 million. The Company ended 2000 with contract capital of \$65.8 million, a \$5.5 million decrease from December 31, 1999. Cash and cash equivalents at year-end were \$7.5 million compared with \$18.4 million at the end of 1999.

On December 28, 2000, the Company acquired the entire ownership interest of Howe-Baker International, L.L.C. from WEDGE Group Incorporated ("WEDGE") for a consideration of 8,146,665 shares of the Company (valued at \$12.8875 per share), \$43.0 million in cash and the assumption of certain liabilities. The issuance of these shares resulted in a 85% increase in shares outstanding at the date of acquisition. Immediately following this transaction, First Reserve Fund VIII, L.P. ("First Reserve") acquired from WEDGE 4,323,333 shares of the Company. As part of this transaction, First Reserve purchased an additional 530,000 shares of the Company from WEDGE and one of its affiliates and the Company agreed to grant First Reserve a warrant to purchase 82,118 shares of the Company at an exercise price of NLG .01 per share. First Reserve exercised this warrant on February 22, 2001.

On February 7, 2001, the Company acquired substantially all of the assets of the Engineered Construction Division and the Water Division of Pitt-Des Moines, Inc. (Note 16) for 2,848,172 shares of the Company (including 282,575 collar shares for price protection, if required) and \$40.0 million in cash. PDM is obligated to remit to the Company net proceeds from the disposition of these shares in excess of \$44.0 million. The source of funds for the cash portion of the purchase price was a private placement of 837,692 shares of the Company to Farinvest, Ltd., an affiliate of WEDGE (for a price of \$13.6 million) and 1,623,846 shares of the Company plus a warrant to purchase 251,598 shares of the Company at an exercise price of NLG .01 per share to First Reserve (for a total price of \$26.4 million), plus a warrant for 250,000 shares of the Company, subject to decrease depending on the number of shares repurchased by the Company prior to June 30, 2001. The issuance of a total of 5,309,710 shares represents a 30% increase in shares outstanding from December 31, 2000. First Reserve exercised the warrant to purchase 251,598 shares on February 22, 2001. On March 15, 2001, the Company called 524,781 shares from PDM priced at \$9.0 million and a return of the 282,575 collar shares issued for price protection. The Company sold these 807,356 shares at \$17.75 (less expenses), based on an agreement entered into on February 23, 2001, to an unaffiliated group of investors for a total price of \$14.3 million. PDM has the right to require the Company to repurchase the remaining 2,040,816 shares at \$17.15 per share, for a total price of \$35.0 million. The Company has certain rights to call these shares prior to June 28, 2001. The Company intends to repurchase these shares from PDM. In order to accomplish the buyback of these shares, the Company is in negotiations for the sale and leaseback of its administrative office and has reflected this as an asset held for sale on its balance sheet. In addition, the Company will utilize its revolving credit facility and is also considering the sale and leaseback of other property and equipment, as well as other alternatives to finance the share buyback.

The Company expects its revolving credit facility will be more fully utilized due to debt from the HBI acquisition, the increased size of the Company's operations resulting from recent acquisitions and additional cash requirements for the buyback of shares from PDM. As the Company manages the integration activities of its recent acquisitions, it anticipates reduced liquidity during the first half of 2001 with improvements expected as the year progresses. However, the Company expects to be able to operate within the covenants defined in its existing credit agreement. The Company is also considering the private placement market as an additional financing source.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company is exposed to market risk from changes in foreign currency exchange rates, which may adversely affect its results of operations and financial condition. The Company seeks to minimize the risks from these foreign currency exchange rate fluctuations through its regular operating and financing activities and, when deemed appropriate, through its limited use of foreign currency forward contracts. The Company's exposure to changes in foreign currency exchange rates arises from receivables, payables and firm commitments from international transactions, as well as intercompany loans utilized to finance non-U.S. subsidiaries. The Company does not use financial instruments for trading or other speculative purposes.

The Company uses various methods and assumptions to estimate the fair value of each class of financial instrument. Due to their nature, the carrying value of cash and cash equivalents, trade and accounts receivable, payables, notes payable and long-term debt approximates fair value. The Company's accounting policies and a quantification of its derivative financial instruments are included in Note 2 (Significant Accounting Policies) of the Notes to Consolidated Financial Statements.

EURO CONVERSION

The Euro was introduced on January 1, 1999, at which time the conversion rates between the currencies of the 11 participating European countries that are members of the European Economic and Monetary Union (EMU) and the Euro were set. The local currencies will continue to be used as legal tender through January 1, 2002. Thereafter, the local currencies will be canceled and Euro bills and coins will be used in the 11 participating countries. The Company does not anticipate that the transition to the Euro will have a significant impact on its results of operations, financial position or cash flows.

NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). SFAS 133, as amended by SFAS 138, is effective for fiscal years beginning after June 15, 2000 (quarter ended March 31, 2001, for the Company). The Company has adopted the new Statement effective as of January 1, 2001. Adoption requires the Company to record all derivative instruments on the balance sheet at their fair value and changes in the derivative's fair value are to be recorded each period in earnings, unless specific hedge accounting criteria are met. The effect of this change in accounting does not have a significant effect on the Company's results of operations or its financial position.

FORWARD-LOOKING STATEMENTS

Any statements contained herein that are not based on historical fact are forward-looking statements and represent management's best judgment as to what may occur in the future. The actual outcome and results are not guaranteed, are subject to risks, uncertainties and assumptions and may differ materially from what is expressed. A variety of factors could cause business conditions and results to differ materially from what is contained in the forward-looking statements including, but not limited to, the uncertain timing and the funding of new contract awards; project cancellations and operating risks; cost overruns on fixed-priced contracts; risks associated with percentage of completion accounting; increase in competition by competitors; fluctuating revenues resulting from the cyclical nature of the individual markets in which the Company's customers operate; reduced activity in the hydrocarbon industry, demand from which is the largest component of the Company's revenue; lack of the liquidity needed to finance expenditures prior to receipt of payment for the performance of contracts and to provide bid and performance bonds and letters of credit securing the Company's obligations under its bids and contracts; risks inherent in the Company's acquisition strategy and the ability to obtain financing for proposed acquisitions; and the Company's ability to integrate and successfully operate acquired businesses, including Howe-Baker International, L.L.C. and the Engineered Construction Division and the Water Division of Pitt-Des Moines, Inc., and manage the risks associated with those businesses. In addition, while all mandatory waiting periods for antitrust review have passed, the Federal Trade Commission ("FTC") continues to review certain aspects of the Company's acquisition of PDM's assets and the Company continues to cooperate with the FTC. Additional factors are set forth in the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q and Current Report on Form 8-K (as amended) which describe other factors that could cause actual results to differ from such forward-looking statements, as well as the Company's other filings with the Securities and Exchange Commission. The Company does not undertake to update any forward-looking statements contained herein, whether as a result of new information, future events or otherwise.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and the Supervisory Board of Chicago Bridge & Iron Company N.V.:

We have audited the accompanying consolidated balance sheets of CHICAGO BRIDGE & IRON COMPANY N.V. (a Netherlands corporation) and SUBSIDIARIES as of December 31, 2000 and 1999, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and The Netherlands. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHICAGO BRIDGE & IRON COMPANY N.V. and SUBSIDIARIES as of December 31, 2000 and 1999, and the results of its operations and cash flows for each of the three years ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

Arthur Andersen
Amsterdam, The Netherlands
February 12, 2001

**CHICAGO BRIDGE & IRON COMPANY N.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME**

(In thousands, except per share data)

Years Ended December 31,	2000	1999	1998
Revenues	\$ 634,108	\$ 674,770	\$ 775,692
Cost of revenues	568,323	598,335	703,363
Gross profit	65,785	76,435	72,329
Selling and administrative expenses	47,215	49,849	46,959
Other operating income, net	(2,400)	(2,788)	(991)
Special charges (Note 4)	55,664	—	—
(Loss) income from operations	(34,694)	29,374	26,361
Interest expense	(5,190)	(2,980)	(3,488)
Interest income	430	766	1,616
(Loss) income before taxes and minority interest	(39,454)	27,160	24,489
Income tax benefit (expense)	7,020	(7,605)	(7,347)
(Loss) income before minority interest	(32,434)	19,555	17,142
Minority interest in income	(1,341)	(1,171)	(105)
Net (loss) income	\$ (33,775)	\$ 18,384	\$ 17,037
Net (loss) income per share (Note 2)			
Basic	\$ (3.59)	\$ 1.67	\$ 1.41
Diluted	(3.59)	1.65	1.40

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

**CHICAGO BRIDGE & IRON COMPANY N.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

(In thousands, except share data)

Years Ended December 31,	2000	1999
ASSETS		
Cash and cash equivalents	\$ 7,543	\$ 18,407
Accounts receivable, net of allowance for doubtful accounts of \$1,340 in 2000 and \$1,054 in 1999	130,868	93,811
Contracts in progress with earned revenues exceeding related progress billings (Note 5)	61,126	48,486
Deferred income taxes	14,417	1,266
Assets held for sale	13,391	—
Other current assets	10,965	6,093
Total current assets	238,310	168,063
Property and equipment, net (Note 8)	104,603	104,600
Long-term receivables (Notes 9 and 4)	19,785	28,739
Deferred income taxes	28,332	8,773
Goodwill (Note 2)	134,158	18,010
Other non-current assets	18,389	9,140
Total assets	\$ 543,577	\$ 337,325
LIABILITIES		
Notes payable (Note 6)	\$ 289	\$ 665
Accounts payable	66,465	44,517
Accrued liabilities (Note 8)	59,181	42,259
Contracts in progress with progress billings exceeding related earned revenues (Note 5)	59,706	53,314
Income taxes payable	3,321	4,942
Total current liabilities	188,962	145,697
Long-term debt (Note 6)	101,800	25,000
Other non-current liabilities (Note 8)	63,841	57,367
Minority interest in subsidiaries (Note 9)	33,227	4,851
Total liabilities	387,830	232,915
Commitments and Contingencies (Note 10)		
SHAREHOLDERS' EQUITY		
Common stock, NLG .01 par value; authorized: 35,000,000 in 2000 and 1999; issued: 17,743,030 in 2000 and 11,295,687 in 1999 (Note 12)	91	67
Additional paid-in capital	174,320	93,393
Retained earnings	8,626	44,621
Stock held in Trust (Note 13)	(17,193)	(12,700)
Treasury stock, at cost: 13,922 in 2000 and 1,022,705 in 1999	(225)	(13,729)
Cumulative translation adjustment	(9,872)	(7,242)
Total shareholders' equity	155,747	104,410
Total liabilities and shareholders' equity	\$ 543,577	\$ 337,325

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

CHICAGO BRIDGE & IRON COMPANY N.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

Years Ended December 31,	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	\$ (33,775)	\$ 18,384	\$ 17,037
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Special charges, net of deferred income taxes of \$11,559	44,105	—	—
Payments related to special charges	(7,069)	—	—
Depreciation and amortization	17,541	17,765	17,710
Gain on sale of property and equipment	(2,400)	(1,963)	(991)
Change in operating assets and liabilities (see below)	(14,316)	(11,725)	17,068
Net Cash Provided by Operating Activities	4,086	22,461	50,824
CASH FLOWS FROM INVESTING ACTIVITIES			
Cost of business acquisitions, net of cash acquired (Note 3)	(58,276)	—	—
Capital expenditures	(11,525)	(13,450)	(12,249)
Proceeds from sale of property and equipment	4,233	4,539	10,107
Net Cash Used in Investing Activities	(65,568)	(8,911)	(2,142)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/increase in notes payable	(565)	(2,423)	1,930
Net borrowing/(repayment) under Revolving Credit Facility	71,100	20,000	(39,000)
Purchase of treasury stock	(18,757)	(17,484)	(13,970)
Issuance of treasury stock	1,060	1,742	652
Dividends paid	(2,220)	(2,614)	(2,898)
Net Cash Provided by/(Used in) Financing Activities	50,618	(779)	(53,286)
(Decrease)/increase in cash and cash equivalents	(10,864)	12,771	(4,604)
Cash and cash equivalents, beginning of the year	18,407	5,636	10,240
Cash and cash equivalents, end of the year	\$ 7,543	\$ 18,407	\$ 5,636
CHANGE IN OPERATING ASSETS AND LIABILITIES			
(Increase)/decrease in receivables, net	\$ 3,116	\$ 13,355	\$ 13,874
(Increase)/decrease in contracts in progress, net	(6,168)	(20,578)	15,768
Increase/(decrease) in accounts payable	945	5,333	(11,368)
Change in contract capital	(2,107)	(1,890)	18,274
(Increase)/decrease in other current assets	(1,769)	(599)	6,318
Increase/(decrease) in income taxes payable and deferred income taxes	(3,118)	(1,629)	(1,141)
Increase/(decrease) in accrued and other non-current liabilities	(6,350)	(5,080)	(3,275)
(Increase)/decrease in other	(972)	(2,527)	(3,108)
Total	\$ (14,316)	\$ (11,725)	\$ 17,068
SUPPLEMENTAL CASH FLOW DISCLOSURES			
Cash paid for interest	\$ 5,921	\$ 2,939	\$ 3,899
Cash paid for income taxes	7,140	9,456	5,200

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

CHICAGO BRIDGE & IRON COMPANY N.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands)

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	STOCK HELD IN TRUST	TREASURY STOCK, AT COST	CUMULATIVE TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY
Balance at January 1, 1998	\$ 74	\$ 93,691	\$ 14,712	\$ —	\$ —	\$ (4,651)	\$ 103,826
Comprehensive income (loss)	—	—	17,037	—	—	(3,511)	13,526
Dividends to common shareholders	—	—	(2,898)	—	—	—	(2,898)
Long-Term Incentive Plan amortization	—	520	—	—	—	—	520
Purchase of treasury stock	—	—	—	—	(13,970)	—	(13,970)
Issuance of treasury stock	—	(174)	—	—	826	—	652
Balance at December 31, 1998	74	94,037	28,851	—	(13,144)	(8,162)	101,656
Comprehensive income	—	—	18,384	—	—	920	19,304
Dividends to common shareholders	—	—	(2,614)	—	—	—	(2,614)
Long-Term Incentive Plan amortization	—	1,806	—	—	—	—	1,806
Stock held in Trust (Note 13)	—	12,700	—	(12,700)	—	—	—
Purchase of treasury stock	—	—	—	—	(17,484)	—	(17,484)
Issuance of treasury stock	—	(1,406)	—	—	3,148	—	1,742
Cancellation of treasury stock	(7)	(13,744)	—	—	13,751	—	—
Balance at December 31, 1999	67	93,393	44,621	(12,700)	(13,729)	(7,242)	104,410
Comprehensive (loss)	—	—	(33,775)	—	—	(2,630)	(36,405)
Dividends to common shareholders	—	—	(2,220)	—	—	—	(2,220)
Long-Term Incentive Plan amortization	—	2,969	—	—	—	—	2,969
Stock held in Trust (Note 13)	—	35	—	(35)	—	—	—
Issuance of common stock to Trust (Note 13)	1	4,457	—	(4,458)	—	—	—
Issuance of common stock for acquisition	35	104,655	—	—	—	—	104,690
Purchase of treasury stock	—	—	—	—	(18,757)	—	(18,757)
Issuance of treasury stock	—	(2,037)	—	—	3,097	—	1,060
Cancellation of treasury stock	(12)	(29,152)	—	—	29,164	—	—
Balance at December 31, 2000	\$ 91	\$ 174,320	\$ 8,626	\$ (17,193)	\$ (225)	\$ (9,872)	\$ 155,747

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

CHICAGO BRIDGE & IRON COMPANY N.V. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share data)

1. ORGANIZATION AND NATURE OF OPERATIONS

Chicago Bridge & Iron Company N.V. and Subsidiaries (the "Company"), is a global engineering and construction company specializing in the design and engineering, fabrication, field erection and repair of bulk liquid terminals, storage tanks, process vessels, low temperature and cryogenic storage facilities and other steel plate structures and their associated systems. Based on its knowledge of and experience in its industry, the Company believes it is the leading provider of field erected steel tanks and other steel plate structures, associated systems and related services in North America and one of the leading providers of these specialized products and services in the world. The Company seeks to maintain its leading industry position by focusing on its technological expertise in design, metallurgy and welding, along with its ability to complete logistically and technically complex metal plate projects virtually anywhere in the world. The Company has been continuously engaged in the engineering and construction industry since its founding in 1889. On December 28, 2000, the Company acquired Howe-Baker International, L.L.C. (Note 3), a global technology company specializing in the engineering and construction of hydrocarbon processing plants for customers in the refining, petrochemical and natural gas industries, which was organized and began operations in 1947.

HISTORICAL ORGANIZATION—During the periods and as of the dates prior to January 1, 1996, Chicago Bridge & Iron Company ("CB&I") was a wholly owned subsidiary of Chi Bridge Holdings, Inc. ("Holdings"), which in turn was a wholly owned subsidiary of CBI Industries, Inc. ("Industries"). On January 12, 1996, pursuant to the merger agreement dated December 22, 1995, Industries became a subsidiary of Praxair, Inc. ("Praxair" and "former Parent Company"). This merger transaction was reflected in CB&I's consolidated financial statements as a purchase effective January 1, 1996.

COMMON STOCK OFFERING—In December 1996, the Company filed a registration statement with the Securities and Exchange Commission for an initial public offering (the "Offering") of a majority of the shares of the Company's Common Stock, par value NLG .01 (the "Common Stock"). Effective March 1997, after the Reorganization discussed below, the Company completed the Offering of 11,045,941 shares of Common Stock at \$18.00 per share. The Company did not receive any proceeds from the Offering, but paid a portion of the Offering costs.

REORGANIZATION—In March 1997, Holdings effected a reorganization (the "Reorganization") whereby Holdings transferred the business of CB&I to Chicago Bridge & Iron Company N.V., a corporation organized under the laws of The Netherlands. The Reorganization did not affect the carrying amounts of CB&I's assets and liabilities, nor result in any distribution of its cash or other assets to Praxair. The Reorganization is reflected in the Company's financial statements effective January 1, 1997.

NATURE OF OPERATIONS—Projects for the worldwide petroleum and petrochemical industry accounted for approximately 60-70% of the Company's revenues in 2000, 1999 and 1998. Numerous factors influence capital expenditure decisions in this industry, which are beyond the control of the Company. Therefore, no assurance can be given that the Company's business, financial condition and results of operations will not be adversely affected because of reduced activity due to the price of oil or changing taxes, price controls and laws and regulations related to the petroleum and petrochemical industry.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND CONSOLIDATION—These financial statements are prepared in accordance with generally accepted accounting principles in the United States. The consolidated financial statements include all majority owned subsidiaries. Significant intercompany balances and transactions are eliminated in consolidation. Investments in non-majority owned affiliates are accounted for by the equity method.

USE OF ESTIMATES—The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Management is also required to make judgments regarding the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION—Revenues are recognized using the percentage of completion method. Contract revenues are accrued based generally on the percentage that costs-to-date bear to total estimated costs. The cumulative impact of revisions in total cost estimates during the progress of work is reflected in the period in which these changes become known. Contract revenue reflects the original contract price adjusted for agreed upon change orders and estimated minimum recoveries of claims. At December 31, 2000, the Company had net outstanding claims recognized of \$11,000. Losses expected to be incurred on contracts in process are charged to income as soon as such losses are known.

A significant portion of the Company's work is performed on a fixed price or lump sum basis. The balance of projects are primarily performed on variations of cost reimbursable and target price approaches. Progress billings in accounts receivable are currently due and exclude retentions until such amounts are due in accordance with contract terms. Cost of revenues includes direct contract costs such as material and construction labor, and indirect costs which are attributable to contract activity.

FOREIGN CURRENCY TRANSLATION AND EXCHANGE—The primary effects of foreign currency translation adjustments are recognized in shareholders' equity as cumulative translation adjustment, net of tax. Foreign currency exchange gains/(losses) are included in the determination of income, and were \$1,481 in 2000, \$(550) in 1999 and \$615 in 1998.

PER SHARE COMPUTATIONS—

	2000	1999	1998
Net (loss) income	\$ (33,775)	\$ 18,384	\$ 17,037
Weighted average shares outstanding—basic	9,405,789	10,998,872	12,117,573
Effect of restricted stock units	*	141,282	29,438
Effect of performance share units	*	14,064	5,127
Effect of directors deferred fee shares	*	7,626	711
Effect of stock options	*	6,997	—
Weighted average shares outstanding—diluted	9,405,789	11,168,841	12,152,849
NET (LOSS) INCOME PER SHARE			
Basic	\$ (3.59)	\$ 1.67	\$ 1.41
Diluted	(3.59)*	1.65	1.40

* The effect of restricted stock and performance share units, directors deferred fee shares and stock options were not included in the calculation of diluted earnings per share as they were antidilutive due to the net loss for the year.

CASH EQUIVALENTS—Cash equivalents are considered to be all highly liquid securities with original maturities of three months or less.

PROPERTY AND EQUIPMENT—Property and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives: buildings and improvements, 10 to 40 years; plant and field equipment, 3 to 20 years. Renewals and betterments, which substantially extend the useful life of an asset, are capitalized and depreciated. Depreciation expense was \$16,879 in 2000, \$17,263 in 1999 and \$17,222 in 1998.

GOODWILL—The Company records the excess of cost over the fair value of identifiable net assets as goodwill on the balance sheet. Goodwill is amortized on a straight-line basis over periods of 7 to 40 years. Amortization expense was \$662 in 2000, \$502 in 1999 and \$488 in 1998. Accumulated amortization was \$2,628 as of December 31, 2000 and \$1,966 as of December 31, 1999. The carrying value of goodwill is reviewed periodically based on the undiscounted cash flows of the entity over the remaining amortization period. If this review indicates that goodwill is not recoverable, the Company's carrying value of goodwill would be reduced to fair value.

The Company's valuation allowance of \$27,155 for deferred tax assets recorded in connection with the Praxair acquisition accounting reduced the Company's remaining IPO goodwill of \$17,075 following the acquisition of HBI in 2000. The Company believes that it will generate sustained U.S. taxable income as a result of inclusion of HBI's operating results in the U.S. consolidated income tax return.

PRECONTRACT COSTS—Precontract costs are charged to cost of revenues as incurred. However, certain precontract costs are deferred to the balance sheet if their recoverability from the contract is probable. Precontract costs deferred to the balance sheet were \$1,838 as of December 31, 2000 and \$952 as of December 31, 1999.

FINANCIAL INSTRUMENTS—The Company uses various methods and assumptions to estimate the fair value of each class of financial instrument. Due to their nature, the carrying value of cash and cash equivalents, accounts receivable, accounts payable, notes payable and long-term debt approximates fair value. The Company's other financial instruments are not significant.

FORWARD CONTRACTS—Although the Company does not engage in currency speculation, it periodically uses forward contracts to hedge foreign currency transactions. Gains or losses on forward contracts are included in income. At December 31, 2000, the Company had \$2,495 of outstanding foreign currency exchange contracts to sell Dutch guilders, \$1,368 of outstanding foreign currency exchange contracts to buy Euros, \$1,041 of outstanding foreign currency exchange contracts to buy Canadian dollars, \$688 of outstanding foreign currency exchange contracts to sell British pounds and a \$355 outstanding foreign exchange contract to buy Spanish pesetas. These forward contracts hedged intercompany loans utilized to finance non-U.S. subsidiaries and will mature within 10 days after year-end. The fair value of these forward contracts approximated their carrying value in the financial statements at December 31, 2000. The counterparties to the Company's forward contracts are major financial institutions, which the Company continually evaluates as to their creditworthiness. The Company has never experienced, nor does it anticipate, nonperformance by any of its counterparties.

NEW ACCOUNTING STANDARDS—In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). SFAS 133, as amended by SFAS 138, is effective for fiscal years beginning after June 15, 2000 (quarter ended March 31, 2001, for the Company). The Company has adopted the new Statement effective as of January 1, 2001. Adoption requires the Company to record all derivative instruments on the balance sheet at their fair value and changes in the derivative's fair value are to be recorded each period in earnings, unless specific hedge accounting criteria are met. The effect of this change in accounting does not have a significant effect on the Company's results of operations or its financial position.

RESEARCH AND DEVELOPMENT—Expenditures for research and development activities, which are charged to income as incurred, amounted to \$1,385 in 2000, \$1,294 in 1999 and \$860 in 1998.

RECLASSIFICATION OF PRIOR YEAR BALANCES—Certain prior year balances have been reclassified to conform with current year presentation.

3. ACQUISITIONS

On December 28, 2000, the Company acquired Howe-Baker International, L.L.C. from WEDGE Group Incorporated, a private investment firm that owned 100% of HBI. HBI is a leading U.S.-based engineering and construction firm specializing in the design and construction of hydrocarbon processing plants for customers in the refining, petrochemical and natural gas processing industries. Under the terms of the transaction, the Company paid \$28,000 in cash, issued 8,146,665 shares (valued at \$104,990 at \$12.8875 per share) to WEDGE and assumed certain liabilities (including \$5,700 in long-term debt). These consideration amounts exclude the value of future earnout obligations assumed in the transaction. Under the purchase agreement, an upward adjustment in purchase price of \$15,000 was made based on the actual level of cash in HBI working capital on the closing date. Immediately following the transaction, WEDGE sold 4,323,333 shares of the Company's Common Stock to First Reserve Fund VIII, L.P. at a price of \$16.25 per share. First Reserve purchased an additional 530,000 shares from WEDGE for which the Company provided a warrant to First Reserve for the purchase of 82,118 shares of the Company's Common Stock at an exercise price of NLG .01 per share. Shareholder agreements with WEDGE and First Reserve include board representations, standstill provisions, registration rights and restrictions with respect to voting rights. The cash portion of the purchase price was funded out of borrowings under the Company's revolving credit facility. This acquisition was accounted for under the purchase method of accounting. The purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values at the date of acquisition and the balance of approximately \$130,000 was recorded as goodwill. Goodwill will be amortized on a straight-line basis over 40 years. The fair values of assets acquired and liabilities assumed are subject to final adjustment. The results of operations for HBI will be included in the Company's results of operations effective January 1, 2001.

The following presents (unaudited) pro forma results of operations for the years ended December 31, 2000 and 1999 as if HBI had been combined as of January 1, 1999. These pro forma results do not purport to be indicative of the combined results of operations that would have occurred had the acquisition been made as of January 1, 1999 or of results which may occur in the future.

	2000	PRO FORMA (UNAUDITED) YEAR END DECEMBER 31, 1999
Revenues	\$ 870,977	\$ 984,339
Net (loss) income	(25,246)	32,031
Net (loss) income per share		
Basic	\$ (1.42)	\$ 1.67
Diluted	(1.42)	1.65

On May 17, 2000, the Company purchased the assets and assumed certain liabilities of Pacific Pure Water Asia Pte Ltd. ("Pacific Pure") for approximately \$2,300. Pacific Pure provides ultra pure systems for customers in the microelectronics, pharmaceutical and biotechnology industries. The purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values at the date of acquisition and the balance of approximately \$1,800 was recorded as goodwill. This acquisition was accounted for under the purchase method of accounting. Goodwill is amortized on a straight-line basis over seven years. The fair values of assets acquired and liabilities assumed are subject to final adjustment. Pro forma presentation of financial information has not been presented, as the amounts were not significant.

On January 28, 2000, the Company purchased the assets and assumed certain liabilities of the business now known as CB&I Trusco Tank ("Trusco") for approximately \$9,400. Trusco designs, fabricates and erects steel structures, including storage and shop-built tanks, and services municipal and industrial customers primarily in the water, wastewater and petroleum markets on the U.S. West Coast. The purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values at the date of acquisition and the balance of approximately \$1,500 was recorded as goodwill. This acquisition was accounted for under the purchase method of accounting. Goodwill is amortized on a straight-line basis over 40 years. Pro forma presentation of financial information has not been presented, as the amounts were not significant.

4. SPECIAL CHARGES

The Company's accrued expense balances and activity relating to the special charges for the year ended December 31, 2000 were as follows:

	VOLUNTARY RESIGNATION OFFER, SEVERANCE AND OTHER BENEFITS	TUBAN PROJECT VALUATION ALLOWANCE	FACILITIES	TOTAL
Special charges	\$ 22,182	\$ 28,200	\$ 5,282	\$ 55,664
Cash payments	(6,646)	—	(423)	(7,069)
Non-cash activities	(4,662)	(28,200)	(4,021)	(36,883)
Balance at December 31, 2000	\$ 10,874	\$ —	\$ 838	\$ 11,712

VOLUNTARY RESIGNATION OFFER, SEVERANCE AND OTHER BENEFITS—In October 2000, the Company presented a voluntary resignation offer (the "Offer") to 156 of its U.S. and U.S. expatriate salaried employees who had accumulated a combination of years of service and age that added up to at least 80. The Company recorded a special charge in the fourth quarter of \$13,400 for the anticipated payments associated with 107 employees accepting the Offer. In 2000, the Company recorded severance and other charges of \$4,277 reflecting the Company's commitment to plans primarily associated with the integration of HBI and the Company. The plans include reorganization costs, primarily severance related. Severance charges related to the involuntary termination of approximately 48 employees in the United States and 120 employees in non-U.S. operations. The \$4,505 of other benefits-related charges include non-cash costs of \$2,505 related to the Company's Long-Term Incentive Plan resulting from change of control provisions triggered as a result of the Company's acquisition of HBI. The remaining charge is attributable to the Company's wind-up of a defined benefit plan. Cash payments related to the remaining liability will be substantially made in 2001.

TUBAN PROJECT VALUATION ALLOWANCE—In November 2000, the Company was carrying a net \$28,200 long-term receivable on its balance sheet related to the Tuban (T.P.P.I.) Project, and had approximately \$50,000 remaining in its backlog for the Tuban Project. The Company recognized a charge of \$28,200 in the fourth quarter of 2000 as a full valuation allowance against this net long-term receivable and removed the \$50,000 for the Tuban Project from its backlog as the Company determined that the realizability of this long-term receivable and backlog was no longer probable. This decision was based on the Company's assessment of the status of the Tuban Project

and the extended period of time that the Tuban project has been suspended. While the Company continues to believe the Tuban Project is viable, and will ultimately restart, the Company felt it was appropriate to establish this valuation allowance to properly reflect its current status in the Company's financial statements.

FACILITIES—In the fourth quarter of 2000, the Company recorded charges of \$5,282 reflecting the Company's commitment to downsize or lower costs at five facilities worldwide and other exit costs including asset write-downs and lease termination costs. These charges are for the anticipated sale of three facilities and the termination of leases at two others.

5. CONTRACTS IN PROGRESS

Contract terms generally provide for progress billings based on completion of certain phases of the work. The excess of revenues recognized for construction contracts over progress billings on contracts in progress is reported as a current asset and the excess of progress billings over revenues recognized on contracts in progress is reported as a current liability as follows:

	2000	1999
CONTRACTS IN PROGRESS		
Revenues recognized on contracts in progress	\$ 1,146,351	\$ 808,312
Billings on contracts in progress	1,144,931	(813,140)
	<u>\$ 1,420</u>	<u>\$ (4,828)</u>
Shown on balance sheet as:		
Contracts in progress with earned revenues exceeding related progress billings	\$ 61,126	\$ 48,486
Contracts in progress with progress billings exceeding related earned revenues	(59,706)	(53,314)
	<u>\$ 1,420</u>	<u>\$ (4,828)</u>

6. NOTES PAYABLE AND LONG-TERM DEBT

Notes payable consist primarily of short-term loans borrowed under credit facilities made available by commercial banks. The Company's weighted average interest rate for notes payable was 8.7% at December 31, 2000 and 8.5% at December 31, 1999.

On December 1, 2000, the Company and a group of five banks entered into a three-year, unsecured \$200,000 revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility replaced the Company's prior \$100,000 revolving credit facility, which was terminated by the Company effective December 1, 2000. Under the Revolving Credit Facility, committed amounts are available for general corporate purposes, including working capital, letters of credit, share repurchase, acquisitions and other requirements of the Company. A commitment fee is applied to the amount by which the aggregate commitment exceeds the revolving credit obligation. Letters of credit may be issued, subject to a \$100,000 sublimit, on a committed basis and expire one year after issuance, unless otherwise provided. The rate of interest under the Revolving Credit Facility is based on the British Bankers' Association interest settlement rate, plus an interest margin determined by the Company's quarterly leverage ratio. The weighted average interest rate was 9.2% at December 31, 2000 and 6.9% at December 31, 1999. The Revolving Credit Facility contains certain restrictive covenants including net worth, interest coverage, fixed charge and leverage ratios, among other restrictions. In February 2001, the Company executed an amendment to its Revolving Credit Facility for the acquisition of the PDM Divisions, which provided for changes to certain restrictive covenants. The Revolving Credit Facility will terminate on December 1, 2003.

In connection with the HBI acquisition on December 28, 2000, the Company assumed a \$5,700 note payable bearing interest at 6.0%, with accrued interest and principal due June 30, 2002.

Capitalized interest was insignificant in 2000, 1999 and 1998.

7. LEASES

Certain facilities and equipment, including project-related field equipment, are rented under operating leases that expire at various dates through 2006. Rental expense on operating leases was \$12,770 in 2000 (\$7,387 for operating leases, primarily project-related field equipment, with lease terms in excess of one month but less than one year), \$14,410 in 1999 and \$12,596 in 1998. Future rental commitments (for operating leases having initial or remaining noncancellable lease terms in excess of one year) during the years ending in 2001 through 2005 and thereafter are \$6,225, \$2,205, \$1,272, \$860, \$765 and \$108, respectively.

8. SUPPLEMENTAL BALANCE SHEET DETAIL

	2000	1999
COMPONENTS OF PROPERTY AND EQUIPMENT		
Land and improvements	\$ 9,629	\$ 10,937
Buildings and improvements	28,834	40,961
Plant and field equipment	112,091	106,127
Total property and equipment	150,554	158,025
Accumulated depreciation	(45,951)	(53,425)
Net property and equipment	<u>\$ 104,603</u>	<u>\$ 104,600</u>
COMPONENTS OF ACCRUED LIABILITIES		
Payroll, vacation, bonuses and profit-sharing	\$ 14,238	\$ 15,790
Self-insurance/retention reserves	6,137	6,155
Postretirement benefit obligations	2,674	2,283
Pension obligation	1,831	1,520
Voluntary resignation offer	8,211	—
Contract cost and other accruals	26,090	16,511
Accrued liabilities	<u>\$ 59,181</u>	<u>\$ 42,259</u>
COMPONENTS OF OTHER NON-CURRENT LIABILITIES		
Self-insurance/retention reserves	\$ 11,632	\$ 14,684
Postretirement benefit obligations	24,122	22,959
Pension obligation	11,774	11,513
Other	16,313	8,211
Other non-current liabilities	<u>\$ 63,841</u>	<u>\$ 57,367</u>

9. MINORITY INTEREST AND RELATED LONG-TERM RECEIVABLE

As part of its acquisition of HBI, the Company assumed \$27,000 of minority interest related to HBI's acquisition of Schedule A, Ltd. ("Schedule A") on October 1, 1998. Effective on this date, Schedule A was admitted as a partner in Howe-Baker, LP ("HBLP"). Howe-Baker contributed \$19,785 to HBLP and Schedule A contributed contracts in process and its net operating assets (\$4,886) and intangible assets (\$22,114). At closing, HBLP loaned to Schedule A \$19,785 (carried as a long-term receivable on the balance sheet). Interest accrues at LIBOR plus a variable rate of interest of 1.9 percent through June 1, 2003, 2.9 percent through June 1, 2004, 3.9 percent through June 1, 2005, and 4.9 percent through the date of maturity of June 1, 2006. Interest is payable semiannually.

Beginning January 1, 2003, and ending May 1, 2006, Schedule A has the option to require HBLP to redeem, or Howe-Baker to purchase, all or part of Schedule A's partnership interest. Any partnership interest not voluntarily redeemed or sold by Schedule A prior to May 1, 2006 will be deemed offered on that date. Schedule A has the right to exercise its option in whole, or the right may be exercised proportionately by Schedule A on behalf of a Schedule A partner. The consideration paid for Schedule A's partnership interest will be \$19,785, plus an additional amount based on the profitability of Howe-Baker as calculated in accordance with the terms of the related option agreement. As of December 31, 2000, the additional undiscounted consideration was estimated to be \$3,639, resulting in a total redemption price of approximately \$23,424 for the Schedule A partnership interest.

10. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL MATTERS—The Company's facilities have operated for many years and substances, which currently are or might be considered hazardous, were used and disposed of at some locations, which will or may require the Company to make expenditures for remediation. In addition, the Company has agreed to indemnify parties to whom it has sold facilities for certain environmental liabilities arising from acts occurring before the dates those facilities were transferred. The Company is aware of no manifestation by a potential claimant of awareness by such claimant of a possible claim or assessment with respect to such facilities. The Company does not consider it to be probable that a claim will be asserted with respect to such facilities which claim is reasonably possible to have an unfavorable outcome, which in each case would be material to the Company. The Company believes that any potential liability for these matters will not have a material adverse effect on its business, financial condition or results of operations.

The Company does not anticipate incurring material capital expenditures for environmental controls or for investigation or remediation of environmental conditions during the current or succeeding fiscal year. Nevertheless, the Company can give no assurance that it, or entities for which it may be responsible, will not incur liability in connection with the investigation and remediation of facilities it currently (or formerly) owns or operates or other locations in a manner that could materially and adversely affect the Company.

OTHER CONTINGENCIES—The Company is a defendant in a number of other lawsuits arising in the normal course of its business. The Company believes that an estimate of the possible loss or range of possible loss relating to such matters cannot be made. While it is impossible at this time to determine with certainty the ultimate outcome of these lawsuits and although no assurance can be given with respect thereto, based on information currently available to the Company and based on the Company's belief as to the reasonable likelihood of the outcomes of such matters, the Company's management believes that adequate provision has been made for probable losses with respect thereto as best as can be determined at this time. The Company believes that the ultimate outcome, after provisions therefore, will not have a material adverse effect, either individually or in the aggregate, on the Company's business, financial condition or results of operations. The adequacy of reserves applicable to the potential costs of being engaged in litigation and potential liabilities resulting from litigation are reviewed as developments in the litigation warrant.

The Company is jointly and severally liable for certain liabilities of partnerships and joint ventures. At December 31, 2000, the Company and certain subsidiaries had provided \$237,708 of performance bonds and letters of credit to support its contracting activities arising in the ordinary course of business. This amount fluctuates based on the level of contracting activity.

The Company has elected to retain portions of anticipated losses through the use of deductibles and self-insured retentions for its exposures related to third-party liability and workers' compensation. Liabilities in excess of these amounts are the responsibilities of an insurance carrier. To the extent the Company self insures for these exposures, reserves have been provided for based on management's best estimates with input from the Company's legal and insurance advisors. Changes in assumptions, as well as changes in actual experience, could cause these estimates to change in the near term. The Company's management believes that the reasonably possible losses, if any, for these matters, to the extent not otherwise disclosed and net of recorded reserves, will not be material to its financial position or results of operations. At December 31, 2000, the Company had outstanding surety bonds and letters of credit of \$23,273 relating to its insurance program.

11. POSTRETIREMENT BENEFITS

DEFINED CONTRIBUTION PLANS—Effective January 1, 1997, the Company adopted a tax-qualified defined contribution plan ("Chicago Bridge & Iron Savings Plan") for eligible employees. This Plan substantially replaced the former Parent Company-sponsored pension and 401(k) plans discussed below. This Plan consists of a voluntary pre-tax salary deferral feature under Section 401(k) of the Internal Revenue Code, a Company matching contribution, and an additional Company profit-sharing contribution in the form of cash or the Company's Common Stock to be determined annually by the Company. The Company expensed \$7,569 in 2000, \$7,369 in 1999 and \$7,845 in 1998 for the Chicago Bridge & Iron Savings Plan.

Effective January 1, 1998, the Company established a defined contribution plan ("International Savings and Benefit Plan") for eligible employees. This Plan consists of a voluntary salary deferral feature, a Company matching contribution, and an additional Company profit-sharing contribution to be determined annually by the Company. The Company expensed \$328 in 2000, \$433 in 1999 and \$200 in 1998 for the International Savings and Benefit Plan.

The Company is the sponsor for several other defined contribution plans that cover salaried and hourly employees for which the Company does not provide matching contributions. The cost of these plans to the Company was not significant in 2000, 1999 and 1998.

DEFINED BENEFIT PLANS—The Company has participated in three defined benefit plans sponsored by the Company's Canadian subsidiary and makes contributions to union sponsored multi-employer pension plans.

The following tables reflect information for the Canadian plans:

	2000	1999	1998
COMPONENTS OF NET PERIODIC PENSION COST			
Service cost	\$ —	\$ —	\$ —
Interest cost	501	576	687
Expected return on plan assets	(1,108)	(1,227)	(1,513)
Recognized net actuarial (gain)/loss	(115)	92	(1,116)
Settlement (gain)/loss due to annuity purchase	—	(44)	147
Settlement loss due to distribution of surplus to members	521	—	1,016
Net periodic pension income	\$ (201)	\$ (603)	\$ (779)

	2000	1999
CHANGE IN PENSION BENEFIT OBLIGATION		
Benefit obligation at beginning of year	\$ 6,658	\$ 8,433
Interest cost	501	576
Actuarial loss/(gain)	569	(44)
Benefits paid	(751)	(974)
Annuity purchase	—	(1,862)
Currency translation	(276)	529
Benefit obligation at end of year	\$ 6,701	\$ 6,658

	2000	1999
CHANGE IN PLAN ASSETS		
Fair value at beginning of year	\$ 15,881	\$ 15,983
Actual return on plan assets	903	1,791
Benefits paid	(1,272)	(974)
Annuity purchase	—	(1,862)
Employer contribution	(238)	—
Employer reversion	(1,090)	—
Currency translation	(50)	943
Fair value at end of year	14,134	15,881
Funded status	7,433	9,223
Unrecognized net prior service costs	114	127
Unrecognized net actuarial gains	(859)	(1,588)
Accrued settlement loss	(2,000)	—
Prepaid pension asset	\$ 4,688	\$ 7,762

The principal defined benefit plan assets consist of long-term investments, including equity and fixed-income securities and cash. The significant assumptions used in determining the Company's pension expense and the related pension obligations were:

	2000	1999	1998
Discount rate	7.50%	7.50 – 8.50%	6 – 8.50%
Long-term rate of return on plan assets	7.50%	7.50%	7.50%

In 1997, a portion of the salaried plan was converted from a defined benefit to a defined contribution arrangement. All active members ceased accruing benefits under the defined benefit provision and commenced participation in the defined contribution arrangement. The remaining members (retirees and deferreds) continue to have benefits under the plan. In 2000, the Company recognized a \$2,000 special charge attributable to the wind-up of the defined benefit provision of the plan. In 1994, CB&I announced its intention to terminate the field construction plan. During 1998, members who elected to transfer their balance from this plan were paid out, and annuities were purchased for members who elected the pension option and for the pensioners. The remaining surplus assets reverted to the Company. In 1996, CB&I announced its intention to terminate the hourly plan. During 1999, annuities were purchased for all hourly plan members entitled to basic benefits. Benefit settlements under the hourly plan have been settled and no benefit liabilities remain.

A surplus sharing agreement with the participants was developed in 1998, and was presented to the plan members. During 1999, the hourly plan members agreed to the surplus sharing agreement. During 2000, the hourly plan members received their portion of the surplus assets pursuant to the surplus sharing agreement and the remaining portion of the hourly plan assets reverted to the Company.

The Company, through its acquisition of HBI, assumed an unfunded non-qualified defined benefit plan for a select group of former and current senior management employees. Provisions for these benefits will be charged to operations ratably over the employees' expected terms of employment. The following table sets forth the plans' funded status and amounts recognized in the Company's consolidated balance sheet as of December 31, 2000:

	2000
CHANGE IN BENEFIT OBLIGATION	
Benefit obligation at beginning of year	\$ 2,391
Service cost	—
Interest cost	161
Actuarial loss	697
Benefits paid	(401)
Benefit obligation at end of year	\$ 2,848

The significant assumptions used in determining the related pension obligations were:

	2000
Discount rate	7.0%
Rate of compensation increase	5.0%

The Company made contributions of \$2,788 in 2000, \$3,275 in 1999 and \$2,773 in 1998 to certain union sponsored multi-employer pension plans. Benefits under these defined benefit plans are based on years of service and compensation levels.

Prior to 1997, CB&I participated in a defined benefit plan sponsored by the former Parent Company (the "CBI Industries Pension Plan"). The CBI Industries Pension Plan was the principal non-contributory tax qualified defined benefit plan of CB&I and covered most U.S. salaried employees of CB&I. Benefit accruals under the CBI Industries Pension Plan for CB&I employees were discontinued as of December 31, 1996. The Company's obligation to fund its portion of the accumulated benefit obligation for its participants in excess of plan assets was fixed at \$17,270 as of December 31, 1996, as agreed to by CB&I and Praxair. This obligation is payable ratably to Praxair over a 12-year period beginning December 1, 1997 with interest at 7.5%. The Company incurred \$963 in 2000, \$1,070 in 1999 and \$1,178 in 1998 of pension expense and has a remaining pension liability to Praxair of \$11,585 and \$13,033 as of December 31, 2000 and 1999.

POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS—The Company participates in two health care and life insurance benefit programs. These programs provide certain separate health care and life insurance benefits for retired Company employees. Retiree health care benefits are provided under an established formula, which limits costs based on prior years of service of retired employees. These plans may be changed or terminated by the Company at any time.

Effective January 1, 1997, CB&I discontinued its participation in the program sponsored by the former Parent Company, and the future obligation for CB&I's active employees as of December 31, 1996 under this program has been assumed by the Company. Because this medical plan offers a defined dollar benefit, the accumulated postretirement benefit obligation, service cost and interest cost are unaffected by a one percentage point increase or decrease in the assumed rate of medical inflation.

The following tables reflect information for the assumed and current employees of the Company:

	2000	1999	1998
COMPONENTS OF NET PERIODIC POSTRETIREMENT BENEFIT COST			
Service cost	\$ 214	\$ 278	\$ 298
Interest cost	582	457	519
Unrecognized prior service cost	(108)	(85)	—
Recognized net actuarial gain	(12)	—	(7)
Net periodic postretirement benefit cost	\$ 676	\$ 650	\$ 810

The significant assumptions used in determining the other postretirement benefit expense were a discount rate of 7.75% in 2000, 6.75% in 1999 and 7.0% in 1998 and a salary scale of 4.25% in 2000, 1999 and 1998. During 1999, the Company changed its postretirement life insurance benefits program.

	2000	1999
CHANGE IN POSTRETIREMENT BENEFIT OBLIGATION		
Benefit obligation at beginning of year	\$ 7,301	\$ 7,946
Service cost	214	278
Interest cost	582	457
Assumption change	293	63
Effect of plan change	—	(1,276)
Retiree contributions	357	255
Benefits paid	(933)	(422)
Acquisition	3,249	—
Benefit obligation at end of year	11,063	7,301
Funded status	(11,063)	(7,301)
Unrecognized prior service cost	(1,083)	(1,192)
Unrecognized net actuarial gain	(294)	(599)
Accrued postretirement benefit obligation	\$ (12,440)	\$ (9,092)

The acquisition amount in 2000 primarily reflects the assumption of HBI's postretirement benefit plan.

Under the HBI program, increasing the assumed health care cost trends by one percentage point is estimated to increase the accumulated postretirement benefit obligation at December 31, 2000 by \$343. A decrease of one percentage point is estimated to decrease the December 31, 2000 obligation by \$292.

The Company's financial obligation with respect to retired employees of CB&I as of December 31, 1996 was fixed at \$21,400 as of December 31, 1996, as agreed to by CB&I and Praxair. This obligation is payable ratably to Praxair over a 12-year period beginning December 1, 1997 with interest at 7.5%. The Company incurred \$1,193 in 2000, \$1,326 in 1999 and \$1,457 in 1998 of other post-retirement expense for these retirees and has a remaining postretirement benefit liability to Praxair of \$14,356 and \$16,150 as of December 31, 2000 and 1999.

12. COMMON STOCK

The changes in the number of outstanding common shares were:

	2000	1999	1998
Balance at beginning of year	10,272,982	11,414,294	12,517,552
Purchases of treasury shares	(1,183,664)	(1,354,033)	(1,158,300)
Shares issued under employee and director stock plans	80,553	87,251	55,042
Shares issued under the Long-Term Incentive Plan	112,404	45,893	—
Shares issued to Trust	300,168	—	—
Shares issued in business acquisition	8,146,665	—	—
Shares contributed to the Chicago Bridge & Iron Savings Plan	—	79,577	—
Balance at end of year	17,729,108	10,272,982	11,414,294

At the Annual Meeting of Shareholders held on May 11, 2000, the shareholders granted authority for the Company to cancel up to 30% of any share capital held by the Company. Any cancellation is not to exceed 10% of the then issued share capital of the Company. Under the authority granted at the Annual Meeting of Shareholders held on May 12, 1999, the Company has cancelled its owned share capital consisting of 869,922 shares on May 8, 2000, 1,129,568 shares on January 11, 2000 and 1,221,865 shares on July 28, 1999.

EMPLOYEE STOCK PURCHASE PLAN—The Company's Employee Stock Purchase Plan provides that employees may purchase shares of Common Stock beginning January 1, 1998 at 85% of the Common Stock closing price per share on the New York Stock Exchange on the first trading day following the end of the calendar quarter. The plan provides for the purchase of up to 250,000 of authorized and unissued shares of Common Stock or treasury shares. As of December 31, 2000, 30,356 shares remain available for purchase.

LONG-TERM INCENTIVE PLAN (THE "INCENTIVE PLAN")—Under the Company's 1999 Long-Term Incentive Plan, as amended in December 2000, up to 2,930,000 shares and under the Company's 1997 Long-Term Incentive Plan up to 1,251,755 shares may be granted to its executive officers, other management employees and Supervisory Directors in the form of stock options, performance shares or restricted stock units. Total compensation expense of \$2,969 was recognized in 2000, \$1,806 in 1999 and \$520 in 1998 under the Incentive Plan. Included in 2000 was a \$2,505 special charge under the change of control provisions of the Company's Long-Term Incentive Plan (Note 4). At December 31, 2000, 1,731,334 shares remain available for grant under the Incentive Plan.

STOCK OPTIONS—In accordance with APB Opinion No. 25, no compensation cost related to stock options granted has been recognized in the Company's Income Statement. Had compensation expense for the Employee Stock Purchase Plan and stock options granted under the Incentive Plan been determined consistent with FASB Statement No. 123 (using the Black-Scholes option pricing model), the Company's net income and net income per common share would have been reduced to the following pro forma amounts:

	2000	1999	1998
NET (LOSS) INCOME			
As reported	\$ (33,775)	\$ 18,384	\$ 17,037
Pro forma	(34,937)	17,442	16,677
NET (LOSS) INCOME PER SHARE—BASIC			
As reported	\$ (3.59)	\$ 1.67	\$ 1.41
Pro forma	(3.71)	1.59	1.38
NET (LOSS) INCOME PER SHARE—DILUTED			
As reported	\$ (3.59)	\$ 1.65	\$ 1.40
Pro forma	(3.71)	1.56	1.37

Using the Black-Scholes option pricing model, the fair value of each option grant is estimated on the date of grant based on the following weighted-average assumptions:

	2000	1999	1998
Risk-free interest rate	5.44%	5.42%	5.53%
Expected dividend yield	1.45%	1.83%	1.64%
Expected volatility	41.03%	44.19%	37.73%
Expected life in years	10	10	10

The following table summarizes the changes in stock options for the years ended December 31, 2000, 1999 and 1998:

	STOCK OPTIONS	EXERCISE PRICE PER SHARE	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE
Outstanding at January 1, 1998	504,303	\$18.00 – \$22.88	\$18.06
Granted	241,900	\$9.19 – \$16.88	\$13.84
Forfeited	(58,128)	\$18.00	\$18.00
Outstanding at December 31, 1998	688,075	\$9.19 – \$18.00	\$16.54
Granted	175,106	\$12.50 – \$14.00	\$13.13
Forfeited	(7,500)	\$18.00	\$18.00
Outstanding at December 31, 1999	855,681	\$9.19 – \$18.00	\$15.83
Granted	1,194,249	\$14.69 – \$16.69	\$16.43
Forfeited	(27,666)	\$13.13 – \$18.00	\$16.42
Exercised	(2,375)	\$13.13	\$13.13
Outstanding at December 31, 2000	2,019,889	\$9.19 – \$18.00	\$16.24

The option exercise price equals the Common Stock's market price on date of grant. The weighted average fair value of options granted during 2000, 1999 and 1998 was \$8.36, \$6.57 and \$6.56. At December 31, 2000, there were options outstanding with a weighted-average remaining contractual life of 9.15 years, and 329,243 of these options were exercisable with a weighted average exercise price of \$15.63.

Options on 895,316 shares were granted during December 2000 and vest over a three-year period at a rate of one-third each year. These options were granted as a result of executive officers and other senior officers who consented to the amendment of certain benefit agreements curtailing the benefits they would otherwise obtain by reason of the change in control provisions under said agreements.

Options on 172,800 shares granted in 2000, 161,700 shares granted in 1999 and 158,900 shares granted in 1998 vest over a four-year period at a rate of one-fourth each year. Options on 14,000 shares granted in 2000, 3,500 shares granted in 1999 and 7,000 shares granted in 1998 vest in one year. In conjunction with the vesting of the Management Plan shares and restricted stock units, options on 112,133 shares were granted in 2000 and options on 9,906 shares were granted in 1999. These options will vest in seven years from the date of grant; however, if all of the shares issued with respect to the restricted stock units remain held by the participant on the third anniversary of the option grant date, vesting is accelerated to three years from the date of grant.

Of the outstanding options on 425,175 shares granted in 1997, options on 145,638 became vested and exercisable in 2000 in connection with either the HBI acquisition change of control or the voluntary resignation offer, and the remaining options on 279,537 shares will become exercisable in 2002. Of the outstanding options on 76,000 shares granted in 1998, options on 20,000 shares became vested and exercisable in 2000 in connection with the HBI acquisition change of control, and the remaining options on 56,000 shares will become exercisable in 2003. Options on 6,900 shares granted in 1997 to non-executive employees, having an exercise price of \$21.38 or \$22.88, were repriced to \$18.00 in 1998.

PERFORMANCE SHARES—Performance shares of 57,100 were granted during 2000, 53,300 were granted during 1999 and 52,300 were granted during 1998 under the Incentive Plan. The shares are targeted to vest one-third each year over a three-year period, subject to achievement of specific Company performance goals. Performance shares of 49,026 were issued during 2000 and 20,331 were issued during 1999. The remaining 99,732 performance shares were converted to time-vested restricted shares and transferred to a Trust (Note 13), as a result of the participants waiving their change of control provisions under the Incentive Plan.

RESTRICTED STOCK UNITS—Restricted stock units of 75,205 were granted during 2000, 62,055 were granted during 1999 and 100,920 were granted in 1998 under the Incentive Plan. The units vest one-fourth each year over a four-year period. In 1999, 50,000 restricted stock units were granted to one executive officer as additional consideration (Note 13), and vest upon the earlier of April 1, 2002 or a change of control. Restrictions on 53,595 units lapsed during 2000 and restrictions on 25,562 units lapsed during 1999. Restricted stock units of 6,300 were forfeited during 2000 and 1,440 restricted stock units were forfeited during 1999. The remaining 200,296 restricted stock units were converted to restricted shares and transferred to a Trust (Note 13), as a result of the participants waiving their change of control provisions under the Incentive Plan.

13. STOCK HELD IN TRUST

The Management Plan and associated Trust was amended and restated in 1999 to provide for the transfer of 705,560 unvested shares (valued for the balance sheet at the original Trust amount of \$18.00 per share) of two executive officers into a separate Trust. These two participants agreed to exchange their interest in these shares on a one-for-one basis into restricted stock units, which vested in March 2000, and represent a right to receive Common Stock on the earliest to occur of (i) the first business day after April 1, 2002, (ii) the first business day after termination of employment, or (iii) a change of control; and for additional consideration. During January 2000, the restricted stock units transferred to this Trust were adjusted to 707,495 units. The increase of 1,935 units resulted from forfeitures under the Management Plan. The total value of those shares placed into the Trust was \$12,735.

During December 2000, 300,168 shares were issued and transferred to the Trust. The total value of these shares placed into the Trust was \$4,458. The vesting of these shares will follow the terms of the Incentive Plan (Note 12).

14. INCOME TAXES

	2000	1999	1998
SOURCES OF (LOSS) INCOME BEFORE INCOME TAXES AND MINORITY INTEREST			
U.S.	\$ (30,062)	\$ (6,221)	\$ (143)
Non-U.S.	(9,392)	33,381	24,632
Total	\$ (39,454)	\$ 27,160	\$ 24,489
INCOME TAX BENEFIT (EXPENSE)			
Current income taxes			
U.S.	\$ —	\$ —	\$ —
Non-U.S.	(4,046)	(6,580)	(4,721)
	(4,046)	(6,580)	(4,721)
Deferred income taxes			
U.S.	9,446	(1,448)	418
Non-U.S.	1,620	423	(3,044)
	11,066	(1,025)	(2,626)
Total income tax benefit (expense)	\$ 7,020	\$ (7,605)	\$ (7,347)
RECONCILIATION OF INCOME TAXES AT THE STATUTORY RATE AND INCOME TAX BENEFIT (EXPENSE)			
Tax income (expense) at statutory rate	\$ 13,809	\$ (9,506)	\$ (8,571)
State income taxes	—	(65)	—
Non-statutory tax rate differential	(6,009)	1,048	1,973
Other, net	(780)	918	(749)
Income tax benefit (expense)	\$ 7,020	\$ (7,605)	\$ (7,347)
Effective tax rate	(18.0)%	28.0%	30.0%

The Company's statutory rate was The Netherlands' rate of 35% in 2000, 1999 and 1998.

The principal temporary differences included in deferred income taxes reported on the December 31, 2000 and 1999 balance sheets were:

	2000	1999
CURRENT DEFERRED TAXES		
Insurance	\$ 67	\$ 2,390
Employee benefits	880	474
Voluntary resignation offer	3,417	—
Contracts	3,673	2,627
Tax benefit of U.S. operating losses and credits	4,883	4,564
Other	1,497	893
	14,417	10,948
Valuation allowance	—	(10,948)
	14,417	—
NON-CURRENT DEFERRED TAXES		
Employee benefits	8,809	14,132
Insurance	6,832	9,675
Non-U.S. activity	10,817	5,304
Other	6,698	7,288
	33,156	36,399
Valuation allowance	—	(16,207)
Depreciation	(8,686)	(11,035)
NET DEFERRED TAX ASSETS	\$ 38,887	\$ 9,157

The Company's valuation allowance was \$27,155 as of December 31, 1999 for its U.S. deferred tax assets, as realization is dependent on sustained U.S. taxable income. Following the acquisition of HBI in 2000, the Company believes that it will generate sustained U.S. taxable income as a result of inclusion of HBI operating results in the U.S. consolidated income tax return. As of December 31, 2000, the Company had United States net operating loss carryforwards of approximately \$36,800, which expire in 2012 to 2020. The Company did not record any Netherlands deferred income taxes on indefinitely reinvested undistributed earnings of its subsidiaries and affiliates at December 31, 2000. If any such undistributed earnings were distributed, the Netherlands participation exemption should become available under current law to significantly reduce or eliminate any resulting Netherlands income tax liability.

15. SEGMENT INFORMATION

The Company manages its operations by four geographic segments: North America; Europe, Africa, Middle East; Asia Pacific; and Central and South America. Each geographic area offers similar services. The Chief Executive Officer evaluates the performance of these four segments based on revenues and income from operations. Each segment's performance reflects the allocation of corporate costs, which were based primarily on revenues. No customer accounted for more than 10% of revenues. Intersegment revenues are not material.

The following table represents revenues by geographic segment:

	2000	1999	1998
REVENUES			
North America	\$ 322,482	\$ 288,516	\$ 314,975
Europe, Africa, Middle East	176,542	159,580	225,548
Asia Pacific	59,937	93,241	135,861
Central and South America	75,147	133,433	99,308
Total revenues	\$ 634,108	\$ 674,770	\$ 775,692

The following list indicates revenues for individual countries in excess of 10% of consolidated revenues during any of the three years ended December 31, 2000, based on where the Company performed the work:

	2000	1999	1998
United States	\$ 249,914	\$ 243,752	\$ 288,162
Venezuela	37,132	78,126	51,019
Australia	16,711	51,476	77,828
South Africa	19,468	18,040	79,251

The following tables present income from operations, assets and capital expenditures by geographic segment:

	2000 ⁽¹⁾	1999	1998
INCOME FROM OPERATIONS			
North America	\$ 9,095	\$ 6,704	\$ 11,411
Europe, Africa, Middle East	5,468	9,416	18,962
Asia Pacific	1,712	3,019	4,905
Central and South America	4,695	10,235	(8,917)
Total income from operations	\$ 20,970	\$ 29,374	\$ 26,361

⁽¹⁾ Excluding special charges

	2000	1999	1998
(LOSS) INCOME FROM OPERATIONS			
North America	\$ (12,541)	\$ 6,704	\$ 11,411
Europe, Africa, Middle East	2,169	9,416	18,962
Asia Pacific	(27,741)	3,019	4,905
Central and South America	3,419	10,235	(8,917)
Total (loss) income from operations	\$ (34,694)	\$ 29,374	\$ 26,361

	2000	1999	1998
ASSETS			
North America	\$ 392,302	\$ 161,589	\$ 137,538
Europe, Africa, Middle East	81,182	92,610	92,854
Asia Pacific	26,423	51,458	68,133
Central and South America	43,670	31,668	50,184
Total assets	\$ 543,577	\$ 337,325	\$ 348,709

The Company's revenues earned and assets attributable to operations in The Netherlands were not significant in any of the three years ended December 31, 2000. The Company's long-lived assets are considered to be net property and equipment. Approximately 69% of these assets were located in the United States for the three years ended December 31, 2000, while the other 31% were strategically located throughout the world.

	2000	1999	1998
CAPITAL EXPENDITURES			
North America	\$ 8,146	\$ 9,359	\$ 6,374
Europe, Africa, Middle East	736	1,611	3,550
Asia Pacific	2,350	1,639	1,367
Central and South America	293	841	958
Total capital expenditures	\$ 11,525	\$ 13,450	\$ 12,249

Although the Company manages its operations by the four geographic segments, revenues by product line are shown below:

	2000	1999	1998
REVENUES			
Flat Bottom Tanks	\$ 234,049	\$ 295,697	\$ 287,382
Low Temperature/Cryogenic Tanks and Systems	90,481	82,147	107,725
Repairs and Modifications	79,045	67,087	63,523
Specialty and Other Structures	76,567	65,646	129,949
Elevated Tanks	61,998	51,648	38,287
Turnarounds	46,017	49,102	84,748
Pressure Vessels	45,951	63,443	64,078
Total revenues	\$ 634,108	\$ 674,770	\$ 775,692

16. SUBSEQUENT EVENTS (UNAUDITED)

ACQUISITION—On February 7, 2001, the Company purchased substantially all of the assets (the "Assets") of the PDM Divisions. The Engineered Construction Division, headquartered in Houston, engineers, fabricates and constructs storage tanks and systems, process systems, and unique plate structures for the petroleum, petrochemical, cryogenic, liquid natural gas, defense and aerospace industries. The Water Division, headquartered in Pittsburgh, designs, fabricates and constructs water storage tank projects including conventional styles such as ground storage reservoirs and standpipes, steel elevated tanks and composite elevated tanks as well as unique projects involving one-of-a-kind tanks designed for specific applications. The Divisions will be integrated with the Company's current business units and the Assets will continue to be used in the same lines of business.

Under the terms of the transaction, which was negotiated based on stock prices prevailing during the 45 days before closing, the Company provided consideration of 2,848,172 shares of the Company (including 282,575 collar shares for price protection, if required) and \$40,000 in cash. PDM is obligated to remit to the Company net proceeds from the disposition of these shares in excess of \$44,000. The source of funds for the cash portion of the purchase price was a private placement of 837,692 shares of the Company to Farinvest, Ltd., an affiliate of WEDGE (for a price of \$13,600) and 1,623,846 shares of the Company plus a warrant to purchase 251,598 shares of the Company at an exercise price of NLG .01 per share to First Reserve (for a total price of \$26,400), plus a warrant for 250,000 shares of the Company, subject to decrease depending on the number of shares repurchased from PDM by the Company prior to June 30, 2001. Shareholder agreements with PDM, WEDGE and First Reserve include standstill provisions, registration rights and restrictions

with respect to voting rights. First Reserve exercised the warrant to purchase 251,598 shares on February 22, 2001. On March 15, 2001, the Company called 524,781 shares from PDM priced at \$9,000 and a return of the 282,575 collar shares issued for price protection. The Company sold these 807,356 shares at \$17.75 (less expenses), based on an agreement entered into on February 23, 2001, to an unaffiliated group of investors for a total price of \$14,300. PDM has the right to require the Company to repurchase the remaining 2,040,816 shares at \$17.15 per share, for a total price of \$35,000. The Company has certain rights to call these shares prior to June 28, 2001. The Company intends to repurchase these shares from PDM. In order to accomplish the buyback of these shares, the Company is in negotiations for the sale and leaseback of its administrative office and has reflected this as an asset held for sale on its balance sheet. In addition, the Company will utilize its Revolving Credit Facility and is also considering the sale and leaseback of other property and equipment, as well as other alternatives to finance the share buyback. This acquisition will be accounted for under the purchase method of accounting. The purchase price has been allocated to assets acquired and liabilities assumed based on estimated fair values at the date of acquisition and the balance of approximately \$29,000 was recorded as goodwill. The fair values of assets acquired and liabilities assumed are subject to final adjustment. The PDM Divisions will be included in the Company's results of operations effective February 1, 2001.

The following presents (unaudited) pro forma results of operations of the Divisions for the year ended December 31, 2000 as if the PDM Divisions had been combined as of January 1, 2000. These pro forma results do not purport to be indicative of the combined results of operations that would have occurred had the acquisition been made as of January 1, 2000 or results which may occur in the future. These results are additive to those pro forma amounts from the HBI acquisition (Note 3).

	PRO FORMA (UNAUDITED) YEAR END DECEMBER 31, 2000
Revenues	\$ 1,114,863
Net (loss) income	\$ (21,105)
Net (loss) income per share	
Basic	\$ (.92)
Diluted	\$ (.92)

17. QUARTERLY OPERATING RESULTS AND COMMON STOCK DIVIDENDS AND PRICES (UNAUDITED)

QUARTERLY OPERATING RESULTS—The following table sets forth selected unaudited consolidated income statement information for the Company on a quarterly basis for the two years ended December 31, 2000:

Quarter Ended 2000	March 31	June 30	Sept. 30	Dec. 31
Revenues	\$ 155,499	\$ 157,582	\$ 157,633	\$ 163,394
Gross profit	16,399	15,620	14,202	19,564
Income (loss) from operations	4,895	4,599	2,647	(46,835)
Net income (loss)	2,452	1,953	1,218	(39,398)
Net income (loss) per share				
Basic	\$.26	\$.21	\$.13	\$ (4.08)
Diluted	.25	.21	.13	(4.08)*

Quarter Ended 1999	March 31	June 30	Sept. 30	Dec. 31
Revenues	\$ 170,681	\$ 181,202	\$ 157,195	\$ 165,692
Gross profit	18,002	18,873	18,006	21,554
Income from operations	6,605	7,451	7,306	8,012
Net income	4,226	4,366	4,703	5,089
Net income per share				
Basic	\$.37	\$.39	\$.43	\$.49
Diluted	.37	.38	.42	.48

* The effect of dilutive shares was not included in the calculation of diluted earnings per share as they were antidilutive due to the net loss for the year.

COMMON STOCK DIVIDENDS AND PRICES—The Company's Common Stock is traded on the New York Stock Exchange and Euronext Amsterdam Exchange. Even though the Company is listed on the Euronext Amsterdam Exchange, minimal shares were traded there during 2000 and 1999. As of February 2001, the Company had approximately 2,400 shareholders. The following table presents the quarterly common shares outstanding, dividends on Common Stock and range of Common Stock prices on the New York Stock Exchange for the years ended December 31, 2000 and 1999:

Quarter Ended 2000	March 31	June 30	Sept. 30	Dec. 31
Common shares outstanding	9,174,674	9,201,782	9,250,149	17,729,108
Common dividends per share	\$.06	\$.06	\$.06	\$.06

RANGE OF COMMON STOCK PRICES

New York Stock Exchange				
High	\$17	\$17	\$17 ¹ / ₁₆	\$18
Low	13 ³ / ₄	14 ³ / ₁₆	11 ⁵ / ₈	14 ³ / ₁₆
Close	16 ³ / ₄	14 ¹¹ / ₁₆	14 ¹ / ₄	17 ¹⁵ / ₁₆

Quarter Ended 1999	March 31	June 30	Sept. 30	Dec. 31
Common shares outstanding	11,284,530	11,275,734	10,435,144	10,272,982
Common dividends per share	\$.06	\$.06	\$.06	\$.06

RANGE OF COMMON STOCK PRICES

New York Stock Exchange				
High	\$12 ³ / ₄	\$14 ¹ / ₈	\$15 ¹ / ₄	\$14 ³ / ₄
Low	9 ³ / ₈	10 ¹ / ₄	13	11 ⁵ / ₈
Close	11 ⁷ / ₈	13 ¹⁵ / ₁₆	14 ⁵ / ₈	13 ³ / ₄

FACILITY LISTING**CORPORATE OFFICE**

CHICAGO BRIDGE &
IRON COMPANY N.V.
Hoofddorp
The Netherlands
Tel: 31-23-5685660

ADMINISTRATIVE OFFICE

CHICAGO BRIDGE &
IRON COMPANY
Plainfield, Illinois
USA
Tel: 1-815-439-6000

**PRINCIPAL OFFICES—
THE AMERICAS****United States**

CALLIDUS TECHNOLOGIES, L.L.C.
Tulsa, Oklahoma
USA
Tel: 1-918-496-7599

CBI SERVICES, INC.
Plainfield, Illinois
USA
Tel: 1-815-439-6668

CB&I CONSTRUCTORS, INC.
Houston, Texas
USA
Tel: 1-713-466-1226

CB&I INDUSTRIAL
The Woodlands, Texas
USA
Tel: 1-281-774-2200

CB&I WATER
Pittsburgh, Pennsylvania
USA
Tel: 1-412-778-2405

CB&I TRUSCO TANK
San Luis Obispo, California
USA
Tel: 1-805-544-9155

CBI WALKER
Plainfield, Illinois
USA
Tel: 1-815-439-4000

HOWE-BAKER ENGINEERS, LTD.
Tyler, Texas
USA
Tel: 1-903-597-0311

MATRIX ENGINEERING, LTD.
Beaumont, Texas
USA
Tel: 1-409-842-5828

ULTRAPURE SERVICES, INC.
Carrollton, Texas
USA
Tel: 1-972-277-4200

XL TECHNOLOGY SYSTEMS, INC.
Rockland, Massachusetts
USA
Tel: 1-781-982-1220

Latin America

CBI COMPANY, LTD.
Houston, Texas
USA
Tel: 1-713-466-7581

CBI CONSTRUCCIONES S.A.
Buenos Aires
Argentina
Tel: 54-11-4812-7887

CBI VENEZOLANA, S.A.
Caracas
Venezuela
Tel: 58-2-263-4011

ULTRAPURE SYSTEMS, INC.
Vega Baja
Puerto Rico
Tel: 1-787-807-1500

Canada

HORTON CBI, LTD.
Fort Saskatchewan, Alberta
Canada
Tel: 1-780-998-2800

**PRINCIPAL OFFICES—
EUROPE, AFRICA
& MIDDLE EAST**

CBI CONSTRUCTORS, LTD.
London
England
Tel: 44-1-895-819314

CB&I EUROPE B.V.
Hoofddorp
The Netherlands
Tel: 31-23-5685660

CHICAGO BRIDGE & IRON COMPANY
Moscow
Russia
Tel: 7-095-937-8248

CBI CONSTRUCTORS,
S.A. (PTY) LTD.
Secunda
Republic of South Africa
Tel: 27-17-639-1303

CBI EASTERN ANSTALT
Dubai
United Arab Emirates
Tel: 971-4-331-3791

CHICAGO BRIDGE & IRON
COMPANY (EGYPT) LLC
Cairo
Egypt
Tel: 20-2-380-3767

ARABIAN CBI LTD.
Dammam
Saudi Arabia
Tel: 966-3-833-0990

**PRINCIPAL OFFICES—
ASIA PACIFIC AREA**

CBI OVERSEAS, LLC
Singapore
Tel: 65-441-7800

CBI/ST LIMITED
Laem Chabang
Thailand
Tel: 66-38-491125

CBI CONSTRUCTORS PTY. LTD.
Perth, Western Australia
Australia
Tel: 61-8-9324-5555

P.T. CBI INDONESIA
Jakarta
Indonesia
Tel: 62-21-525-1422

CBI (PHILIPPINES) INC.
Manila
Philippines
Tel: 63-2-823-8063

CHICAGO BRIDGE &
IRON COMPANY
Tokyo
Japan
Tel: 81-33-224-3981

ULTRAPURE SYSTEMS
(ASIA PACIFIC) PTE. LTD.
Singapore
Tel: 65-863-5301

CORPORATE AND INVESTOR INFORMATION

STOCK LISTING

Chicago Bridge & Iron Company N.V. common stock is listed on the New York Stock Exchange and the Euronext Amsterdam Exchange under the ticker symbol "CBI."

NEW YORK STOCK TRANSFER AGENT

The Bank of New York
Investor Relations
P.O. Box 11258
Church Street Station
New York, NY 10286-1258 USA

Tel: 1-888-269-2377

E-mail: shareowner-svcs@bankofny.com

Web sites: www.adrbny.com
or www.stock.bankofny.com

DUTCH TRANSFER AND PAYING AGENT

Kas-Associatie N.V.
Corporate Clients
Spuistraat 172
1012 VT Amsterdam
The Netherlands

Tel: 31-20-5575132

FORM 10-K

A copy of Chicago Bridge & Iron Company N.V.'s Report on Form 10-K, filed with the Securities and Exchange Commission, will be available in April 2001 by written request to:

Investor Relations Department
Chicago Bridge & Iron Company
1501 N. Division Street
Plainfield, IL 60544-8984 USA

ANNUAL MEETING

Chicago Bridge & Iron Company N.V.'s Annual Meeting of Shareholders will be held at 2 p.m. local time on May 10, 2001, at the Amstel Inter-Continental Amsterdam in Amsterdam, The Netherlands.

INDEPENDENT PUBLIC ACCOUNTANTS

Arthur Andersen
P.O. Box 75381
1070 AJ Amsterdam
The Netherlands

WEB SITE

Information about CB&I, including an archive of new releases, product information and access to SEC filings, is available from the Company's Web site at www.chicagobridge.com.

MEDIA INQUIRIES

Corporate Communications
Tel: 1-815-439-4006

INVESTOR INQUIRIES

Investor Relations
Tel: 1-815-439-4072

SUPERVISORY BOARD

JERRY H. BALLENGEE
Nominating Committee Chairman
Corporate Governance Committee Member



UNION CAMP CORPORATION
Former President and
Chief Operating Officer



WILLIAM E. MACAULAY
Corporate Governance Committee Member

FIRST RESERVE CORPORATION
Chairman and Chief Executive Officer

J. DENNIS BONNEY
Audit Committee Chairman
Corporate Governance Committee Member
Organization and Compensation
Committee Member



AEROMOVEL USA
Chairman of the Board

CHEVRON CORPORATION
Former Vice Chairman of the Board



GARY L. NEALE
Corporate Governance Committee Chairman
Organization and Compensation
Committee Member

NISOURCE, INC.
Chairman, President and CEO

GERALD M. GLENN
Nominating Committee Member



CHICAGO BRIDGE & IRON COMPANY N.V.
Chairman of the Supervisory Board

CHICAGO BRIDGE & IRON COMPANY
Chairman, President and
Chief Executive Officer



L. DONALD SIMPSON
Audit Committee Member
Corporate Governance Committee Member

GREAT LAKES CHEMICAL CORPORATION
Former Executive Vice President

BEN A. GUILI
Audit Committee Member
Corporate Governance Committee Member



FIRST RESERVE CORPORATION
President



WILLIAM H. WHITE
Corporate Governance Committee Member
Organization and Compensation
Committee Member

WEDGE GROUP INCORPORATED
President and Chief Executive Officer

J. CHARLES JENNETT
Corporate Governance Committee Member
Nominating Committee Member



TEXAS A&M INTERNATIONAL UNIVERSITY
President



MARSHA C. WILLIAMS
Audit Committee Member
Corporate Governance Committee Member

CRATE & BARREL
Chief Administrative Officer

VINCENT L. KONTNY
Organization and Compensation
Committee Chairman
Audit Committee Member
Corporate Governance Committee Member



WASHINGTON GROUP INTERNATIONAL, INC.
Senior Executive Vice President and
Chief Operating Officer

DOUBLE SHOE CATTLE COMPANY
Owner and CEO



MICHAEL D. WINFIELD
Audit Committee Member
Corporate Governance Committee Member

UOP L.L.C.
Former President and Chief Executive Officer

EXECUTIVE OFFICERS

GERALD M. GLENN

Chairman, President and Chief
Executive Officer and Director
CHICAGO BRIDGE & IRON COMPANY

Chairman of the Supervisory Board
CHICAGO BRIDGE & IRON COMPANY N.V.

Chairman, President and Chief
Executive Officer and Managing Director
CHICAGO BRIDGE & IRON COMPANY B.V.

STEPHEN P. CRAIN

Executive Vice President and
Chief Marketing Officer
CHICAGO BRIDGE & IRON COMPANY

Managing Director
CHICAGO BRIDGE & IRON COMPANY B.V.

STEPHEN M. DUFFY

Vice President - Human Resources,
Administration and Services
CHICAGO BRIDGE & IRON COMPANY

ROBERT B. JORDAN

Executive Vice President and
Chief Operating Officer
CHICAGO BRIDGE & IRON COMPANY

Managing Director
CHICAGO BRIDGE & IRON COMPANY B.V.

KEITH A. REED

Corporate Controller and
Chief Accounting Officer
CHICAGO BRIDGE & IRON COMPANY

TIMOTHY J. WIGGINS

Executive Vice President and
Chief Financial Officer and Director
CHICAGO BRIDGE & IRON COMPANY

Vice President, Treasurer and Chief
Financial Officer and Managing Director
CHICAGO BRIDGE & IRON COMPANY B.V.

ROBERT H. WOLFE

Vice President, General Counsel and Secretary
CHICAGO BRIDGE & IRON COMPANY

Secretary
CHICAGO BRIDGE & IRON COMPANY N.V.

Secretary
CHICAGO BRIDGE & IRON COMPANY B.V.

OPERATING EXECUTIVES

BETH A. BAILEY

Vice President - Information Technology
CHICAGO BRIDGE & IRON COMPANY

WILLIAM P. BARTLETT

President
CALLIDUS TECHNOLOGIES L.L.C.

ALAN R. BLACK

Vice President - Area Director
of Finance, Eastern Hemisphere
CHICAGO BRIDGE & IRON COMPANY B.V.

Managing Director
CHICAGO BRIDGE & IRON COMPANY B.V.

RONALD E. BLUM

Vice President - Sales
CBI SERVICES, INC.

JAMES E. BOLLWEG

President
CBI SERVICES, INC.

JAMES M. BRADEN

President - CB&I Water
CB&I CONSTRUCTORS, INC.

RONALD D. BRAZZEL

President and Chief Executive Officer
HOWE-BAKER INTERNATIONAL, L.L.C.

M. JEAN BROWN

Vice President - Investor Relations
CHICAGO BRIDGE & IRON COMPANY

MITCH P. DAUZAT

President
ULTRAPURE SYSTEMS

JOHN R. EDMONDS

Group Vice President - Eastern
Hemisphere Operations
CHICAGO BRIDGE & IRON COMPANY B.V.

RICHARD E. GOODRICH

Group Vice President - Western
Hemisphere Operations
CHICAGO BRIDGE & IRON COMPANY

ANDREW J. HACKWORTH

Vice President - Industrial Sales,
Eastern Hemisphere
CHICAGO BRIDGE & IRON COMPANY B.V.

STEVEN W. KNOTT

Vice President - Industrial and
Water Sales, Western Hemisphere
CHICAGO BRIDGE & IRON COMPANY

SAMUEL C. LEVENTRY

Vice President - Technology Services
CHICAGO BRIDGE & IRON COMPANY

BOBBY J. LEWIS

Vice President - Strategic Sales and
Business Development, Western Hemisphere
CHICAGO BRIDGE & IRON COMPANY

J. ROBERT MCKENZIE

Vice President - Strategic Sales and
Business Development, Eastern Hemisphere
CHICAGO BRIDGE & IRON COMPANY B.V.

Managing Director
CHICAGO BRIDGE & IRON COMPANY B.V.

TIMOTHY J. MORAN

Vice President and Treasurer
CHICAGO BRIDGE & IRON COMPANY

PIERS MORRIS

Solicitor and Assistant General Counsel
CHICAGO BRIDGE & IRON COMPANY B.V.

RICHARD P. NIELAND

President - CB&I Central & South America
CHICAGO BRIDGE & IRON COMPANY

TIMOTHY J. NOVAK

Vice President - Area Director
of Finance, Western Hemisphere
CHICAGO BRIDGE & IRON COMPANY

TOM C. RHODES

Vice President - Financial Operations
CHICAGO BRIDGE & IRON COMPANY

ARTHUR R. RICHARD

President
MATRIX ENGINEERING, LTD.

LUKE V. SCORSONE

President - CB&I Industrial
CB&I CONSTRUCTORS, INC.

©2001 Chicago Bridge & Iron Company N.V.
All rights reserved.