McDermott Announces Final Distribution Details for Non-Tendering CB&I Shareholders

HOUSTON, May 18, 2018 /PRNewswire/ -- McDermott International, Inc. ("McDermott" or the "Company") (NYSE:MDR) today announced that, in connection with its combination with Chicago Bridge & Iron Company N.V. ("CB&I"), the Dutch dividend withholding tax obligation incurred in connection with the liquidation of Comet I B.V., a company organized under the laws of the Netherlands as a direct wholly owned subsidiary of CB&I, has been satisfied by a payment finalized on May 17, 2018.

As previously announced, the consideration provided to former shareholders of CB&I who did not validly tender in McDermott's exchange offer is subject to a Dutch dividend withholding tax. As part of the overall business combination transaction, those shareholders became shareholders of CB&I Newco and became entitled to receive, in connection with the liquidation of CB&I Newco, the same consideration offered in the exchange offer (i.e. 0.82407 shares of McDermott common stock for each share of CB&I common stock, together with cash in lieu of fractional shares), subject to reduction by the Dutch dividend withholding tax.

Based on final computations made as of May 10, 2018, taking into account the number of shares of CB&I common stock not tendered in the exchange offer, the average paid-up capital of CB&I recognized for Dutch dividend withholding tax purposes with respect to such shares (approximately $319 million), the Euros/Dollars exchange rate in effect at the time of the tax payment and other applicable amounts, the aggregate amount of applicable Dutch dividend withholding tax was approximately $40.8 million. The liquidator of Comet I B.V. caused payment obligations with respect to such tax to be satisfied by directing the exchange agent to (1) sell shares of McDermott common stock that were previously deposited with the exchange agent in an amount necessary to fund the payment of the aggregate Dutch dividend withholding tax and (2) remit the proceeds of such sale to the Dutch tax authorities, all as contemplated by McDermott's previously filed Registration Statement on Form S-4, the related exchange offer prospectus and various other related documents that were circulated to CB&I stockholders in connection with the exchange offer. Accordingly, the exchange agent sold approximately 1.9 million shares of McDermott common stock at an average price of $21.44 per share and remitted the proceeds to the relevant Dutch tax authority. As a result, approximately 27.7 million shares of McDermott common stock remained to be distributed to the former shareholders of CB&I who did not validly tender in McDermott's exchange offer, and, after giving effect to the payment of the Dutch dividend withholding tax, those holders are entitled to receive 0.771059 shares of McDermott common stock, and cash in lieu of fractional shares, in respect of each former share of CB&I common stock. The final distribution of those shares is being effected today.

About McDermott

McDermott is a premier, fully integrated provider of technology, engineering and construction solutions to the energy industry. For more than a century, customers have trusted McDermott to design and build end-to-end infrastructure and technology solutions—from the wellhead to the storage tank—to transport and transform oil and gas into the products the world needs today. Our proprietary technologies, integrated expertise and comprehensive solutions deliver certainty, innovation and added value to energy projects around the world. Customers rely on McDermott to deliver certainty to the most complex projects, from concept to commissioning. It is called the "One McDermott Way." Operating in over 54
countries, McDermott’s locally focused and globally-integrated resources include approximately 40,000 employees and engineers, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit www.mcdermott.com.

Forward-Looking Statements
In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, McDermott cautions that statements in this press release which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties that may impact McDermott's actual results of operations. These forward-looking statements include, among other things, statements about the expected scope, execution and timing of the project discussed in this press release. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: adverse changes in the markets in which we operate or credit markets, our inability to successfully execute on contracts in backlog, changes in project design or schedules, the availability of qualified personnel, changes in the terms, scope or timing of contracts, contract cancellations, change orders and other modifications and actions by our customers and other business counterparties, changes in industry norms and adverse outcomes in legal or other dispute resolution proceedings. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. For a more complete discussion of these and other risk factors, please see McDermott’s annual and quarterly filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2017 and subsequent quarterly reports on Form 10-Q. This press release reflects management’s views as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

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