

CHICAGO BRIDGE & IRON CO N V

Form DEFM14A

October 18, 2007

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Chicago Bridge & Iron Company N.V.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - 1) Title of each class of securities to which transaction applies:
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 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - 4) Proposed maximum aggregate value of transaction:
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 - 1) Amount Previously Paid:
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 - 3) Filing Party:
 - 4) Date Filed:

Table of Contents

CHICAGO BRIDGE & IRON COMPANY N.V.

Chicago Bridge & Iron Company N.V. and certain of its affiliates have agreed to purchase all of the outstanding shares of ABB Lummus Global Inc. and ABB Oil & Gas Europe B.V. from ABB Asea Brown Boveri Ltd. and certain of its affiliates. Under Netherlands law, we must obtain the approval of CB&I's shareholders before we can complete the acquisition. We are sending this proxy statement to CB&I shareholders to ask them to vote in favor of the approval of the acquisition of ABB Lummus Global Inc. and ABB Oil & Gas Europe B.V. If CB&I shareholders approve the acquisition and the acquisition is subsequently completed, CB&I will acquire all of the outstanding shares of ABB Lummus Global Inc. and ABB Oil & Gas Europe B.V. for a net cash purchase price of approximately \$850 million, subject to adjustments at closing.

This proxy statement is being furnished to CB&I shareholders in connection with the solicitation of proxies by CB&I for use at its special meeting of shareholders. The date, time, and place of the special meeting of the CB&I shareholders are:

Date: November 16, 2007
Time: 11:00 a.m.
Place: Intercontinental Amstel Amsterdam
Professor Tulpplein 1
1018GX, Amsterdam, The Netherlands

This document is a proxy statement for CB&I to use in soliciting proxies for its special meeting of shareholders. Attached is an important document containing answers to frequently asked questions and a summary description of the acquisition (beginning on page 1), followed by more detailed information about CB&I, Lummus Global, the proposed acquisition, and the share sale and purchase agreement. We urge you to read this document carefully and in its entirety. **In particular, you should consider the matters discussed under Risk Factors beginning on page 23 of this proxy statement.**

Philip K. Asherman
President and Chief Executive Officer
Chicago Bridge & Iron Company N.V.

Neither the Securities and Exchange Commission nor any state securities commission has passed upon the adequacy or accuracy of this proxy statement. Any representation to the contrary is a criminal offense.

This proxy statement is dated October 17, 2007, and is first being mailed to CB&I shareholders on or about October 18, 2007.

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

As used in this proxy statement, CB&I refers to Chicago Bridge & Iron Company N.V. and its consolidated subsidiaries, except where the context otherwise requires or as otherwise indicated. This proxy statement incorporates by reference important business and financial information about CB&I from documents that it has filed with the Securities and Exchange Commission but that have not been included in or delivered with this proxy statement. For a listing of documents incorporated by reference into this proxy statement, please see the section entitled "Where You Can Find More Information" beginning on page 51 of this proxy statement.

You can obtain any of the documents incorporated by reference into this proxy statement from CB&I through the "SEC Filings" link located on the investor relations page of its website at www.cbi.com or from the Securities and Exchange Commission through its website at www.sec.gov. We are not incorporating the contents of the websites of the Securities and Exchange Commission, CB&I or any other person into this document. We are only providing the information about how you can obtain certain documents that are specifically incorporated by reference into this proxy statement at these websites for your convenience.

CB&I will provide you with copies of the documents relating to CB&I incorporated by reference herein, excluding any exhibits to those documents, without charge, if you request it in writing from CB&I at our principal executive offices at Polarisavenue 31, 2132 JH Hoofddorp, The Netherlands, or at our administrative offices c/o Chicago Bridge & Iron Company (Delaware), 2103 Research Forest Drive, The Woodlands, Texas 77380-2624, attention: Investor Relations.

In order for you to receive timely delivery of the documents in advance of the CB&I special meeting, CB&I should receive your request no later than November 2, 2007.

Table of Contents

**CHICAGO BRIDGE & IRON COMPANY N.V.
POLARIS AVENUE 31
2132 JH HOOFFDORP, THE NETHERLANDS**

**NOTICE OF AND AGENDA FOR THE SPECIAL MEETING
OF SHAREHOLDERS TO BE HELD NOVEMBER 16, 2007**

To the Shareholders of:
CHICAGO BRIDGE & IRON COMPANY N.V.

You are hereby notified that a Special Meeting of Shareholders (the Special Meeting) of Chicago Bridge & Iron Company N.V. (CB&I) will be held at Intercontinental Amstel Amsterdam, Professor Tulpplein 1, 1018GX, Amsterdam, The Netherlands, at 11:00 a.m. on November 16, 2007, for the following purpose:

To consider and vote upon a proposal to approve and authorize the acquisition of the Lummus Global business of ABB Asea Brown Boveri Ltd. (ABB) by CB&I or direct or indirect wholly-owned subsidiaries of CB&I.

The acquisition proposal is more fully described in the accompanying proxy statement, which you should read carefully in its entirety before voting.

THE BOARD OF SUPERVISORY DIRECTORS OF CB&I HAS CAREFULLY CONSIDERED THE TERMS OF THE SHARE SALE AND PURCHASE AGREEMENT AND THE ACQUISITION AND BELIEVES THAT THE ACQUISITION IS ADVISABLE AND FAIR TO, AND IN THE BEST INTERESTS OF, CB&I AND ITS SHAREHOLDERS. THE BOARD OF SUPERVISORY DIRECTORS HAS UNANIMOUSLY APPROVED THE SHARE SALE AND PURCHASE AGREEMENT AND THE ACQUISITION AND UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR APPROVAL AND AUTHORIZATION OF THE ACQUISITION.

It is important that your shares be represented at the special meeting regardless of the number of shares you hold. Please promptly mark, date, sign, and return the enclosed proxy in the accompanying envelope, whether or not you intend to be present at the special meeting. No postage is required for mailing in the United States. Your proxy is revocable at any time prior to its use at the special meeting.

Walter G. Browning
Secretary on behalf of the Board of Supervisory Directors

October 17, 2007

Table of Contents**TABLE OF CONTENTS**

	Page
<u>Questions and Answers About the Acquisition and the Special Meeting</u>	1
<u>Summary</u>	5
<u>CB&I</u>	5
<u>The Acquisition</u>	5
<u>Recommendation of the CB&I Board of Supervisory Directors</u>	5
<u>Opinion of UBS Securities LLC – Financial Advisor to CB&I</u>	5
<u>Risk Factors</u>	5
<u>Conditions to Completion of the Acquisition</u>	6
<u>Regulatory Matters</u>	6
<u>Termination of the Acquisition Agreement</u>	6
<u>Costs and Expenses</u>	6
<u>Accounting Treatment</u>	6
<u>Selected Historical and Unaudited Pro Forma Financial Information</u>	7
<u>Selected CB&I Historical Financial Data</u>	7
<u>Selected Historical Financial Data of Lummus Global</u>	7
<u>Selected Unaudited Condensed Combined Pro Forma Financial Data</u>	8
<u>Information About The Special Meeting and Voting</u>	9
<u>Date, Time and Place</u>	9
<u>Matters to be Considered</u>	9
<u>Shareholders Entitled to Vote</u>	9
<u>Quorum and Required Vote</u>	9
<u>How Shares Will Be Voted at the Special Meeting</u>	9
<u>How to Vote Your Shares</u>	9
<u>How to Change Your Vote</u>	10
<u>Solicitation of Proxies</u>	10
<u>Recommendation of the CB&I Supervisory Board of Directors</u>	11
<u>Special Meeting Admission</u>	11
<u>The Acquisition</u>	12
<u>General</u>	12
<u>Background of the Acquisition</u>	12
<u>CB&I’s Reasons for the Acquisition</u>	14
<u>Recommendation of the CB&I Board of Supervisory Directors</u>	15
<u>Opinion of UBS Securities LLC – Financial Advisor to CB&I</u>	15
<u>Accounting Treatment</u>	21
<u>Regulatory Matters</u>	21
<u>Appraisal Rights</u>	22
<u>Risk Factors</u>	23
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	25
<u>The Share Sale and Purchase Agreement</u>	26
<u>Share Sale and Purchase Agreement</u>	26
<u>Date and Place</u>	26
<u>Consideration</u>	26
<u>The Sellers’ Warranties</u>	27

Table of Contents

	Page
<u>CB&I s Warranties</u>	28
<u>Certain Pre-Completion Undertakings</u>	29
<u>Completion and Related Matters</u>	31
<u>Other Post-Completion Undertakings</u>	32
<u>Covenants</u>	33
<u>Guarantees</u>	33
<u>Cost Sharing</u>	34
<u>Conditions to Completion</u>	34
<u>Termination Right</u>	35
<u>The Sellers Limitations of Liability</u>	36
<u>Costs and Expenses</u>	38
<u>Variations</u>	39
<u>Remedies and Waivers</u>	39
<u>Information About CB&I</u>	40
<u>Business</u>	40
<u>Directors and Executive Officers</u>	41
<u>Beneficial Ownership of CB&I s Common Shares</u>	41
<u>Information About Lummus Global</u>	42
<u>Business</u>	42
<u>Management s Discussion and Analysis of Financial Condition and Results of Operations</u>	42
<u>Unaudited Condensed Combined Pro Forma Financial Data</u>	46
<u>Proposed Financings</u>	51
<u>Independent Auditors</u>	51
<u>Shareholder Proposals</u>	51
<u>Where You Can Find More Information</u>	51
<u>Financial Statements of Lummus Global</u>	F-1

ANNEXES

Annex A Share Sale and Purchase Agreement dated August 24, 2007
 Annex B Opinion of UBS Securities LLC, dated August 24, 2007

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE ACQUISITION AND THE SPECIAL MEETING

The following questions and answers briefly address some commonly asked questions about the acquisition and the special meeting. They may not include all the information that is important to you. We urge you to read carefully this entire proxy statement, including the annexes and the other documents we refer to in this proxy statement.

Frequently Used Terms

We have generally avoided the use of technical defined terms in this proxy statement but a few frequently used terms may be helpful for you to have in mind at the outset. We refer to:

Chicago Bridge & Iron Company N.V., as CB&I or the Company ;

ABB Asea Brown Boveri Ltd., as ABB ;

ABB Lummus Global Inc. and ABB Oil & Gas Europe B.V., the entities being acquired by CB&I, as Lummus Global ;

the proposed acquisition of Lummus Global by CB&I as the acquisition ;

the Share Sale and Purchase Agreement dated as of August 24, 2007, among ABB Holdings Inc., ABB Holdings B.V., ABB, Chicago Bridge & Iron Company, Chicago Bridge & Iron Company B.V. and CB&I as the acquisition agreement ; and

the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, as the Hart-Scott-Rodino Act.

About the Acquisition

Q1: What am I voting on?

A1: CB&I is proposing to acquire Lummus Global. CB&I shareholders are being asked to vote to approve and authorize the acquisition, which is required pursuant to Netherlands law. Pursuant to the terms of the acquisition agreement, certain subsidiaries of CB&I will acquire Lummus Global for a net cash purchase price, including estimated transaction costs, of approximately \$850 million, subject to adjustments at closing.

Q2: What is the required vote to approve and authorize the acquisition?

A2: Holders of a majority of the outstanding CB&I common shares present in person or by proxy at the special meeting must vote to approve and authorize the acquisition.

Q3: What happens if I do not vote?

A3: Because the required vote of CB&I shareholders is based upon the number of outstanding shares of CB&I present in person or by proxy at the special meeting, abstentions from voting will have no effect on the vote for approval and authorization of the acquisition. If you return a properly signed proxy card but do not indicate how you want to vote, your proxy will be counted as a vote FOR approval and authorization of the acquisition.

Q4: How does the CB&I Board of Supervisory Directors recommend I vote?

A4: The Board of Supervisory Directors of CB&I unanimously recommends that CB&I's shareholders vote FOR approval and authorization of the acquisition. The Board of Supervisory Directors of CB&I believes the acquisition is advisable and in the best interests of CB&I and its shareholders.

Q5: Do I have appraisal rights with respect to the acquisition?

A5: No. Under Netherlands law, CB&I shareholders do not have appraisal rights with respect to the acquisition.

Table of Contents

Q6: Will the rights of a CB&I shareholder change as a result of the acquisition?

A6: No. The rights of a CB&I shareholder will not change as a result of the acquisition. Each outstanding CB&I common share will remain outstanding following the acquisition.

Q7: Are there risks associated with the acquisition that I should consider in deciding how to vote?

A7: Yes. There are risks associated with all business combinations, including the acquisition. **Please read with particular care the more detailed description of the risks associated with the acquisition discussed under Risk Factors beginning on page 23 of this proxy statement.**

Q8: When do you expect the acquisition to be completed?

A8: We are working on completing the acquisition as quickly as possible. To complete the acquisition, we must obtain the approval of the CB&I shareholders and satisfy or waive all other closing conditions under the acquisition agreement, which we currently expect should occur in the fourth quarter of 2007. However, we cannot assure you when or if the acquisition will occur. See The Share Sale and Purchase Agreement Conditions to Completion beginning on page 34 of this proxy statement. If the acquisition occurs, we will promptly make a public announcement of this fact.

About the Special Meeting

Q9: When and where is the CB&I special shareholder meeting?

A9: The CB&I special shareholder meeting will take place on November 16, 2007, at 11:00 a.m., and will be held at Intercontinental Amstel Amsterdam, Professor Tulpplein 1, 1018GX, Amsterdam, The Netherlands.

Q10: What will happen at the special meeting?

A10: At the CB&I special meeting, CB&I shareholders will vote on a proposal to approve and authorize the acquisition. We cannot complete the acquisition unless, among other things, CB&I s shareholders vote to approve and authorize the acquisition.

Q11: Who is entitled to vote at the special meeting?

A11: Holders of record of CB&I common shares at the close of business on October 17, 2007, the record date for the special meeting, are entitled to receive notice of and vote at the special meeting. The admission of shareholders to the meeting and exercise of voting rights at the meeting are governed by Netherlands law.

Q12: Is there any quorum requirement at the special meeting?

A12: A quorum is the number of shares that must be present to hold the meeting. Although there is no quorum requirement under Dutch law, abstentions and broker non-votes (where a named entity holding shares for a beneficial owner has not received voting instructions from the beneficial owner with respect to a particular matter and such named entity does not possess or choose to exercise its discretionary authority with respect thereto) will be considered present at the meeting but will not be counted to determine the total number of votes cast.

Q13: How many shares can vote?

A13: On the record date, CB&I had outstanding 96,576,289 common shares, which constitute CB&I's only outstanding voting securities. Each CB&I shareholder is entitled to one vote on each proposal for each CB&I common share held as of the record date. Admission of shareholders to the meeting and exercise of voting rights at the meeting are governed by Netherlands law.

Q14: What vote is required?

A14: The affirmative vote of the holders of a majority of the outstanding CB&I common shares present in person or by proxy at the CB&I special meeting is required to approve and authorize the acquisition.

Table of Contents

Even if the votes set forth above are obtained at the special meeting, we cannot assure you that the acquisition will be completed, because the completion of the acquisition is subject to the satisfaction or waiver of other conditions discussed in this proxy statement.

Q15: What do I need to do now?

A15: After carefully reading and considering the information contained and referred to in this proxy statement, including its annexes, please authorize your CB&I common shares to be voted by returning your completed, dated, and signed proxy card in the enclosed return envelope as soon as possible. To be sure that your vote is counted, please submit your proxy as instructed on your proxy card even if you plan to attend the special meeting in person.

Q16: May I vote in person?

A16: Yes. You may attend the special meeting of CB&I's shareholders and vote your shares in person rather than by signing and returning your proxy card. If you wish to vote in person and your shares are held by a broker, bank, or other nominee, you need to obtain a proxy from the broker, bank, or nominee authorizing you to vote your shares held in the broker's, bank's, or nominee's name. If you wish to attend the meeting in person, you must notify CB&I of this fact by no later than November 9, 2007. Notifications of intent to attend the meeting in person must be received at the following address not later than November 9, 2007:

Chicago Bridge & Iron Company N.V.
c/o Chicago Bridge & Iron Company (Delaware)
2103 Research Forest Drive
The Woodlands, Texas 77380-2624
Attn: Investor Relations

Q17: If my shares are held in street name, will my broker, bank, or other nominee vote my shares for me?

A17: Yes, but your broker, bank, or other nominee may vote your CB&I common shares only if you instruct your broker, bank, or other nominee how to vote. If you do not provide your broker, bank, or other nominee with instructions on how to vote your street name shares, your broker, bank, or other nominee will not be permitted to vote them on the acquisition. You should follow the directions your broker, bank, or other nominee provides to ensure your shares are voted at the special meeting. Please check the voting form used by your broker, bank, or other nominee to see if it offers telephone or Internet voting.

Q18: May I change my vote?

A18: Yes. You may change your vote at any time before your proxy is voted at the special meeting. If your CB&I common shares are registered in your own name, you can do this in one of three ways.

First, you can deliver to CB&I, prior to the special meeting, a written notice stating that you want to revoke your proxy. The notice should be sent to the attention of Investor Relations, Chicago Bridge & Iron Company N.V., c/o Chicago Bridge & Iron Company (Delaware), 2103 Research Forest Drive, The Woodlands, Texas 77380-2624, to arrive by the close of business on November 15, 2007.

Second, prior to the special meeting, you can complete and deliver a new proxy card. The proxy card should be sent to the addressee indicated on the pre-addressed envelope enclosed with your initial proxy card to arrive

by the close of business on November 15, 2007. The latest dated and signed proxy actually received by this addressee before the special meeting will be counted, and any earlier proxies will be considered revoked.

Third, you can attend the CB&I special meeting and vote in person. Any earlier proxy will thereby be revoked automatically. Simply attending the special meeting, however, will not revoke your proxy, as you must vote at the special meeting to revoke a prior proxy. Please see answer A16 above for instructions on how to attend the meeting in person.

Table of Contents

If you have instructed a broker to vote your shares, you must follow directions you receive from your broker to change or revoke your vote.

If you are a street-name shareholder and you vote by proxy, you may later revoke your proxy instructions by informing the holder of record in accordance with that entity's procedures.

Q19: How will the proxies vote on any other business brought up at the special meetings?

A19: By submitting your proxy, you authorize the persons named on the proxy card to use their judgment to determine how to vote on any other matter properly brought before the special meeting. The proxies will vote your shares in accordance with your instructions. If you sign, date, and return your proxy without giving specific voting instructions, the proxies will vote your shares FOR the proposal. If you do not return your proxy, or if your shares are held in street name and you do not instruct your bank, broker or nominee on how to vote, your shares will not be voted at the special meeting.

The CB&I Board of Supervisory Directors does not intend to bring any other business before the meeting, and it is not aware that anyone else intends to do so. If any other business properly comes before the meeting, it is the intention of the persons named on the proxy cards to vote as proxies in accordance with their best judgment.

Q20: What is a broker non-vote?

A20: A broker non-vote occurs when a bank, broker, or other nominee submits a proxy that indicates that the broker does not vote for some or all of the proposals, because the broker has not received instructions from the beneficial owners on how to vote on these proposals and does not have discretionary authority to vote in the absence of instructions.

Q21: Will broker non-votes or abstentions affect the results?

A21: No. Broker non-votes or abstentions will have no effect on the outcome of the proposals brought at the special meeting. Nevertheless, if your shares are held in street name, we urge you to instruct your bank, broker, or nominee on how to vote your shares for those proposals on which you are entitled to vote.

Q22: Why is it important for me to vote?

A22: We cannot complete the acquisition without holders of a majority of the outstanding CB&I common shares present in person or by proxy at the special meeting voting in favor of the approval and authorization of the acquisition.

General

Q23: What does it mean if I get more than one proxy card?

A23: Your CB&I common shares are probably registered in more than one account. You should vote each proxy card you receive.

Q24: Where can I find more information about the special meeting, the acquisition or CB&I?

A24: You can find more information about CB&I in its filings with the Securities and Exchange Commission and the New York Stock Exchange. If you have any questions about the special meeting, the acquisition or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, you should contact CB&I at the address or phone number below. If your broker holds your shares, you can also call your broker for additional information.

Chicago Bridge & Iron Company N.V.
c/o Chicago Bridge & Iron Company (Delaware)
2103 Research Forest Drive
The Woodlands, Texas 77380-2624
(832) 513-1245
Attn: Investor Relations

Table of Contents

SUMMARY

*This summary highlights selected information from this proxy statement, including material terms of the acquisition, and may not contain all of the information that is important to you. To understand the acquisition fully and for a more complete description of the legal terms of the acquisition, you should carefully read this entire document, including its Annexes, and the documents to which we refer you. See *Where You Can Find More Information* beginning on page 51 of this proxy statement.*

CB&I (page 40)

Chicago Bridge & Iron Company N.V.
Polarisavenue 31
2132 JH Hoofddorp, The Netherlands
(3106) 51784497

Chicago Bridge & Iron Company N.V. executes more than 500 projects each year and is one of the world's leading engineering, procurement and construction (EPC) companies, specializing in projects for customers that produce, process, store and distribute the world's natural resources. With more than 60 locations and approximately 14,000 employees throughout the world, CB&I capitalizes on its global expertise and local knowledge to safely and reliably deliver projects virtually anywhere.

The Acquisition (page 12)

On August 24, 2007, CB&I agreed to acquire Lummus Global under the terms of the acquisition agreement described in this proxy statement and attached as Annex A. The acquisition agreement is the legal document that governs the acquisition, and we urge you to read that agreement. Pursuant to the terms of the acquisition agreement, certain subsidiaries of CB&I will acquire Lummus Global for a net cash purchase price, including estimated transaction costs, of approximately \$850 million, subject to adjustments at closing.

Recommendation of the CB&I Board of Supervisory Directors (page 15)

The CB&I Board of Supervisory Directors has unanimously determined that the acquisition is advisable and in your best interests and unanimously recommends that you vote FOR the approval and authorization of the acquisition of Lummus Global for a net cash purchase of approximately \$850 million.

Opinion of UBS Securities LLC – Financial Advisor to CB&I (page 15)

On August 20, 2007, UBS Securities LLC, or UBS, delivered its oral opinion to CB&I's Board of Supervisory Directors, which was subsequently confirmed by delivery of its written opinion, dated August 24, 2007, to the effect that, as of those dates, and based upon and subject to the assumptions made, matters considered and limitations described in the opinion, the \$839.9 million consideration to be paid by the purchasers in the acquisition was fair, from a financial point of view, to CB&I. The full text of UBS' opinion is attached as Annex B to this proxy statement. **UBS' opinion was provided to CB&I's Board of Supervisory Directors in connection with its evaluation of the acquisition. UBS' opinion is directed only to the fairness, from a financial point of view, to CB&I of the \$839.9 million consideration to be paid by the purchasers in the acquisition. The opinion does not address the relative merits of the acquisition as compared to other business strategies or transactions that might be available with respect to CB&I, nor does it address CB&I's underlying business decision to effect the acquisition. The opinion does not constitute a recommendation to any shareholder as to how such shareholder**

should vote or act with respect to the acquisition. We encourage you to read UBS opinion carefully in its entirety.

Risk Factors (page 23)

In evaluating the acquisition or the acquisition agreement, you should carefully review this proxy statement and especially consider the factors discussed in the section entitled Risk Factors beginning on page 23.

Table of Contents

Conditions to Completion of the Acquisition (page 34)

Completion of the acquisition depends on a number of conditions being satisfied or waived. These conditions include the following:

receipt of consents, authorizations, filings and notifications to any relevant competition authorities and the expiration of all applicable waiting periods under such competition laws;

the approval of the shareholders of CB&I;

the consummation of the transactions will not be in any way prohibited by any order and there will not have been any applicable law enacted, promulgated or deemed applicable to the transactions after the date of the acquisition agreement by any governmental entity that prevents the consummation of the transactions or has the effect of making such consummation illegal; and

a member of the ABB group will have paid \$204,000,000 to the CE Asbestos PI Trust, on terms that no member of the acquired group is under any liability to reimburse all or any of such sum.

Regulatory Matters (page 21)

Under the Hart-Scott-Rodino Act, the parties cannot complete the acquisition until they have notified and furnished information to the Federal Trade Commission, or the FTC, and the Antitrust Division of the United States Department of Justice, or the DOJ, and specified waiting periods expire or are terminated. On September 7, 2007, CB&I and ABB submitted the notification filings to the FTC and DOJ. The waiting period under the Hart-Scott-Rodino Act expired on October 9, 2007.

Termination of the Acquisition Agreement (page 35)

The acquisition agreement may be terminated by either party, by giving written notice to the other party, if completion has not occurred by 5:00 p.m. (London time) on February 28, 2008, which date may be extended as described below. The purchasers have the right to terminate the acquisition agreement if the sellers have committed certain breaches of the acquisition agreement, have not cured those breaches and have not taken certain permitted actions to protect the purchasers' right to be compensated fully for such breaches. If the purchasers deliver notice of such a breach to sellers after January 31, 2008, the outside date after which either party can terminate the acquisition agreement would be extended from February 29, 2008 to March 31, 2008. However, the right to terminate the acquisition agreement will not be available to any party whose failure to perform any of its obligations under the acquisition agreement has been the cause of, or resulted in, the failure of completion to occur on or before March 31, 2008.

Costs and Expenses (page 38)

If CB&I fails to obtain the approval and authorization of its shareholders for the acquisition by February 28, 2008 or, if extended pursuant to the acquisition agreement, March 31, 2008, CB&I shall pay to ABB \$25 million. Whether or not the acquisition is consummated, the members of the ABB group and the members of the CB&I group will bear their own costs and expenses in connection with the acquisition agreement and the related transactions.

Accounting Treatment (page 21)

CB&I will account for the acquisition using the purchase method of accounting.

Table of Contents**SELECTED HISTORICAL AND UNAUDITED PRO FORMA FINANCIAL INFORMATION****Selected CB&I Historical Financial Data**

We derived the following summary financial and operating data for each of the five years ended December 31, 2002 through 2006 from our audited consolidated financial statements and for the six months ended June 30, 2006 and 2007 from our unaudited consolidated financial statements. You should read this information together with Management's Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements, including the related notes, incorporated by reference into this proxy statement.

	Years Ended December 31,					Six Months Ended June 30,	
2006	2005	2004	2003	2002	2007	2006	
					(Unaudited)	(Unaudited)	

(In thousands, except per share data)

Income**Statement Data**

Revenue	\$ 3,125,307	\$ 2,257,517	\$ 1,897,182	\$ 1,612,277	\$ 1,148,478	\$ 1,868,672	\$ 1,390,783
Net income	\$ 116,968	\$ 15,977	\$ 65,920	\$ 65,954	\$ 50,149	\$ 62,711	\$ 45,954

Per Share Data

Net income							
basic	\$ 1.21	\$ 0.16	\$ 0.69	\$ 0.73	\$ 0.58	\$ 0.66	\$ 0.47
Net income							
diluted	\$ 1.19	\$ 0.16	\$ 0.67	\$ 0.69	\$ 0.56	\$ 0.65	\$ 0.46
Cash dividends	\$ 0.12	\$ 0.12	\$ 0.08	\$ 0.08	\$ 0.06	\$ 0.08	\$ 0.06

Balance Sheet**Data**

Total assets	\$ 1,835,010	\$ 1,377,819	\$ 1,102,718	\$ 932,362	\$ 754,613	\$ 1,957,640	\$ 1,623,925
Long-term debt	\$	\$ 25,000	\$ 50,000	\$ 75,000	\$ 75,000	\$	\$ 25,000

Selected Historical Financial Data of Lummus Global

We derived the following summary financial and operating data for each of the three years ended December 31, 2004 through 2006 from the audited combined financial statements of Lummus Global for the six months ended June 30, 2006 and 2007 from unaudited combined financial information contained elsewhere in this proxy statement. Lummus Global was operated as a division of ABB Ltd. without the need to produce separate U.S. GAAP financial information. We believe that selected historical financial data of Lummus Global for fiscal years ended December 31, 2003 and 2002 is not material to shareholders of CB&I with respect to the vote on the acquisition that is being solicited by this proxy statement. You should read this information together with Lummus Global's Management's Discussion and Analysis of Financial Condition and Results of Operations and Consolidated Financial Statements, including the related notes, included in this proxy statement.

	Years Ended December 31,			Six Months Ended June 30,	
2006	2005	2004	2007	2006	
			(Unaudited)	(Unaudited)	

(In thousands, except per share data)**Income Statement Data**

Revenue	\$ 988,362	\$ 1,087,788	\$ 1,279,589	\$ 504,320	\$ 483,057
Net income (loss)	\$ (79,973)	\$ 4,992	\$ (39,990)	\$ 38,485	\$ 7,692

Balance Sheet Data

Total assets	\$ 1,303,809	\$ 1,213,869	\$ 1,363,083	\$ 1,378,574	NA
Long-term debt	\$ 140	\$ 8	\$ 14	\$ 141	NA

NA Not Applicable

Table of Contents**Selected Unaudited Condensed Combined Pro Forma Financial Data**

The following unaudited pro forma condensed combined financial information gives effect to the acquisition of Lummus Global by CB&I, accounted for as a business combination using the purchase method of accounting. The preliminary allocation of the purchase price used in the unaudited pro forma condensed combined financial information is based on management's preliminary valuation. The estimates and assumptions are subject to change upon the finalization of valuations, which are contingent upon appraisals of property, plant and equipment, identifiable intangible assets, actuarial valuations of employee benefit plans and adjustments to contract-related and other accounts. Revisions to the preliminary purchase price allocation could result in significant deviations from these pro forma results.

The historical results of operations included in the unaudited pro forma condensed combined statement of income for the six months ended June 30, 2007 were derived from the unaudited financial statements of each entity as described above. The historical results of operations included in the unaudited pro forma condensed combined statement of income for the fiscal year ended December 31, 2006 were derived from the audited financial statements of each entity. For CB&I, this information was derived from its annual report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2007, which is incorporated into this proxy by reference. For Lummus Global, this information is included elsewhere in this proxy statement.

The historical consolidated balance sheets of CB&I and Lummus Global included in the unaudited pro forma condensed combined balance sheet were derived from the unaudited financial statements of each entity. For CB&I, this information was derived from its quarterly report on Form 10-Q filed with the Securities and Exchange Commission on August 2, 2007, which is incorporated into this proxy by reference. For Lummus Global, this information is included elsewhere in this proxy statement.

This unaudited pro forma combined financial information has been prepared by CB&I management for illustrative purposes only. The unaudited pro forma combined financial information is not intended to represent or be indicative of the financial position or results of operations in future periods or the results that actually would have been realized had CB&I and Lummus Global been a combined company during the specified periods. Additionally, classifications of certain financial accounts of the acquired company may differ from those of CB&I. The unaudited pro forma combined financial information assumes the acquisition is financed with a combination of cash, borrowings under our credit facility and new term debt. The unaudited pro forma combined financial information on page 46 is qualified in its entirety by reference to, and should be read in conjunction with, the historical consolidated financial statements of Lummus Global included elsewhere in this proxy statement and in CB&I's Form 10-K filed with the Securities and Exchange Commission on March 1, 2007 and Form 10-Q filed with the Securities and Exchange Commission on August 2, 2007.

	Year Ended December 31, 2006	Six Months Ended June 30, 2007
	(In thousands, except per share data)	
Income Statement Data		
Revenue	\$ 4,113,669	\$ 2,372,992
Net income	35,644	73,468
Per Share Data:		
Net income basic	\$ 0.37	\$ 0.77

Net income diluted \$ 0.37 \$ 0.76

**As of
June 30, 2007
(In thousands)**

Balance Sheet Data

Total assets	\$ 3,270,737
Long-term debt	200,141
Shareholders equity	592,443

Table of Contents

INFORMATION ABOUT THE SPECIAL MEETING AND VOTING

This proxy statement is being furnished to CB&I shareholders by CB&I's Board of Supervisory Directors in connection with the solicitation of proxies from the holders of CB&I common shares for use at the special meeting of CB&I shareholders and any adjournments or postponements of the special meeting.

Date, Time and Place

The special meeting of shareholders of CB&I will be held on November 16, 2007 at 11:00 a.m., at Intercontinental Amstel Amsterdam, Professor Tulp plein 1, 1018GX, Amsterdam, The Netherlands.

Matters to Be Considered

At the special meeting, CB&I shareholders will be asked to consider and vote upon a proposal to approve and authorize the acquisition.

Shareholders Entitled to Vote

The close of business on October 17, 2007 is the record date for the determination of those holders of CB&I common shares who are entitled to notice of, and to vote at, the special meeting and at any adjournments or postponements thereof. At the close of business on the record date, there were 96,576,289 CB&I common shares outstanding and entitled to vote, held by approximately 124 holders of record. Admission of shareholders to the meeting and exercise of voting rights at the meeting are governed by Netherlands law.

Quorum and Required Vote

Each holder of record of CB&I common shares as of the record date is entitled to cast one vote per share at the special meeting on each proposal. There is no required quorum of CB&I common shares necessary to hold the special meeting. The affirmative vote of the holders of a majority of the CB&I common shares present in person or by proxy at the special meeting is required to approve and authorize the acquisition.

As of the record date for the special meeting, directors and executive officers of CB&I and their affiliates beneficially owned an aggregate of 845,612 CB&I common shares entitled to vote at the special meeting. These shares represent approximately 0.9 % of the CB&I common shares outstanding and entitled to vote as of the record date.

How Shares Will Be Voted at the Special Meeting

All CB&I common shares represented by properly executed proxies received before or at the special meeting, and not properly revoked, will be voted as specified in the proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the approval and authorization of the acquisition.

If any other matters are properly brought before the special meeting, the proxies named in the proxy card will have discretion to vote the shares represented by duly executed proxies in their sole discretion.

How to Vote Your Shares

You may vote in person at the special meeting or by proxy. We recommend you vote by proxy even if you plan to attend the special meeting. You can always change your vote at the special meeting.

You may vote by proxy card by completing and mailing the enclosed proxy card. If you properly submit your proxy card in time to vote, one of the individuals named as your proxy will vote your common shares as you have directed. You may vote for or against the proposals submitted at the special meeting or you may abstain from voting.

If you hold CB&I common shares through a broker or other custodian, please follow the voting instructions provided by that firm. If you do not return your proxy card, or if your shares are held in a stock

Table of Contents

brokerage account or held by a bank, broker, or nominee, or, in other words, in street name and you do not instruct your bank, broker, or nominee on how to vote those shares, those shares will not be voted at the special meeting.

A number of banks and brokerage firms participate in a program that also permits shareholders whose shares are held in street name to direct their vote by the Internet or telephone. This option, if available, will be reflected in the voting instructions from the bank or brokerage firm that accompany this proxy statement. If your shares are held in an account at a bank or brokerage firm that participates in such a program, you may direct the vote of these shares by the Internet or telephone by following the voting instructions enclosed with the proxy from the bank or brokerage firm. The Internet and telephone proxy procedures are designed to authenticate shareholders' identities, to allow shareholders to give their proxy voting instructions and to confirm that those instructions have been properly recorded. Votes directed by the Internet or telephone through such a program must be received by 11:59 p.m., New York, New York time, on November 15, 2007. Requesting a proxy prior to the deadline described above will automatically cancel any voting directions you have previously given by the Internet or telephone with respect to your shares. Directing the voting of your shares will not affect your right to vote in person if you decide to attend the meeting; however, you must first obtain a signed and properly executed proxy from your bank, broker, or nominee to vote your shares held in street name at the special meeting.

If you submit your proxy but do not make specific choices, your proxy will be voted FOR each of the proposals presented.

How to Change Your Vote

If you are a registered shareholder, you may revoke your proxy at any time before the shares are voted at the special meeting by:

completing, signing, and timely submitting a new proxy to the addressee indicated on the pre-addressed envelope enclosed with your initial proxy card by the close of business on November 15, 2007; the latest dated and signed proxy actually received by such addressee before the special meeting will be counted, and any earlier proxies will be considered revoked;

notifying CB&I at Chicago Bridge & Iron Company N.V., c/o Chicago Bridge & Iron Company (Delaware), 2103 Research Forest Drive, The Woodlands, Texas 77380-2624, attention: Investor Relations, in writing, by the close of business on November 15, 2007, that you have revoked your earlier proxy; or

voting in person at the special meeting.

Merely attending the special meeting will not revoke any prior votes or proxies; you must vote at the special meeting to revoke a prior proxy.

If you hold CB&I common shares through a broker or other custodian and you vote by proxy, you may later revoke your proxy instructions by informing the holder of record in accordance with that entity's procedures.

Solicitation of Proxies

In addition to solicitation by mail, directors, officers, and employees of CB&I may solicit proxies for the special meeting from CB&I shareholders personally or by telephone, facsimile, and other electronic means without compensation other than reimbursement for their actual expenses.

Arrangements will be made with brokerage firms and other custodians, nominees, and fiduciaries for the forwarding of solicitation material to the beneficial owners of CB&I common shares held of record by those persons, and CB&I will, if requested, reimburse the record holders for their reasonable out-of-pocket expenses in so doing.

Table of Contents

CB&I has engaged The Proxy Advisory Group, LLC, to assist in the solicitation of proxies and provide related advice and informational support for a services fee and the reimbursement of customary disbursements that are not expected to exceed \$15,000 in the aggregate.

Recommendation of the CB&I Board of Supervisory Directors

The CB&I Board of Supervisory Directors has unanimously approved the acquisition and the other transactions contemplated by the acquisition agreement. The CB&I Board of Supervisory Directors determined that the acquisition is advisable and in the best interests of CB&I and its shareholders and unanimously recommends that you vote FOR approval and authorization of the acquisition. See *The Acquisition CB&I's Reasons for the Acquisition* beginning on page 14 and *The Acquisition Recommendation of the CB&I Board of Supervisory Directors* beginning on page 15 for a more detailed discussion of the recommendation of the CB&I Board of Supervisory Directors.

Special Meeting Admission

If you wish to attend the special meeting in person, you must present a form of personal identification. If you are a beneficial owner of CB&I common shares that is held by a bank, broker, or other nominee, you will need proof of ownership of CB&I common shares to be admitted to the meeting. A recent brokerage statement or a letter from your bank or broker are examples of proof of ownership.

No cameras, recording equipment, electronic devices, large bags, briefcases, or packages will be permitted in the meeting. If you wish to attend the meeting in person, you must notify CB&I of this fact by no later than November 9, 2007. Your notice of intent to attend the meeting in person must be received no later than November 9, 2007 at the following address:

Chicago Bridge & Iron Company N.V.
c/o Chicago Bridge & Iron Company (Delaware)
2103 Research Forest Drive
The Woodlands, Texas 77380-2624
(832) 513-1245
Attn: Investor Relations

Table of Contents

THE ACQUISITION

General

Pursuant to the terms of the acquisition agreement, certain subsidiaries of CB&I will acquire Lummus Global for a net cash purchase price, including estimated transaction costs, of approximately \$850 million, subject to adjustments at closing.

CB&I's Board of Supervisory Directors is using this document to solicit proxies from the holders of CB&I common shares for use at the CB&I special meeting, at which holders of CB&I common shares will be asked to vote upon approval of the acquisition.

The Board of Supervisory Directors of CB&I has unanimously approved the acquisition agreement providing for the acquisition of Lummus Global. Subject to the satisfaction or waiver of the conditions to completion, we expect to complete the acquisition in the fourth quarter of 2007.

Background of the Acquisition

Beginning in late 2002, the Company and ABB engaged in discussions regarding a possible acquisition of Lummus Global. After conducting preliminary due diligence, in early 2003 the Company concluded that it was not interested in pursuing the acquisition of Lummus Global at that time because of certain operational and other issues that Lummus Global was experiencing, but that it might be interested at some time in the future.

In March 2007, the Company was advised by Credit Suisse that Credit Suisse had been engaged as financial advisor to ABB to solicit indications of interest with respect to the possible acquisition of Lummus Global. At that time the Company was also provided introductory information about Lummus Global and a form of confidentiality agreement. In late March 2007, after its review of the introductory information and other publicly available information about Lummus Global, the Company advised Credit Suisse that it was interested in the possible acquisition of Lummus Global, and delivered a signed confidentiality agreement.

In early April 2007, Credit Suisse delivered to the Company a letter outlining the process and a Confidential Information Memorandum which contained more detailed information about Lummus Global. In addition, in early April 2007 the Company engaged UBS Securities LLC as its financial advisor to assist the Company in evaluating the possible acquisition of Lummus Global.

Over the following couple of weeks, the Company evaluated the information included in the Confidential Information Memorandum. On April 23, 2007, Ron Ballschmiede, the Company's Chief Financial Officer, and Chip Ray, the Company's Senior Vice President - Corporate Planning, participated in a conference call with representatives of UBS at which time UBS provided its preliminary valuation analysis regarding Lummus Global.

On April 29, 2007, the Company submitted its preliminary indication of interest to Credit Suisse.

On May 15, 2007, Credit Suisse advised the Company that it had made it to the next round of the process, and would be given access to an electronic data room for purposes of conducting a more detailed due diligence review. Over the following few weeks, a team led by Mr. Ballschmiede and Mr. Ray reviewed the information available in the electronic data room.

On June 6, 2007, CB&I formally engaged UBS to act as its financial advisor in connection with CB&I's proposed acquisition of Lummus Global.

On June 7, 2007, the Company's senior management team and other members of the Company's transaction team met with the management team of Lummus Global for additional due diligence.

On June 12, 2007, the Company's representatives met with representatives of ABB and were provided for review certain additional legal documentation and other due diligence materials.

Table of Contents

On June 20, 2007, ABB provided the Company with a draft Share Sale and Purchase Agreement for review.

On June 28, 2007, the Company's senior management team met with respect to the results of the due diligence review, the status of the process, and the valuation analysis.

On June 29, 2007, at a meeting of the Strategic Initiatives Committee of the Company's Board of Supervisory Directors, the Committee approved senior management's process with respect to the discussions with ABB.

On July 10, 2007, at a special meeting of the Company's Board of Supervisory Directors, the Company's senior management updated the board regarding the results of the due diligence review, the status of the process, and its valuation analysis. The board approved the submission of a firm offer for Lummus Global for a purchase price of \$700 million to \$900 million. For the next few weeks the Company conducted additional due diligence and continued its valuation analysis.

On July 12, 2007, the Company submitted its proposed written comments to the acquisition agreement.

On July 18, 2007, the Company submitted its so called "best and final" valuation letter indicating that the Company was prepared to offer a purchase price in the range of from \$800 million to \$900 million for Lummus Global, based upon the terms and conditions of the draft purchase agreement at that time.

On July 27, 2007, Credit Suisse advised the Company that it was among the finalists in the process, and that the Company would need to look carefully at its comments to the proposed Share Sale and Purchase Agreement and be more flexible on its proposed purchase price. To assist the Company in that process, the Company conducted confirmatory due diligence regarding certain matters. In addition, on August 2 and 3, the Company met with representatives of the Lummus Global business's joint venture partners in its CD Tech and CLG joint ventures.

On August 3, 2007, legal representatives of the parties met to discuss potential issues regarding foreign intermediary practices of Lummus Global.

On August 13, 2007, the Company submitted a revised offer with a proposed purchase price that was within the previous range of \$800 million to \$900 million.

On August 14, 2007, Credit Suisse asked the Company for certain clarifications regarding its offer and its comments to the acquisition agreement.

On August 15, 2007, the Company provided the clarifications, and throughout the day representatives of the Company and representatives of Credit Suisse engaged in numerous follow up discussions. That afternoon, Credit Suisse advised the Company that it was chosen to conduct final negotiations with ABB and requested that the Company and its transaction team be in London the following day in order to finalize outstanding issues and the acquisition agreement.

On August 16, 2007, the Company's team arrived in London and began meeting with ABB and its representatives. The parties worked through the next two days and on the morning of August 18, 2007 reached agreement on all outstanding issues and the form of acquisition agreement except for questions that remained outstanding with respect to certain matters pertaining to the foreign intermediary practices of Lummus Global.

On August 20, 2007, at a special meeting of the Company's Board of Supervisory Directors, the Board authorized the Company to proceed with the acquisition after senior management discussed certain aspects of the transaction and after UBS delivered its oral opinion to the Company's Board of Supervisory Directors, which was subsequently

confirmed in its written opinion, dated August 24, 2007, as described under Opinion of UBS Securities LLC CB&I's Financial Advisor .

On August 21, 2007, the Company's legal representatives were given access to certain additional confidential information and a report relating to the foreign intermediary practices of Lummus Global.

On August 23, 2007, representatives of the Company and ABB negotiated the covenant of the acquisition agreement dealing with foreign intermediary practices of Lummus Global.

Table of Contents

On August 24, 2007, Lummus Global delivered its Disclosure Letter to the Company, and after review the Company confirmed that it did not have any remaining issues on the acquisition agreement.

On August 24, 2007, representatives of the Company and ABB executed and delivered the acquisition agreement.

CB&I's Reasons for the Acquisition

Following a review and discussion of all relevant information regarding the acquisition, CB&I's Management Board and its Board of Supervisory Directors have both determined that the acquisition is beneficial to CB&I and its shareholders for the following reasons:

Increased Breadth of Services. The acquisition of Lummus Global will expand the range of offerings CB&I can supply to its customer base, offering its customers a total solutions package that can provide technology licensing, front end engineering and design (FEED), and engineering, procurement, and construction services. The Lummus Global portfolio of process technology holds key petrochemical, refining and gas technology licenses which provide an attractive high margin new growth platform and the opportunity for enhancing existing CB&I client relationships. The bundled offering of technologies and EPC services will further differentiate CB&I from many of its competitors. This full spectrum of solutions will allow CB&I to capture additional market share in the important higher margin growth sectors, including oil, gas and petrochemical.

Resources. The addition of the Lummus Global resources will allow CB&I a more substantial base in which to draw from to meet the growing client demands for a single source global supplier. The acquisition will provide CB&I with a expansive geographic coverage which will allow it to service a wide client base and to fully capitalize on current and projected market demand. These strategically important geographic resources will position CB&I to capitalize on the Middle East build up of Ethylene and Derivative capacity. The significant number of new projects announced for the near term and distant future suggest that the massive build-up of a petrochemical industry within this region is well underway and the expansion efforts are far from over.

Diversification to Reduce the Affect of Cyclicity. The acquisition of Lummus Global will provide CB&I with end-market diversification. Currently more than 90% of CB&I's revenues are from the oil & gas market, whereas Lummus Global's business targets both petrochemical and oil & gas. Over the past several years, the majority of Lummus Global's business has been in petrochemicals, specifically olefins. The acquisition will provide CB&I with diversification that can be difficult to achieve on a stand-alone basis and it will enable CB&I to better capitalize on the strong market conditions.

The acquisition will also provide geographic diversification and a truly global footprint. Lummus Global has a strong presence in both Western and Eastern Europe, while in comparison, CB&I has a minimal presence in Europe (with the exception of the United Kingdom). Lummus Global also has a strong presence in Russia and China, two areas where CB&I has moderate experience. Both companies have a long history in the Middle East, but Lummus Global's experience is in process technology and CB&I's is primarily in steel plate structures.

Complementary Client Base. A key strategic benefit to a Lummus Global acquisition is the ability to expand the customer base of the combined platform, which should drive earnings growth. The leading relationships that Lummus Global has developed complement CB&I's customer base well and the Lummus Global customer base will also be complemented by the traditional CB&I service offerings. There is limited overlap between key relationship customers and Lummus Global has strong relationships with several National Oil Companies (NOC's) that CB&I has historically not been associated with, further strengthening CB&I's customer base and stability of earnings.

Leveraging Core Strengths and Delivering an Integrated Offering. Lummus Global's strength resides in its strong intellectual property position related to its technology portfolio and joint venture assets. Lummus Global has over 1,500 patents related to process technology with key strengths in Ethylene and Olefins Conversion Technology (OCT) and gas processing. Although Lummus Global offers EPC

Table of Contents

services to its clients, the Process Technology business is the primary driver of earnings. While Lummus Global focuses on technology, CB&I is primarily an EPC contractor with a narrowly focused technology position. CB&I has significant investment in plant, buildings and field equipment globally to support its engineering, fabrication and marketing functions. The combination of the two complementary platforms results in an organization with formidable resources at each stage of the project life cycle. As technology selection is one of the first decisions a project sponsor makes, the ability to serve a client at the early stage of the project should enhance CB&I's ability to win business. CB&I has particular expertise at project and risk management on complex projects. Implementing risk management and effective project controls based on CB&I's processes can enhance the attractiveness of the Lummus Global EPC business. The ability to offer project owners an integrated offering from conception to commissioning, regardless of contracting methodology, will increase the ability of CB&I to win new awards.

Long-Term Growth. The acquisition of Lummus Global has the potential to accelerate CB&I's future revenue and earnings growth, and associated stockholder value. In addition, the acquisition of Lummus Global should provide CB&I with access to additional management depth, along with the ability to pursue additional growth markets. The acquisition of Lummus Global would create a more diverse company with enhanced prospects for long-term growth.

Recommendation of the CB&I Board of Supervisory Directors

After careful consideration of the matters discussed above, the CB&I Board of Supervisory Directors concluded that the proposed acquisition is in the best interest of the shareholders of CB&I.

FOR THE REASONS SET FORTH ABOVE, THE BOARD OF SUPERVISORY DIRECTORS OF CB&I HAS UNANIMOUSLY APPROVED THE ACQUISITION AS BEING IN THE BEST INTERESTS OF CB&I AND ITS SHAREHOLDERS, AND UNANIMOUSLY RECOMMENDS THAT CB&I'S SHAREHOLDERS VOTE FOR THE APPROVAL OF THE ACQUISITION.

Opinion of UBS Securities LLC - CB&I's Financial Advisor

On August 20, 2007, UBS delivered its oral opinion to CB&I's Board of Supervisory Directors, which was subsequently confirmed by delivery of its written opinion, dated August 24, 2007, to the effect that, as of those respective dates, and based upon and subject to the assumptions, matters considered and limitations described in the opinions, the \$839.9 million consideration to be paid by the purchasers in the acquisition was fair, from a financial point of view, to CB&I. The full text of UBS' opinion is attached as Annex B to this proxy statement. **UBS' opinion was provided to CB&I's Board of Supervisory Directors in connection with its evaluation of the acquisition. UBS' opinion is directed only to the fairness, from a financial point of view, to CB&I of the \$839.9 million consideration to be paid by the purchasers in the acquisition. The opinion does not address the relative merits of the acquisition as compared to other business strategies or transactions that might be available to CB&I, nor does it address CB&I's underlying business decision to effect the acquisition. The opinion does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the acquisition. We encourage you to read UBS' opinion carefully in its entirety.** The summary of UBS' opinion presented below is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion UBS, among other things:

reviewed certain publicly available information relating to Lummus Global;

reviewed certain internal financial information and other data relating to the businesses and financial prospects of Lummus Global that were provided to UBS by the managements of CB&I and Lummus Global and not publicly available, including financial forecasts and estimates prepared by the management of CB&I;

Table of Contents

reviewed certain estimates of synergies and tax benefits related to the acquisition prepared by the management of CB&I that were provided to UBS by the management of CB&I and not publicly available;

conducted discussions with members of the senior managements of CB&I and Lummus Global concerning the businesses and financial prospects of Lummus Global;

reviewed publicly available financial and stock market data with respect to certain other companies UBS believed to be generally relevant;

compared the financial terms of the acquisition with the publicly available financial terms of certain other transactions UBS believed to be generally relevant;

considered certain pro forma effects of the acquisition on CB&I's financial statements;

reviewed a draft of the acquisition agreement dated August 24, 2007; and

conducted such other financial studies, analyses and investigations, and considered such other information, as UBS deemed necessary or appropriate.

In connection with its review, with the consent of CB&I's Board of Supervisory Directors, UBS did not assume any responsibility for independent verification of any of the information provided to or reviewed by UBS for the purpose of its opinion and, with the consent of CB&I's Board of Supervisory Directors, relied on such information being complete and accurate in all material respects. In addition, with the consent of CB&I's Board of Supervisory Directors, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of Lummus Global, nor was UBS furnished with any such evaluation or appraisal. With respect to the financial forecasts, estimates, synergies, tax benefits and pro forma effects referred to above, UBS assumed, at the direction of CB&I's Board of Supervisory Directors, that they had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of CB&I as to the future performance of Lummus Global and such synergies, tax benefits and pro forma effects. In addition, UBS assumed, with the approval of CB&I's Board of Supervisory Directors, that the financial forecasts and estimates, including synergies and tax benefits, referred to above would be achieved at the times and in the amounts projected. CB&I's Board of Supervisory Directors directed UBS to assume for purposes of its opinion that the aggregate amount of cash payments the purchasers will make at the completion in exchange for all of the outstanding shares of the two companies comprising Lummus Global will be \$839.9 million and that Lummus Global will have no debt or unrestricted cash immediately prior to the completion. UBS' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to UBS as of, the date of UBS' opinion.

At the direction of CB&I's Board of Supervisory Directors, UBS was not asked to, and it did not, offer any opinion as to the terms, other than the consideration to the extent expressly specified in UBS' opinion, of the acquisition agreement or the form of the transaction. UBS did not express any opinion as to the prices at which any securities of CB&I would trade at any time. In rendering its opinion, UBS assumed, with the consent of CB&I's Board of Supervisory Directors, that (i) the final executed form of the acquisition agreement would not differ in any material respect from the draft of the acquisition agreement referred to above, (ii) the parties to the acquisition agreement would comply with all material terms of the acquisition agreement, and (iii) the acquisition would be consummated in accordance with the terms of the acquisition agreement without any adverse waiver or amendment of any material term or condition thereof. UBS also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the acquisition would be obtained without any material adverse effect on CB&I, Lummus Global, or the acquisition.

In connection with rendering its opinion to CB&I's Board of Supervisory Directors, UBS performed a variety of financial and comparative analyses which are summarized below. The following summary is not a complete description of all the analyses performed and factors considered by UBS in connection with its opinion. The preparation of a financial opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the selected companies

Table of Contents

analysis and the selected transactions analysis summarized below, no company or transaction used as a comparison is either identical or directly comparable to CB&I or the acquisition. These analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or acquisition values of the companies concerned.

Accordingly, UBS believes that its analyses and the summary below must be considered as a whole and that selecting portions of the analyses and factors, without considering all analyses and factors, could create a misleading or incomplete view of the processes underlying UBS analyses and opinion. UBS did not form an opinion as to whether any individual analysis or factor, whether positive or negative, considered in isolation, supported or failed to support UBS opinion. Rather, UBS arrived at its ultimate opinion based on the results of all the analyses undertaken by it and assessed as a whole, and believes that the totality of the factors considered and analyses it performed in connection with its opinion operated collectively to support its determination as of the date of UBS opinion as to the fairness to CB&I, from a financial point of view, of the \$839.9 million consideration to be paid by the purchasers in the acquisition.

The forecasts and estimates of the future performance of Lummus Global provided to UBS by the managements of CB&I and Lummus Global, in or underlying UBS analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those forecasts and estimates. In performing its analyses, UBS considered industry performance, general business and economic conditions and other matters, many of which are beyond CB&I's control. Estimates of the financial value of companies do not purport to be appraisals and do not necessarily reflect the prices at which companies actually may be sold.

The consideration to be paid by the purchasers in the acquisition was determined through negotiations between the parties, and the decision to enter into the acquisition agreement was solely that of CB&I. UBS opinion and financial analyses should not be viewed as determinative of the views of CB&I's Board of Supervisory Directors with respect to the acquisition or the consideration to be paid in the acquisition.

The following is a summary of the material financial analyses performed by UBS in connection with UBS opinion. The order of the analyses described does not represent relative importance or weight given to those analyses by UBS. **The financial analyses summarized below include information presented in tabular format. In order to fully understand UBS financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS financial analyses.**

Selected Public Companies Analysis. UBS compared selected financial data of Lummus Global with selected financial data of the following 15 selected publicly traded companies, including CB&I, that operate in the engineering and construction services, or E&CS, industry or the chemical industry:

E&CS Companies (U.S.)

Chicago Bridge & Iron Company N.V.

Fluor Corporation

Jacobs Engineering Group, Inc.

KBR, Inc.

The Shaw Group, Inc.

Foster Wheeler, Ltd.

E&CS Companies (Non-U.S.)

AMEC plc

Saipem S.p.A.

Table of Contents

Technip SA

Toyo Engineering Corporation

WorleyParsons Limited

Chemical Companies

The Lubrizol Corporation

NOVA Chemicals Corporation

Albemarle Corporation

Cytec Industries Inc.

UBS considered, among other things, (1) diluted equity values (computed using closing stock prices as of August 17, 2007), (2) enterprise values (calculated as diluted equity value, plus book value of total debt and book value of minority interest, less cash and cash equivalents), (3) enterprise values as a multiple of (a) the last 12 months (LTM) earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA, to the extent such data were available, and (b) estimated calendar years 2007 and 2008 EBITDA, and (4) closing stock prices as of August 17, 2007 as a multiple of estimated calendar years 2007 and 2008 earnings per share, commonly referred to as EPS. UBS then compared the data derived for the selected companies with comparable data for Lummus Global, both including and excluding estimated run-rate synergies as supplied by CB&I s management. The implied multiples for Lummus Global were based on \$543 million adjusted equity consideration to be paid for Lummus Global and \$950 million total enterprise value for Lummus Global, in each case as determined by CB&I s management. The \$543 million equity consideration was derived by deducting from the \$839.9 million consideration that CB&I s Board of Supervisory Directors directed UBS to assume will be paid by the purchasers in the acquisition the amount of debt, net of unrestricted cash, Lummus Global will have immediately prior to the completion, as estimated by CB&I s management. Financial data for the selected companies were based on recent publicly available research analysts estimates, public filings and other publicly available information. Estimated financial data for Lummus Global were based on forecasts and estimates, including estimated synergies, provided to UBS by the management of CB&I. This analysis indicated the following implied high, mean, median and low multiples for the selected companies, as compared to comparable multiples implied for Lummus Global in the acquisition:

Table of Contents

	Implied Multiples for Selected Companies				Implied Multiples for Lummus Global	
	High	Mean	Median	Low	Excluding Synergies	Including Synergies
Enterprise Value as Multiple of EBITDA						
E&CS Companies (U.S.):						
Last 12 Months (calendar 2006 EBITDA used for Lummus Global)	32.3x	17.7x	15.8x	10.7x	11.6x	
Calendar year 2007E	16.2x	12.7x	12.9x	9.7x	10.8x	7.7x
Calendar year 2008E	11.7x	9.9x	10.2x	8.1x	13.7x	9.1x
E&CS Companies (non-U.S.):						
Last 12 Months (calendar 2006 EBITDA used for Lummus Global)	15.7x	10.6x	12.4x	5.7x	11.6x	
Calendar year 2007E	14.1x	10.1x	11.2x	5.5x	10.8x	7.7x
Calendar year 2008E	10.9x	8.1x	9.2x	4.3x	13.7x	9.1x
Chemical Companies:						
Last 12 Months (calendar 2006 EBITDA used for Lummus Global)	10.1x	8.6x	8.8x	6.7x	11.6x	
Calendar year 2007E	9.2x	7.8x	8.2x	5.6x	10.8x	7.7x
Calendar year 2008E	8.2x	7.4x	7.7x	6.0x	13.7x	9.1x
Closing Stock Price as Multiple of EPS (adjusted consideration as a multiple of estimated net income for Lummus Global)						
E&CS Companies (U.S.):						
Calendar year 2007E	31.6x	24.9x	25.7x	16.8x	11.9x	8.0x
Calendar year 2008E	22.2x	18.9x	19.7x	14.0x	16.4x	9.7x
E&CS Companies (non-U.S.):						
Calendar year 2007E	26.7x	21.2x	20.7x	15.6x	11.9x	8.0x
Calendar year 2008E	19.9x	16.9x	16.2x	13.6x	16.4x	9.7x
Chemical Companies:						
Calendar year 2007E	16.7x	14.3x	15.0x	10.5x	11.9x	8.0x
Calendar year 2008E	14.7x	13.2x	13.4x	11.3x	16.4x	9.7x

Table of Contents

Selected Transactions Analysis. UBS reviewed the multiples of enterprise value to LTM EBITDA of each of the following 22 selected transactions announced between July 31, 2000 and May 28, 2007:

Target	Acquiror
Washington Group International, Inc.	URS Corporation
Lurgi AG	Air Liquide SA
Infrasource Services Inc.	Quanta Services Inc.
Colt Engineering Corporation	WorleyParsons Limited
Centex Construction, LLC	Balfour Beatty Plc
Brand Energy & Infrastructure Services Inc.	First Reserve Corporation
AMEC SPIE	PAI Partners
InfrastruX Group Inc.	Tenaska Power Fund LP
Snamprogetti SpA	Saipem SpA
Aker Kvaerner ASA (Pulping and Power business)	Metso Corporation
Duratek Inc.	EnergySolutions Inc.
Environmental Resources Management Group	Bridgepoint Capital Limited
UOP LLC	Honeywell International Inc.
The Keith Companies Inc.	Stantec Inc.
Parsons E&C Corporation	Worley Group Limited
Babtie Group Limited	Jacobs Engineering Group Inc.
Akzo Nobel (Catalysts division)	Albemarle Corporation
Brand Services Inc.	JP Morgan Partners
EG&G Technical Services Holdings LLC	URS Corporation
Hollandsche Beton Groep NV	Koninklijke BAM NBM NV
Coflexip SA	Technip SA
Howe-Baker International Inc.	Chicago Bridge & Iron Company N.V.

UBS considered the enterprise value of each of the selected transactions as a multiple of the LTM EBITDA at the time of the selected transaction, to the extent such data were publicly available. UBS then compared the LTM EBITDA multiples derived from the selected transactions with implied multiples for Lummus Global for the calendar year 2006 EBITDA and estimated calendar year 2007 EBITDA based on a total \$950 million enterprise value of Lummus Global as determined by CB&I's management. This analysis indicated the following implied high, mean, median and low LTM EBITDA multiples for the selected transactions, as compared to the implied calendar year 2006 EBITDA and estimated calendar year 2007 EBITDA multiples for Lummus Global in the acquisition:

	Implied Multiples for Selected Transactions (LTM EBITDA)				Implied Multiples for Lummus Global	
	High	Mean	Median	Low	Calendar Year 2006 EBITDA	Estimated Calendar Year 2007 EBITDA
Enterprise Value as a Multiple of EBITDA for Period Indicated	20.6x	11.2x	10.0x	7.1x	11.6x	10.8x

Discounted Cash Flow Analysis. UBS performed a discounted cash flow analysis to calculate the estimated present value of (i) the unlevered, after-tax free cash flows that Lummus Global was projected by CB&I's management to

generate over the period from September 30, 2007 through December 31, 2011 and (ii) the estimated synergies and tax benefits anticipated by CB&I's management to result from the acquisition. Estimated financial data, synergies and tax benefits for Lummus Global were based on internal estimates provided to UBS by CB&I's management. UBS calculated a range of terminal values for Lummus Global by applying terminal LTM EBITDA multiples ranging from 9.5 to 11.5 to estimated EBITDA of Lummus Global for the twelve months ending December 31, 2011. The cash flows and terminal values with respect to the financial data for Lummus Global were then discounted to present value using after-tax discount rates ranging

Table of Contents

from 13% to 15%. For purposes of calculating a range of terminal values for the estimated synergies provided to UBS by CB&I's management, UBS assumed, per CB&I's management, a 2.5% perpetuity growth rate for estimated revenue synergies and a 0.0% perpetuity growth rate for estimated cost synergies for periods subsequent to calendar year 2013, the final year of the synergy forecasts provided to UBS by CB&I's management. The cash flows and terminal values (derived by calculating the present value, using after-tax discount rates ranging from 13% to 15%, as of December 31, 2013 of these two perpetuities) with respect to the estimated synergies were then discounted to present value using after-tax discount rates ranging from 13% to 15%. UBS discounted to present value the cash flows related to the estimated tax benefits of the acquisition as provided to UBS by CB&I's management using after-tax discount rates ranging from 6.5% to 11%, and then for summary purposes UBS used the midpoint of the resulting range of present values of the estimated tax benefits. This analysis indicated the implied equity value reference range for Lummus Global set forth below, after giving effect to the estimated synergies and tax benefits anticipated by CB&I's management to result from the acquisition, as compared to \$543 million adjusted equity consideration to be paid for Lummus Global as determined by CB&I's management. The \$543 million equity consideration was derived by deducting from the \$839.9 million consideration that CB&I's Board of Supervisory Directors directed UBS to assume will be paid by the purchasers in the acquisition the amount of debt, net of unrestricted cash, Lummus Global will have immediately prior to the completion, as estimated by CB&I's management.

Implied Equity Value Reference Range

\$894 million \$1,168 million

Miscellaneous. Under the terms of UBS's engagement, CB&I has agreed to pay UBS a fee for its services in connection with the acquisition, a portion of which was payable in connection with rendering its fairness opinion and a significant portion of which is contingent upon consummation of the acquisition. In addition, CB&I has agreed to reimburse UBS for its reasonable expenses, including fees, disbursements and other charges of counsel, and to indemnify UBS and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement. UBS or its affiliates may also participate in the financing by CB&I in connection with the acquisition and, in such event, would receive compensation in connection therewith. In the past, UBS and its affiliates have provided investment banking services to CB&I and ABB unrelated to the acquisition, for which UBS and its affiliates received compensation. In addition, UBS or an affiliate is a participant in a credit facility of CB&I for which it received and, as of the date of its opinion, continued to receive fees and interest payments. In the ordinary course of business, UBS, its successors and affiliates may hold or trade, for their own accounts and the accounts of their customers, securities of CB&I, ABB Ltd. and/or affiliates of ABB Ltd. and, accordingly, may at any time hold a long or short position in such securities.

CB&I selected UBS as its financial advisor in connection with the acquisition because UBS is an internationally recognized investment banking firm with substantial experience in similar transactions. UBS is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buy-outs, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities and private placements.

Accounting Treatment

The acquisition of Lummus Global will be accounted for by CB&I using the purchase method of accounting.

Regulatory Matters

The acquisition is subject to review by the DOJ and the FTC under the Hart-Scott-Rodino Act. The Hart-Scott-Rodino Act, and the rules promulgated under it by the FTC, prevent transactions, such as the acquisition, from being completed until required information and materials are furnished to the DOJ and the FTC and certain waiting periods are terminated or expire. The initial waiting period is 30 days after both parties have filed the applicable notifications, but this period may be extended if the reviewing agency issues a formal request for additional information and documentary material, referred to as a second request. On

Table of Contents

September 7, 2007, the parties submitted the notification filings with the DOJ and the FTC. The waiting period under the Hart-Scott-Rodino Act expired on October 9, 2007.

The DOJ, the FTC and others may also challenge the acquisition on antitrust grounds either before or after expiration or termination of the waiting period. Accordingly, at any time before or after the completion of the acquisition, the DOJ, the FTC or another regulatory agency could take action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the acquisition or permitting completion subject to regulatory concessions or conditions. We cannot assure you that a challenge to the acquisition will not be made or that, if a challenge is made, it will not prevail.

Other than as we describe in this document, the approval of any other U.S. federal or state agency or any foreign agency is not a condition to completion of the transaction.

Appraisal Rights

No appraisal rights are available to shareholders of CB&I in connection with the acquisition.

Table of Contents

RISK FACTORS

*In addition to the other information included and incorporated by reference into this proxy statement, including the matters addressed under the caption **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 25, you should carefully read and consider the following risk factors in evaluating the proposal to be voted on at the special meeting of CB&I shareholders and in determining whether to vote for approval and authorization of the acquisition. Please also refer to the additional risk factors identified in the periodic reports and other documents incorporated by reference into this proxy statement and see **Where You Can Find More Information** beginning on page 51.*

The acquisition is subject to certain conditions to closing that, if not satisfied or waived, will result in the acquisition not being completed.

The acquisition is subject to customary conditions to closing, as set forth in the acquisition agreement. The conditions to the acquisition include, among others, the receipt of required approvals from CB&I's shareholders. If any of the conditions to the acquisition are not satisfied or, if waiver is permissible, not waived, the acquisition will not be completed. In addition, under circumstances specified in the acquisition agreement, ABB or CB&I may terminate the acquisition agreement. As a result, we cannot assure you that we will complete the acquisition. See **The Share Sale and Purchase Agreement - Conditions to Completion** beginning on page 34 for a discussion of the conditions to the completion of the acquisition.

CB&I's actual financial position and results of operations may differ significantly and adversely from the pro forma amounts included in this proxy statement.

The unaudited pro forma financial data contained in this proxy statement is not necessarily indicative of the results that actually would have been achieved had the proposed acquisition and CB&I's other currently contemplated financing transactions related to the acquisition been consummated on the first day of the periods presented, or that may be achieved in the future. We can provide no assurances as to how the operations and assets of both companies would have been run if they had been one company, or how they will be run in the future, which, together with other factors, could have a significant effect on the results of operations and financial position of the combined company.

Lummus Global will be subject to business uncertainties and contractual restrictions while the acquisition is pending.

Uncertainty about the effect of the acquisition on employees, suppliers, partners, regulators, and customers may have an adverse effect on Lummus Global and potentially on CB&I. These uncertainties may impair the ability of Lummus Global to attract, retain, and motivate key personnel until the acquisition is consummated, and could cause suppliers, customers, and others that deal with Lummus Global to defer purchases or other decisions concerning Lummus Global, or to seek to change existing business relationships with Lummus Global. Employee retention may be particularly challenging during the pendency of the acquisition, as employees may experience uncertainty about their future roles with CB&I. If key employees depart because of issues relating to the uncertainty or difficulty of integration or a desire not to remain with CB&I, CB&I's business following the acquisition could be harmed.

Failure to complete the acquisition could negatively impact the stock price and the future business and financial results of CB&I.

There is no assurance that the acquisition will be approved by the CB&I shareholders, and there is no assurance that the other conditions to the completion of the acquisition will be satisfied. If the acquisition is not completed, CB&I

will be subject to several risks, including the following:

CB&I may be required to pay the sellers a break fee of \$25 million if CB&I has not received approval by its shareholders of the acquisition agreement and the acquisition on or prior to February 28, 2008 or, if extended pursuant to the acquisition agreement, March 31, 2008;

Table of Contents

The current market price of CB&I common shares may reflect a market assumption that the acquisition will occur, and a failure to complete the acquisition could result in a negative perception by the stock market of CB&I generally and a resulting decline in the market price of CB&I common shares;

Certain costs relating to the acquisition (such as legal, accounting, and financial advisory fees) are payable by CB&I whether or not the acquisition is completed; and

There may be substantial disruption to the business of CB&I and a distraction of its management and employees from day-to-day operations, because matters related to the acquisition (including transition planning) may require substantial commitments of time and resources, which could otherwise have been devoted to other opportunities that could have been beneficial to CB&I.

In addition, CB&I would not realize any of the expected benefits of having completed the acquisition. If the acquisition is not completed, these risks may materialize and materially adversely affect CB&I's business, financial results, financial condition, and stock price.

CB&I will have lower levels of cash and higher levels of indebtedness following the acquisition than immediately prior to the acquisition.

Following the acquisition, CB&I will have lower levels of cash and interest income and higher levels of debt and interest expense than immediately prior to the acquisition. As of June 30, 2007, after giving pro forma effect to the acquisition and other currently contemplated related financings, CB&I and its subsidiaries are expected to have approximately \$125.5 million of cash and \$275.5 million of indebtedness outstanding. See Unaudited Condensed Combined Pro Forma Financial Data on page 46 of this proxy statement. The lower levels of cash and significant level of combined indebtedness after the acquisition may have an effect on available liquidity to fund the future operations of CB&I.

The acquisition may be completed even though CB&I or Lummus Global suffers a material adverse change.

In general, CB&I may not refuse to complete the acquisition if Lummus Global suffers a material adverse change following the date of the signing of the acquisition agreement. There are certain breaches of the acquisition agreement by the sellers that would permit the purchasers to terminate the acquisition agreement, but only if the sellers fail to cure the breach and fail to take certain permitted actions to protect the purchasers' right to be compensated fully for such breaches. Accordingly, certain types of changes would not prevent the acquisition from going forward, even if the change would have a material adverse effect on CB&I or Lummus Global.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement, including the documents incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are generally accompanied by words such as anticipate, expect, intend, plan, believe, seek, could, should, will, project, estimate, look forward to and similar expressions to convey uncertainty of future events or outcomes.

The expectations set forth in this proxy statement and the documents incorporated by reference regarding, among other things, accretion, returns on invested capital, achievement of annual savings and synergies, achievement of strong cash flow, sufficiency of cash flow to fund capital expenditures, and achievement of debt reduction targets are only CB&I's expectations regarding these matters. Actual results could differ materially from these expectations depending on factors such as:

the factors described under Risk Factors beginning on page 23 of this proxy statement;

the factors that generally affect CB&I's businesses as further outlined in CB&I's Annual Report on Form 10-K for the year ended December 31, 2006 and Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, and elsewhere in this proxy statement; and

the fact that, following the acquisition, the actual results of CB&I could differ materially from the expectations set forth in this proxy statement and the documents incorporated by reference depending on additional factors such as:

CB&I's cost of capital; and

CB&I's actual capital needs, the absence of any material incident of property damage or other hazard that could affect the need to effect capital expenditures, and any currently unforeseen merger or acquisition opportunities that could affect capital needs.

Actual actions that CB&I may take after the acquisition may differ from time to time as CB&I may deem necessary or advisable in the best interest of CB&I and its shareholders to attempt to achieve the successful integration of Lummus Global and to react to the economy and CB&I's market for its services.

Table of Contents

THE SHARE SALE AND PURCHASE AGREEMENT

The following summary of the acquisition agreement is qualified by reference to the complete text of the acquisition agreement, which is attached as Annex A and incorporated by reference into this proxy statement. This section of the proxy statement describes the material provisions of the acquisition agreement, but may not contain all of the information about the acquisition agreement that is important to you. We encourage you to read the acquisition agreement in its entirety. It is an agreement that establishes and governs the legal relationships among the parties to the agreement with respect to the transactions described in this proxy statement. It is not intended to be a source of factual, business or operational information about any of the parties to the acquisition agreement. The representations, warranties and covenants made in the agreement are qualified and subject to important limitations. Furthermore, the representations and warranties may be subject to a contractual standard of materiality or material adverse effect applicable to the parties to the agreement that may be different from those that are applicable to you or may be used to allocate risk among the parties to the agreement rather than establishing matters of fact. Some of these representations and warranties may not have been accurate or complete as of any specified date and do not purport to be accurate or complete as of the date of this proxy statement. Accordingly, you should not rely on the representations and warranties as characterizations of the actual state of facts at the time they were made or otherwise.

Share Sale and Purchase Agreement

The parties to the acquisition agreement are

ABB Holdings Inc., as the US seller, and ABB Holdings B.V., as the Netherlands seller, and ABB Asea Brown Boveri Ltd. and

Chicago Bridge & Iron Company, as US purchaser, and Chicago Bridge & Iron Company B.V., as Netherlands purchaser, and Chicago Bridge & Iron Company N.V.

On the terms and subject to the terms and conditions of the acquisition agreement, the US seller agrees to sell 61,160 common shares, with no par value, of ABB Lummus Global Inc. to the US purchaser and the Netherlands seller agrees to sell 225 shares, with nominal value of 100 euros per share, of ABB Oil & Gas Europe B.V. to the Netherlands purchaser. The shares will be sold by the sellers free from all encumbrances, other than encumbrances arising pursuant to the acquisition agreement, together with all rights attaching to the shares as at completion of the purchase of the shares.

Date and Place

Completion will take place at 12:00 noon (London Time)

on the fourth business day following the fulfillment or waiver of the conditions to completion or, if prior to that date CB&I has notified ABB in writing that it requires further time and information to be satisfied that there will be no violation of certain applicable laws following completion, on the fourth business day following receipt by ABB of written notification from CB&I that it is so satisfied; or

if later, on the fifth business day following receipt by the purchasers of the inter-company debt statement;

or at such other location, time, or date as may be agreed in writing between the sellers and the purchasers.

Consideration

The purchase price will be the amount of consideration for the sale of both the US shares and the Netherlands shares (NL Shares), as set out below.

Consideration for US Shares

The consideration for the sale of the US shares will be the sum of:

the base price of \$213,000,000; *plus*

Table of Contents

interest to be paid in dollars on the base price at the rate of 8% per annum from January 1, 2007 to the completion date; *plus*

the amount of all inter-company debt owed by any US acquired company that is converted into equity or capital of such US acquired company during the period beginning on January 1, 2007 up to and including the completion date (each such amount thus converted, a US Debt Conversion Amount); *plus*

the dollar amount equal to the aggregate amount of all amounts paid, subscribed, injected or contributed to the capital of, or otherwise provided by way of equity to, any US acquired company by members of the ABB group during the period beginning on January 1, 2007 up to, and including the completion date (each such amount, a US Capital Increase Amount); *plus*

interest to be paid in dollars on each US Debt Conversion Amount and each US Capital Increase Amount at the rate of 8% per annum for the period beginning on the relevant date of the event giving rise to such US Debt Conversion Amount or US Capital Increase Amount, as the case may be, up to, and including, the completion date.

Consideration for NL Shares

The consideration for the sale of the NL shares will be the sum of:

the base price of 220,783,040; *plus*

interest to be paid in euros on the base price at the rate of 8% per annum for the period beginning on January 1, 2007 up to, and including, the completion date; *plus*

the amount in euros of all inter-company debt owed by any NL acquired company that is converted into equity or capital of such NL acquired company during the period beginning on January 1, 2007 up to and including the completion date (each such amount thus converted, an NL Debt Conversion Amount); *plus*

the amount in euros of all amounts paid, subscribed, injected or contributed to the capital of, or otherwise provided by way of equity to, any NL acquired company by members of the ABB group during the period beginning on January 1, 2007 up to and including the completion date (each such amount an NL Capital Increase Amount); *plus*

interest to be paid in euros on each NL Debt Conversion Amount and NL Capital Increase Amount at the rate of 8% per annum for the period beginning on the relevant date of the event giving rise to such NL Debt Conversion Amount or NL Capital Increase Amount, as the case may be, up to, and including, the completion date.

Inter-Company Debt

All net inter-company debt will be settled in cash in dollars on completion. Inter-company debt that is expressed in a currency other than dollars will be converted into dollars as provided in the acquisition agreement.

The Sellers Warranties

The acquisition agreement contains warranties that the sellers made to the purchasers. The assertions embodied in those warranties are qualified by information in a confidential disclosure letter that the sellers provided to CB&I. The disclosure letter contains information that modifies, qualifies and creates exceptions to the warranties set forth in the acquisition agreement. Accordingly, you should keep in mind that the warranties are modified in important part by the disclosure letter. CB&I does not believe the disclosure letter contains information that the securities laws require them to publicly disclose except as discussed in this proxy statement. Moreover, information concerning the subject matter of the warranties may have changed since the

Table of Contents

date of the acquisition agreement, and that information may or may not be fully reflected in the parties' public disclosures.

The acquisition agreement contains customary warranties made by the sellers which relate to, among other things:

organization and authority of the sellers;

ownership of the shares;

the acquired group;

financial statements;

management accounts;

events since December 31, 2006;

accounting and other records;

sufficiency of assets;

no indebtedness;

applicable law and permits;

material contracts;

intellectual property;

information technology;

real property;

employees;

pension and other employee benefits;

insurance;

litigation;

insolvency;

taxes;

joint ventures; and

brokers and intermediaries.

Many of such warranties are qualified by reference to the knowledge of the sellers.

CB&I S Warranties

The acquisition agreement contains customary warranties made by the purchasers which relate to, among other things:

organization and authority of the purchasers;

financing;

confidentiality agreement;

investment intent-risk;

absences of arrangements with management; and

brokers and intermediaries.

Table of Contents

Certain Pre-Completion Undertakings

Access to Information and Personnel

From the date of the acquisition agreement to completion, the sellers will cause each acquired company to afford to the purchasers reasonable access during normal business hours and in a manner that is not likely to be disruptive to the operations of such acquired company, to such acquired company's personnel, properties, books and records for the purposes of facilitating an orderly transition of the ownership of the acquired companies after completion.

Conduct of the Business

The sellers will take all action in their capacity as shareholders of Lummus Global to cause the acquired companies to conduct their business in all material respects in the ordinary course from the date of the acquisition agreement to completion.

The sellers will procure that, from the date of the acquisition agreement to completion, no acquired company will do any of the following without the prior written consent of the purchasers:

amend its certificate of incorporation or its by-laws (or comparable governing documents);

issue or sell any of its shares or other equity interests, or issue or sell any securities convertible into or exchangeable for, or options, warrants or rights to purchase or subscribe for, any such shares or equity interests, or otherwise take any action which would give rise to any US Debt Conversion Amount or US Capital Increase Amount or any NL Debt Conversion Amount or NL Capital Increase Amount;

declare, make or pay any dividend or other distribution, or make any redemption, purchase or other acquisition of any of its shares or other ownership interests, other than dividends or distributions to another acquired company;

make any payment of any consulting, advisory or management fee or other similar fee or payment, to any member of the ABB group, other than certain permitted payments;

save for any interest rates which vary in accordance with their terms, agree to vary any interest rate payable in respect of any inter-company debt, or pay any fees in respect of any such debt;

other than the sale of inventory in the ordinary course of trade, sell, lease or otherwise dispose of (including by way of license) any of its properties or assets other than any assets having a value of less than \$100,000 individually;

create any encumbrance over all or any of its properties or assets, other than certain permitted encumbrances;

amend in any material respect or terminate any material contract or enter into a contract that: (i) had such contract been entered into prior to the date hereof, would have been a material contract; (ii) does not expressly exclude an acquired company's liability for consequential damages; or (iii) is a lump sum turnkey EPC contract ;

incur any indebtedness, other than unsecured short-term bank indebtedness on arms-length terms or, until the delivery of the inter-company debt statement, indebtedness that will constitute inter-company debt;

give a guarantee, indemnity or other agreement to secure, or incur financial or other obligations with respect to, another person's obligation (other than any other acquired company);

make any acquisitions of any corporation, company, partnership, other business organization or any business or any division thereof;

enter into any agreement in relation to the potential relocation of the relevant acquired company's office from The Hague, The Netherlands;

Table of Contents

incur any capital expenditure in excess of \$1,500,000 in the aggregate, other than as budgeted for in the current annual budget of the acquired companies;

discontinue any insurance policy maintained by it as at the date of the acquisition agreement;

subject to certain exceptions, (i) amend the terms of employment or engagement of its employees (including as regards pension plans and other employee benefits, and whether or not contractual), other than in accordance with current contractual obligations or practice; or (ii) provide gratuitous payments or benefits to its employees or any of their dependents, other than in accordance with current practice;

(i) commence any litigation or arbitration proceedings, save for debt collection in the ordinary course of business, or (ii) settle or agree to settle any litigation or arbitration proceedings involving amounts likely to exceed \$2,000,000 individually, save for debt collection in the ordinary course of business and the settlement of the certain litigation, as more particularly described in the sellers' disclosure letter; or

agree, or make an offer capable of acceptance, to take any of the foregoing actions in respect of which it is restricted by the provisions of the foregoing.

Prior to completion, the sellers will be entitled to exercise, consistent with the terms and conditions of the acquisition agreement, complete control and supervision of the operations of the acquired group.

Parent Guarantees and Third-Party Guarantees

Pending completion, CB&I will use all reasonable endeavors to cause each relevant member of the ABB group to be irrevocably released (effective as of completion) in full from its obligations with respect to each:

parent guarantee or other similar arrangement granted, issued or entered into by any member of the ABB group in support of the business or any joint venture and: (i) outstanding as at the date of the acquisition agreement or (ii) entered into in the ordinary course of the business by any member of the ABB group after the date of the acquisition agreement, but prior to completion, in accordance with the acquisition agreement; and

letter of credit, guarantee, indemnity, security, insurance bond, surety bond, performance bond or other similar arrangement granted, issued or entered into by any third party in support of the business or any joint venture and: (i) outstanding as at the date of the acquisition agreement or (ii) issued or entered into in the ordinary course of the business after the date of the acquisition agreement, but prior to completion in accordance with the acquisition agreement.

ABB will procure that, between the date of the acquisition agreement and the completion date, no member of the ABB group will grant or procure any parent company guarantee, third-party guarantee or other similar arrangement in connection with any contract entered into by a member of the acquired group, except:

for any parent company guarantee having a maximum aggregate liability of less than \$1,000,000, *provided that* any such parent company guarantee will not be in relation to Syria, Cuba, Iran or North Korea; or

with the prior written consent of the purchasers.

ABB will procure that, between the date of the acquisition agreement and the completion date, no member of the ABB group will extend or renew any parent guarantee or third-party guarantee other than where any failure to extend or

renew would entitle the beneficiary of the relevant parent guarantee or third-party guarantee to draw on the same prior to completion.

CB&I has agreed to deliver to ABB, at closing, a parent company guarantee or letter of credit in an aggregate amount equal to the full amount of all outstanding third-party guarantees and 15% of all outstanding parent company guarantees referenced in the acquisition agreement.

Table of Contents

Resignation of Officers and Directors

To the extent so requested by the purchasers, the sellers will cause each officer of each acquired company, including each member of the Board of Supervisory Directors (or comparable governing body) of each acquired company and each company secretary, to tender his or her resignation from such position, with effect from the completion date, each such resignation to contain a legally binding confirmation that the relevant officer has no claim against the relevant acquired company, whether as a result of his being asked so to resign or otherwise.

The sellers will cause each acquired company to call a meeting of shareholders or directors (or comparable governing body) and/or take such other action as may be required to:

enable the purchasers to comply with their obligations described under Other Post-Completion Undertakings Board of Supervisory Directors and Related Matters below; and

accept the resignation of each officer and member of the Board of Supervisory Directors (or comparable governing body) of each acquired company.

Inter-Company Arrangements

The sellers will procure that, with effect from completion, all arrangements (including intra-group banking, cash pooling and set-off arrangements) between any member of the ABB group, on the one hand, and any acquired company, on the other hand, are terminated (without cost or liability on the part of the Acquired group) except for:

a transitional services agreement to be entered into by the parties at completion;

lease arrangements relating to leased real property;

arrangements relating to intra-group trading in the ordinary course of the business; or

indemnities, guarantees or other similar commitments given by any acquired company in relation to any parent guarantee or third-party guarantee.

Completion and Related Matters

Failure to Complete

Both purchasers and sellers agree to provide certain deliverables upon completion.

If the sellers' completion deliveries are not complied with in all material respects on the completion date, the purchasers will not be obligated to complete the purchase of the shares and may:

defer completion;

proceed to completion as far as practicable; or

if the sellers have failed to comply with the obligations 1) to pay all inter-company debt, 2) to have NL seller execute the Deed of Transfer before the Civil Law Notary or 3) to have US seller deliver certificates representing US shares duly endorsed, treat the acquisition agreement as terminated for breach of condition.

If the purchasers' completion deliveries are not complied with in all material respects on the completion date, the purchasers will not be obligated to complete the purchase of the shares and may:

defer completion;

proceed to completion as far as practicable; or

if the purchasers have failed to comply with their obligation 1) to procure that the purchase price be paid in full or 2) to procure that the net aggregate amount of inter-company debt be repaid by the acquired group at completion, treat the acquisition agreement as terminated for breach of condition.

Table of Contents

Other Post-Completion Undertakings

The acquisition agreement contains additional agreements between sellers and purchasers, whereby the parties agree that, among other things:

Parent Guarantees and Third-Party Guarantees. CB&I will use all reasonable endeavors to procure any releases of the relevant members of the ABB group from their obligations with respect to the parent guarantees and third-party guarantees referred to in the acquisition agreement. Further, the purchasers will not permit any acquired company to, enter into any amendment or waiver with respect to, or exercise any renewal option or other similar provision under, any contract or other arrangement that is subject of a parent guarantee or third-party guarantee, with respect to which the relevant member of the ABB group has not yet been irrevocably released in full that has the effect of extending or increasing the exposure of any member of the ABB group. CB&I has agreed to indemnify ABB in respect of outstanding parent company guarantees and third-party guarantees referenced in the acquisition agreement.

Employee Matters. The US purchaser will adopt and assume, as of the completion date, the ABB Inc. pension plan and all of the assets and liabilities thereunder and to ensure that current and former employees of the acquired companies be entitled to applicable post-retirement health and life insurance plans. The sellers agree to procure that, as of the completion date, all acquired company employees become fully vested in their benefits under the ABB Inc. pension plan. The purchasers agree to comply with collective bargaining arrangements. The purchasers and sellers further agree to certain indemnifications with respect to employee matters.

Preservation of Books and Records. The purchasers and any acquired company will preserve and retain all of its corporate, accounting, legal, auditing, human resources and other books and records relating to any acquired company or the business existing at completion for a period of 7 years after the completion date.

Board of Directors and Related Matters. After completion, the purchasers will cause each acquired company to take such actions as are necessary to elect a new Board of Directors and make all necessary filings with the relevant governmental authorities.

Insurance Matters. The purchasers agree and acknowledge that, other than claims under liability insurance policies written on an occurrence basis and claims under workers' compensation policies written on an accident basis for events occurring prior to completion, none of the insurance policies of ABB group will provide insurance for any losses or liability of any kind arising after completion.

ABB Intellectual Property. The purchasers will not, and will cause their affiliates not to, register or attempt to register, or use, directly or indirectly, any trademark, service mark, domain name, trade name or other indicia or origin that is identical or confusingly similar to such marks known by or made known to any acquired company to be owned as of the completion date by any member of the ABB group.

Derivatives Contracts. The sellers will cause the early termination of all derivatives contracts set out in any list provided to purchasers pursuant to the acquisition agreement.

Conflicts; Privileges. The purchasers waive, on behalf of themselves, the acquired companies and each of their affiliates, any conflict of interest with the sellers counsel in the acquisition if a dispute arises between the purchasers or any of their affiliates and any member of the ABB group and the sellers counsel represents such member of the ABB group in such dispute even though the interests of such member of the ABB group may be

directly adverse to the purchasers or any of their affiliates and even though the sellers counsel may have represented the acquired company in a matter substantially related to such dispute or may be handling ongoing matters for the purchasers or the acquired company.

Confidentiality. ABB and its affiliates will treat as confidential the provisions of the acquisition agreement and all confidential information they possess relating to the acquired group or that they have

Table of Contents

received or obtained relating to CB&I and its affiliates as a result of negotiating or entering into the acquisition agreement.

Protection of Goodwill. ABB undertakes to procure that, subject to certain exceptions, no member of the ABB group will, either directly or indirectly, and either solely or jointly with any other person and in any capacity whatsoever for a period of two years from completion 1) carry on or have any equity interest in a business that competes with the business or 2) solicit or endeavor to entice to leave the service or employment of any acquired company any person who at completion was an employee of any acquired company occupying a senior or managerial position and likely to be in possession of confidential information or able to influence customer relationships or connections of any acquired company.

Covenants

Tax Covenants

The sellers have agreed to indemnify the purchasers in respect of certain tax liabilities in the Lummus Global business.

Foreign Practices Covenant

The sellers and purchasers have agreed to comply with additional covenants regarding the use of intermediaries by Lummus Global provided in Schedule 9 of the agreement. The parties agree that, among other things:

The sellers will pay to purchasers from time to time such sums as would, if paid to an acquired company or any other member, indemnify and keep indemnified the company against certain fines, expenses and damages related to any act or omission constituting a violation by any acquired company of any applicable law concerning contributions, gifts, or other inducement payments where such act or omission occurred prior to completion.

The sellers will provide to the purchasers reasonable access to the personnel and books and records of the acquired group to gain a better understanding of the issues and subject matter of the report on Lummus Global's use of intermediaries.

The purchasers will cooperate with reasonable requests made by relevant members of the ABB group to enable such members to continue after completion their investigation into payments to intermediaries identified in the report.

Neither seller will be liable for any claims for indemnification unless such claim is made by notice in writing within seven years of the completion date or if the relevant acquired company has ceased to be an affiliate of CB&I unless the identity of the purchaser or the relevant acquired company was first approved by ABB.

Guarantees

Guarantee by ABB

In consideration of CB&I and the purchasers entering into the acquisition agreement, ABB irrevocably and unconditionally guarantees to CB&I and the purchasers as principal obligor, on demand, the due and punctual performance and observance by the sellers of all the obligations of the sellers, and the punctual discharge by the sellers of all the liabilities of the sellers, under the terms of the acquisition agreement and all other transaction

documents.

Guarantee by CB&I

In consideration of ABB and the sellers entering into the acquisition agreement, CB&I irrevocably and unconditionally guarantees ABB and the sellers as principal obligor, on demand, the due and punctual

Table of Contents

performance and observance by the purchasers of all the obligations of the purchasers, and the punctual discharge by the purchasers of all the liabilities of the purchasers, under the terms of the acquisition agreement and all other transaction documents.

Cost Sharing

The parties have agreed to a cost-sharing arrangement for certain environmental issues at a facility of Lummus Global and to a further cost sharing arrangement in relation to one particular legacy contract of Lummus Global.

Conditions to Completion

Conditions and Waiver

Unless waived by written agreement of the purchasers and sellers, the sale and purchase of the shares and the obligations of the sellers and the purchasers to effect completion are in all respects conditional upon the following:

receipt of consents, authorizations, filings and notifications to any relevant competition authorities and the expiration of all applicable waiting periods under such competition laws;

the approval of the shareholders of CB&I;

the consummation of the transactions will not be in any way prohibited by any order and there will not have been any applicable law enacted, promulgated or deemed applicable to the transactions after the date of the acquisition agreement by any governmental entity that prevents the consummation of the transactions or has the effect of making such consummation illegal; and

a member of the ABB group will have paid \$204,000,000 to the CE Asbestos PI Trust, on terms that no member of the acquired group is under any liability to reimburse all or any of such sum.

Endeavors to Fulfill Regulatory Conditions

Each of the parties will take all reasonable steps necessary to ensure that the regulatory conditions are fulfilled as promptly as practicable, and in any event prior to the Long-Stop Date.

Endeavors to Fulfill Shareholder Approval Condition

CB&I will, at its own cost, use all reasonable endeavors to procure the satisfaction of the shareholder approval condition as promptly as practicable following the date of the acquisition agreement.

If the shareholder approval condition has not been satisfied on or prior to the Long-Stop Date, CB&I will pay to the sellers a break fee of \$25,000,000.

The parties agree that the break fee is a genuine pre-estimate of the loss and damage which would be suffered by the sellers in connection with the termination of the acquisition agreement.

The sellers undertake to provide to CB&I, in a timely manner, all such information and assistance as CB&I may reasonably require for the purposes of enabling CB&I to prepare and file proxy statements and otherwise to enable CB&I to fulfill its obligations under this section; *provided* that neither the sellers nor any member of the ABB group will be liable for any liability suffered or any damage, cost or expense incurred by CB&I in connection with such

proxy statement or in respect of any information or assistance provided by the sellers in accordance with this section. CB&I will bear the reasonable costs of Ernst & Young for this purpose.

Obligation to Fulfill Asbestos Condition

ABB undertakes to CB&I that it will procure that the asbestos condition is satisfied by no later than the third business day following the satisfaction of the regulatory conditions and the shareholder approval conditions.

Table of Contents

Termination Right

The acquisition agreement may be terminated by either party, by giving written notice to the other party, if completion has not occurred by 5:00 p.m. (London time) on February 28, 2008 or, if notice is served in accordance with the termination right discussed in the following paragraphs after January 31, 2008, on March 31, 2008 (the Long-Stop Date). However, the right to terminate the acquisition agreement under this section will not be available to any party whose failure to perform any of its obligations under the acquisition agreement has been the cause of, or resulted in, the failure of completion to occur on or before the Long-Stop Date.

If at any time after the date of the acquisition agreement and prior to completion the purchasers (or either of them) become aware of any breach of the sellers warranties or any breach by the sellers of their obligations described in Certain Pre-Completion Undertakings Conduct of Business above such that, if completion were to have occurred, the purchasers would have been entitled to recover from the sellers, by way of damages for breach of the sellers warranties or obligations described in Certain Pre-Completion Undertakings Conduct of Business, an amount in excess of \$50,000,000, then the purchasers may, by notice in writing to the sellers, inform the sellers of such breach, specifying in reasonable detail the alleged breach, including the amount of any claim arising from such breach.

Upon receipt of notice, the sellers will have fifteen business days to rectify the breach specified in such notice. If the sellers fail to rectify such breach to the reasonable satisfaction of the purchasers within such period, or if rectification of such breach is not possible, then the sellers may, in their sole discretion, elect:

in the case of each claim for breach of their obligations described in Certain Pre-Completion Undertakings Conduct of Business above, to waive the \$50,000,000 limitation liability described in The Sellers Limitations of Liability below solely in respect of such claim so that such claim will be excluded from the \$50,000,000 limitation of liability referred to therein; and

in the case of claims for breach of any of the sellers warranties:

if the amount of all such claims, when substantiated, equals or exceeds \$40,000,000, the \$50,000,000 limitation on liability of the sellers described in The Sellers Limitations of Liability below, will be equal to the aggregate amount of all such claims when substantiated plus \$10,000,000; or

if the aggregate amount of all such claims, when substantiated is less than \$40,000,000, that the \$50,000,000 limitation on liability of the sellers described in The Sellers Limitations of Liability below will be \$50,000,000;

provided that, any such election must be made in respect of all of such claims.

If the amount of any claim referred to above, when substantiated, exceeds \$40,000,000, the maximum aggregate liability of the sellers described in The Sellers Limitations of Liability below, will be equal to the amount of such claim when substantiated plus \$10,000,000. If the amount of any such claim, when substantiated, is less than \$40,000,000, the maximum aggregate liability of the sellers described in The Sellers Limitations of Liability below will be \$50,000,000.

If the sellers do not make an election within twenty business days of receipt of notice, the purchasers will not be obligated to complete the purchase of the shares, and will have the right to terminate the acquisition agreement by giving notice in writing to the sellers by not later than twenty-five business days after service of notice.

Upon termination under this section, neither party will have any claim under the acquisition agreement against the other party. However, certain provisions of the acquisition agreement, the surviving provisions, will continue in effect notwithstanding the termination of the acquisition agreement.

Table of Contents

The Sellers Limitations of Liability

The liability of the sellers in respect of any claim under the acquisition agreement is limited as provided below. However, the liability of the sellers in respect of any claim pursuant to the tax covenants will be limited as provided in both the tax covenants and this section.

Time Limits

Neither seller will be liable in respect of any claim:

for breach of warranty (other than the tax warranties) or for breach of the obligations described in Certain Pre-Completion Undertakings Conduct of Business above unless appropriate written notice is given by or on behalf of the purchasers to the sellers no later than eighteen months from the completion date; or

for breach of any of the tax warranties or pursuant to the tax covenant provisions unless appropriate written notice is given by or on behalf of the purchasers to the sellers no later than six years from the completion date.

Any claim that has been properly notified to the sellers, if not previously satisfied, settled or withdrawn, will be deemed to have been withdrawn six months after such written notice being given to the sellers or, in the case of a contingent liability or a claim as discussed under Insured Claims below applies, three months after that liability becomes an actual liability or, as applicable, after the relevant insurer has refused to meet the claim made on it, unless legal proceedings in respect of such claim have been commenced by being both issued and served.

Thresholds

Neither seller will be liable in respect of most warranty claims unless and until:

the amount of the liability pursuant to such warranty claim, when substantiated, exceeds \$500,000; and

the aggregate amount of the liability of the sellers for all warranty claims not excluded by the preceding paragraph, when substantiated, exceeds \$10,000,000, in which case the sellers will be liable for the full amount of the substantiated warranty claims and not merely the excess over \$10,000,000.

Maximum Liability

The maximum aggregate liability of the sellers for all claims for breaches of the obligations described in Certain Pre-Completion Undertakings Conduct of Business above and most warranty claims will not exceed \$50,000,000. The maximum aggregate liability of the sellers for claims for all breaches of the obligations described in Certain Pre-Completion Undertakings Conduct of Business above, all warranty claims, all claims pursuant to the tax covenants and all claims described in Covenants Foreign Practices Covenant above will not exceed \$513,000,000.

Matters Accounted for in Financial Statements

Neither seller will be liable in respect of any warranty claim if and to the extent the fact, matter, event or circumstance giving rise to the warranty claim is expressly provided or reserved for in the balance sheet or is otherwise fairly disclosed in the financial statements.

Insured Claims

If and to the extent that the amount of any warranty claim is covered by a policy of insurance maintained by the acquired group or the purchasers, the purchasers will use all reasonable endeavors to recover the amount of such warranty claim or such amount that is covered by such policy of insurance prior to making a warranty claim.

Table of Contents

Neither seller will be liable in respect of any warranty claim if and to the extent that the amount of such warranty claim is recovered by the acquired group or by either of the purchasers or any of their other affiliates under any policy of insurance maintained by them.

Contingent Liabilities and Consequential losses

Neither seller will be liable 1) for any warranty claim based upon a liability which is contingent, unless and until such contingent liability becomes an actual liability or 2) for any indirect or consequential loss, loss of profit or loss of reputation suffered by the purchasers or any of its affiliates in connection with a warranty claim or other claim for breach of the acquisition agreement.

Matters Disclosed

Neither seller will be liable in respect of any warranty claim if and to the extent that the fact, matter, event or circumstance giving rise to such warranty claim is fairly disclosed in the original information memorandum, in the disclosure letter or, in relation to the financial warranties, in a vendors due diligence report prepared by Ernst & Young.

Tax Savings

In calculating the liability of the sellers for any claim for breach of the acquisition agreement (other than a claim under the tax covenants) there will be taken into account the amount by which any tax for which the purchasers or any of their affiliates is now or may in the future be accountable or liable to be assessed is reduced or extinguished as a result of the matter giving rise to such liability and any repayment of tax which would not have arisen but for the matter giving rise to such liability.

Right to Cure

If a seller breaches the acquisition agreement, the sellers will have the opportunity to cure upon written notice from the purchaser of the breach. The purchasers will be entitled to compensation only if sellers fail to begin remedial action within 30 days of notice, fail to pursue diligent action thereafter at all times until remediation, or fail to remedy the breach within 90 days of notice.

Recovery from Third Parties

If either of the sellers pays an amount with respect to a warranty claim and the purchasers or any of the acquired companies later recovers an amount which would have reduced the amount of damages under the warranty claim, the purchasers will repay to seller the lesser of the amount recovered from the third party and the amount previously paid by the seller to the purchasers.

If the purchaser or any of their affiliates are entitled to recover (whether by insurance, payment, discount, credit, relief or otherwise) from a third Person a sum which indemnifies or compensates the purchasers or such affiliate (in whole or part) in respect of liability or loss which is the subject of a warranty claim, the purchasers or the relevant affiliate will, following the making of a warranty claim, take and continue to take all reasonable steps to enforce such recovery.

Double Recovery

The purchasers will not be entitled to recover more than once under the acquisition agreement in respect of the same damage suffered.

Table of Contents

Miscellaneous Other Limitations

The sellers will not be liable for any warranty claim, subject to certain exceptions relating to taxes, if the liability arises or is increased as a result of:

any legislation not in force at the date of the acquisition agreement, but which takes effect retrospectively;

any change in the accounting policies, practices or procedures adopted by the purchasers and/or their affiliates (other than changes required to ensure compliance with applicable law in effect as of the date of the acquisition agreement); or

any change in the rates of taxation, any imposition of taxation or any change in the practice (including the withdrawal of any extra-statutory concession) of any relevant tax authority, in each case announced or becoming effective (whether or not retrospectively) on or after the date of the acquisition agreement.

Neither seller will be liable for any warranty claim, other than a claim for breach of any of the tax warranties to which exclusions apply under the tax covenants, if and to the extent that the liability arises as a result of any voluntary act or omission of the purchasers or any of their affiliates after the date of the acquisition agreement (including, following completion, the acquired companies).

Third-Party Claims

If the purchasers become aware of any claim by any third party which ought reasonably to be expected to give rise to a claim by the purchasers for breach of the acquisition agreement (other than a claim for breach of any of the tax warranties):

the purchasers will give written notice and consult with the sellers, within 30 days of becoming aware of any third-party claim,

the purchasers will, and will procure that the acquired companies will:

at the written request and at the cost of the sellers take such action or (at the sellers' option) permit the sellers to take such action as the sellers reasonably consider appropriate to avoid, defend, dispute, mitigate, appeal, settle or compromise the third-party claim;

provide to the sellers and their professional advisers reasonable access to the premises and personnel of the acquired companies for the purposes of investigating matters relevant to the third-party claim; and

take reasonable steps to preserve all information relevant to the third-party claim; and

provided that, notwithstanding the foregoing, none of the purchasers and the acquired companies will be required to provide any information or access that such person's legal advisers have advised would violate applicable law, including competition laws, or the terms of any confidentiality agreement or confidentiality provision in any contract or adversely impact any privilege, including legal professional privilege.

Exclusions for Fraud

The above limitations on liability will not apply to a claim that arises as a result of fraud by the sellers.

Costs and Expenses

If the shareholder approval condition has not been satisfied on or prior to the Long-Stop Date, CB&I will pay to the sellers a break fee of \$25,000,000.

Table of Contents

Except as provided otherwise in the acquisition agreement, each party will pay its own costs and expenses in connection with the negotiation, preparation and performance of the acquisition agreement, including the fees and expenses of such party's counsel and financial advisers.

Variations

The acquisition agreement cannot be varied unless it is in writing and signed by or on behalf of the parties.

Remedies and Waivers

No waiver of any right under the acquisition agreement will be effective unless in writing and will be effective only in the circumstances for which it is given.

No delay or omission by any party in exercising any right or remedy provided by applicable law or under the acquisition agreement will constitute a waiver of such right or remedy, subject to the time limits described in The Sellers' Limitations of Liability above.

Table of Contents

INFORMATION ABOUT CB&I

Business

Founded in 1889, CB&I is one of the world's leading engineering, procurement and construction companies, specializing in projects for customers that produce, process, store and distribute the world's natural resources. With more than 60 locations and approximately 14,000 employees worldwide, CB&I capitalizes on its global expertise and local knowledge to reliably and safely deliver projects virtually anywhere. CB&I is a fully integrated engineering, procurement and construction (EPC) service provider, offering a complete package of conceptual design, engineering, procurement, fabrication, field erection, mechanical installation and commissioning. CB&I's projects include hydrocarbon processing plants, liquefied natural gas terminals and peak shaving plants, offshore structures, pipelines, bulk liquid terminals, water storage and treatment facilities, and other steel structures and their associated systems. During 2006, CB&I executed more than 500 projects for customers in a variety of industries. Over the last several years, CB&I's customers have included:

large U.S., multinational and state-owned oil companies, such as BP, British Gas, Chevron, CNOOC Petroleum, ConocoPhillips, ExxonMobil, Marathon, Pluspetrol, Qatar Petroleum, Saudi Aramco, Shell and Valero Energy Corporation;

LNG and natural gas producers and distributors, such as Dominion, Golden Pass LNG, Grain LNG, South Hook LNG, Southern LNG and Yankee Gas; and

municipal and private water companies.

CB&I provides a wide range of innovative and value-added EPC services, including:

Liquefied Natural Gas (LNG). LNG terminals and similar facilities are used for the production, handling, storage and distribution of liquefied gases. CB&I specializes in providing turnkey liquefaction and regasification facilities consisting of terminals, tanks, and associated systems. These facilities usually include special refrigeration equipment to maintain the gases in liquefied form at the storage pressure. CB&I also provides LNG tanks on a stand-alone basis. Process equipment and refrigerated or cryogenic tanks are built from special steels and alloys that have properties to withstand cold temperatures. Applications extend from low temperature (+30°F to -100°F) to cryogenic (-100°F to -423°F). Customers for these facilities or tanks are primarily from the petroleum, natural gas, power generation and agricultural industries.

Refining and Related Processes. CB&I provides EPC services for customers in the hydrocarbon industry, specializing in refinery and petrochemical process units, gas processing plants, and hydrogen and synthesis gas plants. Refinery and petrochemical process units enable customers to extract products from the top, middle and bottom streams of the crude oil barrel using technologies such as catalytic reforming, vacuum and atmospheric distillation, fuels and distillate hydrotreating, hydrodesulfurization, alkylation, coking, and isomerization. Gas processing plants treat natural gas to meet pipeline requirements and to recover valuable liquids and other enhanced products, through such technologies as cryogenic separation, amine treatment, dehydration and liquids fractionation. Synthesis gas plants generate industrial gases for use in a variety of industries through technologies such as steam methane and auto-thermal reforming, partial oxidation reactors and pressure swing adsorption purification. CB&I also provides engineering services for offshore structures for oil and gas production and pipelines for product distribution.

Steel Plate Structures. Steel plate structures include above ground storage tanks, pressure vessels, and other specialty structures. Above ground storage tanks are sold primarily to customers operating in the petroleum, petrochemical and

chemical industries. This industrial customer group includes nearly all of the world's major oil and chemical companies. Above ground tanks can be used for storage of crude oil, refined products such as gasoline, chemicals, petrochemicals and a large variety of feedstocks for the manufacturing industry. In addition, CB&I provides structures for water storage and treatment as well as liquefied petroleum gas and liquefied nitrogen/liquefied oxygen tanks. Pressure vessels are built primarily from high strength carbon steel plates which may be formed in one of our fabrication shops and are welded together at the job site. Pressure vessels are constructed in a variety of shapes and sizes, some weighing in excess of 700 tons,

Table of Contents

with wall thickness in excess of four inches. Typical pressure vessel usage includes process and storage vessels in the petroleum, petrochemical, and chemical industries and egg-shaped digesters for wastewater treatment. Other specialty structures are marketed to a diverse group of customers. Examples of specialty structures include processing facilities or components used in the mining industries. CB&I has designed and erected tanks, pressure vessels, and other specialty structures throughout the world.

Directors and Executive Officers

For information regarding CB&I's directors and executive officers, please see CB&I's Annual Report on Form 10-K, which is incorporated by reference in this proxy statement.

Beneficial Ownership of CB&I's Common Shares

For information regarding beneficial ownership of CB&I's common shares, please see CB&I's Annual Report on Form 10-K, which is incorporated by reference in this proxy statement.

Table of Contents

INFORMATION ABOUT LUMMUS GLOBAL

Business

The operations of Lummus Global include on/near shore engineering, procurement, construction and technology operations used in the oil and gas and petrochemical industries. Lummus Global supplies a range of products and services to the global oil, gas and petrochemical industries, including the design and supply of production facilities, refineries and petrochemical plants. The oil, gas and petrochemical industry is typically divided into two markets:

Upstream markets: Equipment, systems and services for onshore and offshore oil and gas exploration and production; and

Downstream markets: Processing of hydrocarbon raw material using refineries, petrochemical and chemical plants, gas processing and pipelines.

Lummus Global is focused mainly in the downstream business and generates its revenues through its segments of engineering, procurement and construction services and project management services (EPC) and engineering services and the licensing of technology to the refining and petrochemical industries. Lummus Global transacts business and operates internationally with customers principally based in the United States of America, the Netherlands, the Czech Republic, Germany, Russia, Algeria, United Arab Emirates, China and Brazil.

Lummus Global is recognized for its expertise in ethylene and olefins technologies and hydrocracking. With approximately 2,400 employees worldwide, Lummus Global licenses approximately 70 proprietary technologies and maintains approximately 1,500 patents and patent applications (not including patents and patent applications owned by the joint ventures).

Management's Discussion and Analysis of Financial Condition and Results of Operations

Lummus Global is a provider of proprietary process technology, project management and engineering, procurement and construction services to the upstream and downstream oil and gas, refining and petrochemical industries. Lummus Global serves global oil and gas customers around the world, delivering technology and engineering solutions.

Lummus Global provides services through two business units: Process Technology, and Engineering, Procurement & Construction.

Process Technology

Process technology is a provider of key petrochemical, refining and gas technologies, proprietary catalysts and specialized equipment. These technologies are critical in the refining of crude oil into gasoline, diesel, jet fuel and lubricants and in the manufacturing of various chemicals and polymers which are used either industrially or in household products, and the processing of natural gas. Process Technology licenses over 70 different technologies/processes, with particular strengths in the areas of olefins (Ethylene/propylene) and derivatives production, and refining hydroprocessing. These technologies are either wholly owned by Lummus Global or are owned jointly, through alliance agreements with catalyst companies, manufacturers or other process licensing companies.

The consistent growth in revenue during the past several years is the result of the impact of positive trends in the segment, including increased regulatory requirements promoting the development of new clean fuels, growing use of

heavy crude oil, increased natural gas consumption as an alternative to petroleum and increased consumption of end products such as polypropylene.

Table of Contents**Process Technology Results**

	Years Ended December 31,			Six Months Ended	
	2006	2005	2004	June 30, 2007	June 30, 2006
Revenue	\$ 294,529	\$ 236,620	\$ 202,363	\$ 185,816	\$ 117,585
Income From Operations	\$ 67,762	\$ 51,956	\$ 37,096	\$ 46,160	\$ 31,849
Income From Operations %	23%	22%	18%	25%	27%

Six Months 2007 versus Six Months 2006

Revenue. Revenue during the six months ended June 30, 2007 of \$185.8 million increased \$68.2 million, or 58% compared with the corresponding period in 2006. The increase was primarily due to higher revenue from significant Lummus Global Heat Transfer projects and a large polypropylene license award in Saudi Arabia.

Income from Operations. Income from operations during the six months ended June 30, 2007 of \$46.2 million increased \$14.3 million, or 45% compared with the prior year period. The increase is a result of higher revenue volume.

2006 versus 2005

Revenue. Revenue during 2006 of \$294.5 million increased \$57.9 million, or 24% compared with 2005. The increase was primarily due to strong ethylene and propylene related activity, as well as the impact of significant Lummus Global Heat Transfer projects.

Income from Operations. Income from operations during 2006 of \$67.8 million increased \$15.8 million, or 30% compared with 2005. The increase is commensurate with the growth in revenue over the prior year.

2005 versus 2004

Revenue. Revenue during 2005 of \$236.6 million increased \$34.3 million, or 17% compared with 2004. The increase was primarily due to progress on ethylene and propylene projects and higher Lummus Global Heat Transfer volumes.

Income from Operations. Income from operations during 2005 of \$52.0 million increased \$14.9 million, or 40% compared with 2004. The increase is due to higher volume and improved margins associated with the level of licensing activity in 2005.

Engineering, Procurement & Construction

Engineering, Procurement & Construction is a long established provider of engineering, design, project and construction management solutions focused on new and retrofit facility projects for the global oil and gas, refining and petrochemical industries. It serves a diverse customer base which includes many of the world's leading integrated, international, national and independent oil and petrochemical companies. Engineering, Procurement & Construction undertakes both upstream and downstream projects under a variety of contract structures, including Project Management Consultant, Cost Reimbursable, Fixed Price Engineering and Procurement and Lump Sum Turnkey. Within upstream markets, it has experience and capabilities in both onshore and offshore oil and gas production and processing facilities, while in downstream markets, its expertise includes, among others, ethylene plants, hydrocracker, delayed coking facilities and full refineries.

Beginning in 2003, ABB undertook a restructuring of its Engineering, Procurement and Construction segment including, among other actions, a de-risking of its project portfolio. During the past several years, revenue has been unfavorably impacted as new awards decreased due to management's focus on implementing its new strategy. Revenue has also been unfavorably impacted as the backlog of these higher risk projects was being depleted.

Prior to adopting the de-risking program, which included shifting to lower risk, lower order value cost reimbursable services, the Engineering, Procurement & Construction segment had focused on growth through

Table of Contents

large turnkey orders, which resulted in the segment assuming inherently higher risk. As a consequence, it suffered significant financial losses on a few projects over a period of several years, including the years ending December 31, 2004 through 2006 and the six month period ended June 30, 2006. With the exception of a \$3.2 million provision on the Westlake project, there were no additional material provisions recognized associated with these or other projects during the six month period ended June 30, 2007. As of June 30, 2007 approximately \$500 million of backlog remained for this segment, of which roughly half was being completed on a cost reimbursable basis, with the remainder being completed on a lump sum basis. Also during the period of adoption of the de-risking program, a prepackaged bankruptcy filing which protects Lummus Global from its current and future asbestos personal injury claims in the United States was instituted. The asbestos related bankruptcy plan and the significant provisions for contract losses are further described in footnotes 15 and 18, respectively, to the Lummus Global audited financial statements included herein.

The significant project impacts and the asbestos related expense for each of the three years ended December 31, 2006 and for each of the six month periods ended June 30, 2006 and 2007 are summarized below.

Project	Significant Project Impacts Recognized				
	Years Ended December 31,			Six Months Ended	
	2006	2005	2004	2007	2006
Lyondell	\$ (2,185)	\$ (10,663)	\$ (10,541)	\$ (51)	\$ (392)
Khuff	1,564	(1,492)	(13,926)	273	852
Rio Polimeros	(90,714)	(39,100)	(29,000)		(18,367)
Westlake	(26,419)			(3,200)	(13,067)
Essar	13,242	12,635	52,476		12,000
Total	\$ (104,512)	\$ (38,620)	\$ (991)	\$ (2,978)	\$ (18,974)
Asbestos Provisions	\$ 2,373	\$	\$ (33,000)	\$	\$ 1,640

	Engineering, Procurement & Construction				
	Years Ended December 31,			Six Months Ended	
	2006	2005	2004	2007	2006
Revenue	\$ 693,833	\$ 851,168	\$ 1,077,226	\$ 318,504	\$ 365,472
Income (Loss) From Operations	\$ (111,357)	\$ (79)	\$ (28,456)	\$ 8,710	\$ (19,372)
Income (Loss) From Operations %	(16)%	0%	(3)%	3%	(5)%

Six Months 2007 versus Six Months 2006

Revenue. Revenue during the six months ended June 30, 2007 of \$318.5 million decreased \$47.0 million, or 13% compared with the corresponding period in 2006. The decrease was a reflection of the continued shift from full-scope EPC projects to lower order value cost reimbursable work.

Income (Loss) from Operations. Income from operations during the six months ended June 30, 2007 of \$8.7 million increased \$28.1 million compared with the corresponding period in 2006. The increase was primarily a result of the significant charges recognized in 2006 for the Rio Polimeros and Westlake projects noted in the table above.

2006 versus 2005

Revenue. Revenue during 2006 of \$693.8 million decreased \$157.3 million, or 18% compared with 2005. The decrease was due to the impact of low new orders booked in 2005 as a result of the continuation of management's change in strategy from the pursuit of large lump sum EPC projects to lower risk cost reimbursable work. Additionally, several large lump sum projects that had generated substantial revenue during 2005 were completed in 2006.

Table of Contents

Income (Loss) from Operations. Loss from operations during 2006 of (\$111.4) million increased \$111.3 million compared with 2005. The increase was a result of the significant charges recognized on the Rio Polimeros and Westlake projects noted in the table above, as well as higher pre-contract/proposal related costs.

2005 versus 2004

Revenue. Revenue during 2005 of \$851.2 million decreased \$226.1 million, or 21% compared with 2005. The decrease was due to the lack of new lump sum awards and the unfavorable impact of a final settlement on a polypropylene project in the Middle East.

Income (Loss) from Operations. Loss from operations in 2005 of (\$79) thousand decreased \$28.4 million compared with 2004. The change was primarily a result of significant charges, recognized during 2004, associated with restructuring the U.S. operation and settlement of asbestos claims (as further described in Footnote 15 to the Lummus Global financial statements included elsewhere in this proxy statement).

Liquidity

At June 30, 2007 and December 31, 2006, 2005 and 2004, cash and cash equivalents totaled \$64.3 million, \$50.7 million, \$68.3 million, and \$91.2 million, respectively. Lummus Global utilizes its parent company, ABB Ltd., for bank related services.

Operating Cash Flows

Six Months Ended June 30, 2007. During the six months ended June 30, 2007, Lummus Global generated \$39.9 million of operating cash flows as profitability and a net decrease in other operating assets and liabilities, net, was partly offset by payments associated with asbestos related obligations.

Year Ended December 31, 2006. During 2006, Lummus Global generated \$48.0 million of operating cash flows as lower cash investments in contracts in progress and changes in other operating assets and liabilities, net, were partially offset by operating losses. The level of working capital, of which contracts in progress is a significant component, varies from period to period and is affected by the mix, stage of completion and commercial terms of contracts.

Year Ended December 31, 2005. During 2005, Lummus Global utilized \$150.6 million of operating cash flows due to increases in cash investments in contracts in progress and a decrease in accounts payable levels resulting from payments to vendors and subcontractors.

Year Ended December 31, 2004. During 2004, Lummus Global generated \$49.7 million of operating cash flows as changes in other operating assets and liabilities, net, were partially offset by a decrease in accounts payable levels resulting from payments to vendors and subcontractors.

Investing Cash Flows

Six Months Ended June 30, 2007. During the six months ended June 30, 2007, \$10.0 million was utilized for investing activities, resulting from \$8.1 million for the purchase of the remaining minority interest of a joint venture and \$1.9 million for capital expenditures.

Year Ended December 31, 2006. During 2006, \$3.4 million was utilized for investing activities, resulting from \$1.7 million of capital expenditures and \$1.7 million for partial buyout of a minority partner.

Year Ended December 31, 2005. During 2005, \$5.5 million was utilized for investing activities as an investment in a technology company of \$9.0 million was partially offset by \$4.6 million of proceeds from the sale of certain intellectual property.

Year Ended December 31, 2004. During 2004, \$2.9 million was incurred for investing activities primarily resulting from the sale of a business.

Financing Cash Flows

During the six months ended June 30, 2007 and the years ended December 31, 2006, 2005 and 2004, Lummus Global's cash flows for financing activities related to the use of its ultimate parent company, ABB Ltd. and its affiliates, for bank related services.

Table of Contents

UNAUDITED CONDENSED COMBINED PRO FORMA FINANCIAL DATA

The following unaudited pro forma condensed combined financial information gives effect to the acquisition of Lummus Global by CB&I, accounted for as a business combination using the purchase method of accounting. The preliminary allocation of the purchase price used in the unaudited pro forma condensed combined financial statements is based on management's preliminary valuation. The estimates and assumptions are subject to change upon the finalization of valuations, which are contingent upon appraisals of property, plant and equipment, identifiable intangible assets, actuarial valuations of employee benefit plans and adjustments to contract-related and other accounts. Revisions to the preliminary purchase price allocation could result in significant deviations from these pro forma results.

The historical results of operations included in the unaudited pro forma condensed combined statement of income for the six months ended June 30, 2007 were derived from the unaudited financial statements of each entity as described above. The historical results of operations included in the unaudited pro forma condensed combined statement of income for the fiscal year ended December 31, 2006 were derived from the audited financial statements of each entity. For CB&I, this information was derived from its annual report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2007, which is incorporated into this proxy by reference. For Lummus Global, this information is included elsewhere in this proxy statement.

The historical consolidated balance sheets of CB&I and Lummus Global included in the unaudited pro forma condensed combined balance sheet were derived from the unaudited financial statements of each entity. For CB&I, this information was derived from its quarterly report on Form 10-Q filed with the Securities and Exchange Commission on August 2, 2007, which is incorporated into this proxy by reference. For Lummus Global, this information is included elsewhere in this proxy statement.

This unaudited pro forma combined financial information has been prepared by CB&I management for illustrative purposes only. The unaudited pro forma combined financial statements are not intended to represent or be indicative of the financial position or results of operations in future periods or the results that actually would have been realized had CB&I and Lummus Global been a combined company during the specified periods. Additionally, classifications of certain financial accounts of the acquired company may differ from those of CB&I. The unaudited pro forma combined financial statements assume the acquisition is financed with a combination of cash, borrowings under our credit facility and new term debt. We are, however, evaluating the option of a public offering of common stock to repay a portion of borrowings, which is not reflected in the pro forma results. The unaudited pro forma combined financial information, including the notes thereto, is qualified in its entirety by reference to, and should be read in conjunction with, the historical consolidated financial statements of Lummus Global included elsewhere in this proxy statement and in CB&I's Form 10-K filed with the Securities Exchange Commission on March 1, 2007 and Form 10-Q filed with the Securities and Exchange Commission on August 2, 2007.

Table of Contents**Chicago Bridge & Iron Company N.V. and Subsidiaries****Unaudited Pro Forma Condensed Combined Statement of Income
For the Year Ended December 31, 2006**

	CB&I	Lummus	Pro Forma Adjustments	Pro Forma Combined
	(Amounts in thousands, except per share data)			
Revenue	\$ 3,125,307	\$ 988,362	\$	\$ 4,113,669
Cost of revenue	(2,843,554)	(931,662)		(3,775,216)
Gross profit	281,753	56,700		338,453
Selling and administrative expenses	(133,769)	(109,456)	(2,000)(a)	(245,225)
Intangibles amortization	(1,572)	(3,733)	(21,267)(b)	(26,572)
Earnings of investees accounted for by the equity method		11,731		11,731
Other operating loss, net	(773)	1,163		390
Income (loss) from operations	145,639	(43,595)	(23,267)	78,777
Interest expense	(4,751)	(37,067)	(4,183)(c)	(46,001)
Interest income	20,420	5,947	(24,197)(d)	2,170
Income (loss) before taxes and minority interest	161,308	(74,715)	(51,647)	34,946
Income tax expense	(38,127)	(4,638)	47,370(e)	4,605
Income (loss) before minority interest	123,181	(79,353)	(4,277)	39,551
Minority interest in income	(6,213)	(620)		(6,833)
Net income (loss)	\$ 116,968	\$ (79,973)	\$ (4,277)	\$ 32,718
Net income per share				
Basic	\$ 1.21			\$ 0.34
Diluted	\$ 1.19			\$ 0.33

Table of Contents**Chicago Bridge & Iron Company N.V. and Subsidiaries****Unaudited Pro Forma Condensed Combined Statement of Income
For the Six Months Ended June 30, 2007**

	CB&I	Lummus	Pro Forma Adjustments	Pro Forma Combined
	(Amounts in thousands, except per share data)			
Revenue	\$ 1,868,672	\$ 504,320	\$	\$ 2,372,992
Cost of revenue	(1,723,174)	(401,698)		(2,124,872)
Gross profit	145,498	102,622		248,120
Selling and administrative expenses	(68,509)	(54,324)	(1,000)(a)	(123,833)
Intangibles amortization	(264)	(739)	(11,761)(b)	(12,764)
Earnings of investees accounted for by the equity method		8,476		8,476
Other operating income/(loss), net	191	(1,165)		(974)
Income from operations	76,916	54,870	(12,761)	119,025
Interest expense	(1,995)	(17,469)	6,219(c)	(13,245)
Interest income	16,122	4,962	(20,337)(d)	747
Income before taxes and minority interest	91,043	42,363	(26,879)	106,527
Income tax expense	(25,491)	(8,240)	3,668(e)	(30,063)
Income before minority interest	65,552	34,123	(23,211)	76,464
Minority interest in income	(2,841)	(1,267)		(4,108)
Net income	\$ 62,711	\$ 32,856	\$ (23,211)	\$ 72,356
Net income per share				
Basic	\$ 0.66			\$ 0.76
Diluted	\$ 0.65			\$ 0.75

(a) To record additional estimated depreciation expense for a property, plant and equipment fair value adjustment of \$10,000 with average depreciable lives of five years, based upon preliminary valuation information.

(b) Based on preliminary valuation information, the acquired identifiable intangibles are estimated to have a fair value of approximately \$300,000 and estimated average economic lives ranging from 3 to 20 years. The pro forma adjustments reflect the incremental amortization to bring the Lummus Global amortization to a total of \$25,000 for the year ended December 31, 2006, and \$12,500 for the six months ended June 30, 2007. When completed the final valuation may differ in both the amount and the estimated economic lives described above.

(c) To eliminate the historical interest expense of Lummus Global and record interest expense of \$41,250 for the year ended December 31, 2006 and \$11,250 for the six months ended June 30, 2007, reflecting the additional

borrowings as follows:

For 2007:

Draw on revolving credit facility of \$100,000 with associated interest expense at 7.5%;

New term debt of \$200,000 with associated interest expense at 7.5%.

For 2006:

Draw on revolving credit facility of \$350,000 with associated interest expense at 7.5%;

New term debt of \$200,000 with associated interest expense at 7.5%.

- (d) To eliminate the historical interest income of Lummus Global and reflect the loss of interest income from an assumed cash portion of purchase price of \$615,000 for 2007 and \$365,000 for 2006, both at 5%. The assumed cash portion of the purchase price differs for each period as a result of differences in available cash at the beginning of each period.
- (e) To reflect the tax effect of the above noted adjustments at the United States statutory rate of 35% and tax effect the historical results of Lummus Global at an estimated 33% effective tax rate.

Table of Contents**Chicago Bridge & Iron Company N.V. and Subsidiaries****Unaudited Pro Forma Condensed Combined Balance Sheet**

As of June 30, 2007

	CB&I	Lummus	Pro Forma Adjustments	Pro Forma Combined
	(Amounts in thousands)			
Assets				
Cash and cash equivalents	\$ 661,253	\$ 64,275	\$ (615,000)(a)	\$ 110,528
Accounts receivable, net of allowance for doubtful accounts	504,168	213,774		717,942
Contracts in progress with costs and estimated earnings exceeding related progress billings	184,200	498,390		682,590
Other current assets	96,206	27,974		124,180
Total current assets	1,445,827	804,413	(615,000)	1,635,240
Investments		92,073		92,073
Property and equipment	222,501	10,071	9,929(c)	242,501
Goodwill	228,648	211,232	509,322(d)	949,202
Other intangibles, net of accumulated amortization	25,826	20,951	279,049(d)	325,826
Other non-current assets	34,838	23,457		58,295
Total assets	\$ 1,957,640	\$ 1,162,197	\$ 183,300	\$ 3,303,137
Liabilities				
Net Affiliate balance	\$	\$ 324,225	\$ (324,225)(b)	\$
Current maturity of long-term debt	25,203	159	100,000(a)	125,362
Accounts payable	427,839	140,991		568,830
Accrued liabilities	117,143	649,994	(17,600)(b)	749,537
Contracts in progress with progress billings exceeding related costs and estimated earnings	680,554	176,356		856,910
Income taxes payable	50			50
Total current liabilities	1,250,789	1,291,725	(241,825)	2,300,689
Long-term debt		141	200,000(a)	200,141
Other non-current liabilities	99,732	89,076		188,808
Deferred income taxes	6,244	5,956		12,200
Minority interest in subsidiaries	8,432	424		8,856
Total liabilities	1,365,197	1,387,322	(41,825)	2,710,694

Commitments and contingencies

Shareholders Equity

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Common stock	1,154			1,154
Additional paid-in capital	350,489			350,489
Retained earnings	345,625	(138,531)	138,531(e)	345,625
Stock held in Trust	(21,889)			(21,889)
Treasury stock, at cost	(77,110)			(77,110)
Accumulated other comprehensive loss	(5,826)	(86,594)	86,594(e)	(5,826)
Total shareholders equity	592,443	(225,125)	225,125	592,443
Total liabilities and shareholders equity	\$ 1,957,640	\$ 1,162,197	\$ 183,300	\$ 3,303,137

Table of Contents

- (a) At June 30, 2007, the estimated purchase price of \$850,000, subject to adjustment at closing, is anticipated to be funded as follows:

Cash consideration	\$ 615,000
Draw on revolving credit facility	\$ 100,000
New term debt	\$ 200,000
Acquired cash balance	\$ (65,000)

- (b) The elimination of Lummus Global's net receivables and payables with its parent company, which will be paid in connection with the acquisition and the elimination of accrued liabilities that are to remain with the seller.
- (c) To record the write-up of fixed assets, based upon preliminary valuation information, to their fair value. This write-up will be depreciated over 5 years.
- (d) The elimination of Lummus Global's historical goodwill and other intangible assets and the recognition of goodwill and identifiable intangible assets, based upon preliminary valuation information, in connection with the acquisition, inclusive of acquisition-related costs.
- (e) The elimination of Lummus Global's historical stockholder's equity.

Table of Contents

PROPOSED FINANCINGS

CB&I intends to fund the purchase price for the acquisition using a combination of approximately \$500 million to \$600 million of its available cash balance and approximately \$250 million to \$350 million of debt. Prior to closing, CB&I anticipates completing a new \$200 million five year term loan with certain of its existing revolving credit facility lenders. The interest rate for the new term loan is expected to be a variable rate consistent with that of CB&I's existing revolving credit facility, as described in note 7 to CB&I's consolidated financial statements incorporated by reference into this proxy statement. The balance of the debt financing is expected to be drawn on CB&I's existing \$850 million revolving credit facility, which CB&I intends to increase to \$1 billion pursuant to an election made by CB&I contained in the existing revolving credit facility. CB&I expects to complete the revolving credit facility amendment prior to completion of the acquisition.

INDEPENDENT AUDITORS

The consolidated financial statements of CB&I at December 31, 2006 and 2005, and for each of the two years in the period ended December 31, 2006, incorporated by reference in this proxy statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon.

The consolidated financial statements of CB&I for the year ended December 31, 2004, incorporated by reference in this proxy statement have been audited by Deloitte & Touche LLP, independent registered public accounting firm, as set forth in their report thereon.

The consolidated financial statements of Lummus Global at December 31, 2006 and 2005, and for each of the three years in the period ended December 31, 2006, included in this proxy statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon.

SHAREHOLDER PROPOSALS

Any proposal of a shareholder intended to be presented at the 2008 Annual Meeting of Shareholders must be received at our principal executive offices no later than December 7, 2007 if the proposal is to be considered for inclusion in our proxy statement relating to such meeting, without prejudice to the shareholders' rights to cause a general meeting of shareholders to be convened under article 34.2 of our Articles of Association and without prejudice to shareholders' rights under Dutch law to cause certain items to be placed on the agenda for Annual Meetings.

WHERE YOU CAN FIND MORE INFORMATION

CB&I files annual, quarterly and current reports, proxy statements, and other information with the Securities and Exchange Commission. You may read and copy materials that CB&I has filed with the Securities and Exchange Commission at the following Securities and Exchange Commission public reference room:

100 F Street, N.E., Washington, D.C. 20549

Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the operation of the public reference room.

CB&I's common shares are traded on the New York Stock Exchange under the symbol "CBI", and its Securities and Exchange Commission filings can also be read at the following address:

11 Wall Street, New York, NY 10005

The Securities and Exchange Commission filings of CB&I are also available to the public on the Securities and Exchange Commission's internet website at <http://www.sec.gov>, which contains reports, proxy, and information statements, and other information regarding companies that file electronically with the Securities and Exchange Commission. In addition, CB&I's Securities and Exchange Commission filings are also available to the public on CB&I's website, <http://www.cbi.com>. Information contained on the Securities and Exchange Commission's web site and CB&I's web site is not incorporated by reference into this proxy

Table of Contents

statement, and you should not consider information contained on those web sites as part of this proxy statement.

CB&I incorporates by reference into this proxy statement the documents listed below and any future filings CB&I makes with the Securities and Exchange Commission under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, including any filings after the date of this proxy statement, until the special meeting. The information incorporated by reference is an important part of this proxy statement. Any statement in a document incorporated by reference into this proxy statement will be deemed to be modified or superseded for purposes of this proxy statement to the extent a statement contained in this proxy statement or any other subsequently filed document that is incorporated by reference into this proxy statement modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this proxy statement.

CB&I Securities and Exchange Commission Filings

Commission file number: 001-12815

CB&I s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 filed on March 1, 2007.

CB&I s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2007 filed on May 3, 2007.

CB&I s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2007 filed on August 2, 2007.

CB&I s Current Report on Form 8-K filed on August 30, 2007.

The documents incorporated by reference into this proxy statement are available from us upon request. CB&I will provide a copy of any and all information that is incorporated by reference into this proxy statement (not including exhibits to the information unless those exhibits are specifically incorporated by reference into this proxy statement) to any person without charge, upon written or oral request.

By Order of the Board of Supervisory Directors

Jerry H. Ballengee
Non-Executive Chairman of the Board of Supervisory Directors

Hoofddorp, The Netherlands
October 17, 2007

Table of Contents

FINANCIAL STATEMENTS OF LUMMUS GLOBAL

	Page
<u>Report of Independent Auditors</u>	F-2
Combined Financial Statements	
<u>Combined Statements of Operations for the Years Ended December 31, 2006, 2005 and 2004</u>	F-3
<u>Combined Balance Sheets as of December 31, 2006, 2005 and 2004</u>	F-4
<u>Combined Statements of Cash Flows for the Years Ended December 31, 2006, 2005 and 2004</u>	F-5
<u>Statements of Changes in Net Parent Investment (Deficit) at December 31, 2004, 2005 and 2006</u>	F-6
<u>Notes to Combined Financial Statements</u>	F-7
Combined Financial Statements (Unaudited)	
<u>Combined Statements of Operations for the Six Months Ended June 30, 2007 and 2006</u>	F-41
<u>Combined Balance Sheet at June 30, 2007</u>	F-42
<u>Combined Statements of Cash Flows for the Six Months Ended June 30, 2007 and 2006</u>	F-44
<u>Notes to Combined Financial Statements</u>	F-46

F-1

Table of Contents

REPORT OF INDEPENDENT AUDITORS

Board of Directors
ABB Ltd.

We have audited the accompanying combined balance sheets of ABB Lummus Global (the Company) as of December 31, 2006, 2005 and 2004, and the related combined statements of operations, cash flows and changes in parent investment (deficit) for each of the three years in the period ended December 31, 2006. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of ABB Lummus Global at December 31, 2006, 2005 and 2004, and the combined results of its operations and its cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in Notes 2 and 20 to the combined financial statements, effective December 31, 2006, the Company adopted Statement of Financial Accounting Standards No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans.

/s/ Ernst & Young LLP

New York, New York
June 1, 2007

Table of Contents**ABB Lummus Global****Combined Statements of Operations**

	Year Ended December 31		
	2006	2005	2004
	(U.S. \$ in thousands)		
Revenues	\$ 988,362	\$ 1,087,788	\$ 1,279,589
Cost of sales	(931,662)	(947,771)	(1,139,721)
Gross profit	56,700	140,017	139,868
Selling, general and administrative expenses	(102,374)	(88,477)	(85,983)
Depreciation and amortization expense	(10,815)	(12,040)	(13,104)
Earnings of investees accounted for by the equity method	11,731	12,885	10,477
Asbestos income (expense)	2,373		(33,000)
Other income (expense), net	(1,210)	(508)	(9,618)
(Loss) income before interest income, interest expense, income taxes and minority interests	(43,595)	51,877	8,640
Interest income	5,947	4,894	4,102
Interest expense	(37,067)	(31,431)	(24,604)
(Loss) income before income taxes and minority interests	(74,715)	25,340	(11,862)
Provision for income taxes	(4,638)	(18,101)	(26,847)
Minority interests	(620)	(2,247)	(1,281)
Net (loss) income	\$ (79,973)	\$ 4,992	\$ (39,990)

See accompanying notes to combined financial statements.

Table of Contents**§§ABB Lummus Global****Combined Balance Sheets**

	2006	December 31 2005	2004
	(U.S. \$ in thousands)		
ASSETS			
Cash and cash equivalents	\$ 50,713	\$ 68,284	\$ 91,164
Trade receivables, net:			
Third party	197,833	189,926	197,284
Affiliates	334	512	701
Accounts receivable, other:			
Third party	32,886	51,557	84,200
Affiliates	189,065	80,308	83,380
Costs and estimated earnings in excess of billings on uncompleted contracts	451,427	441,859	445,434
Other current assets	20,141	17,426	56,024
Total current assets	942,399	849,872	958,187
Investments	91,556	79,749	70,475
Property, plant and equipment, net	10,198	11,822	16,306
Goodwill	211,395	196,292	216,411
Other intangible assets, net	21,838	26,252	38,492
Deferred tax assets	9,090	6,508	1,761
Other noncurrent assets	17,333	43,374	61,451
Total assets	\$ 1,303,809	\$ 1,213,869	\$ 1,363,083
LIABILITIES AND PARENT INVESTMENT (DEFICIT)			
Short-term borrowings:			
Third party	\$ 128	\$ 17	\$ 8,668
Affiliates	536,390	505,178	356,965
Accounts payable:			
Third party	115,427	126,060	283,834
Affiliates	2,789	1,695	2,474
Billings in excess of costs and estimated earnings on uncompleted contracts	172,362	109,059	164,941
Provisions and accrued liabilities	154,029	136,332	115,138
Asbestos obligations	3,633	43,450	46,981
Other current liabilities	447,683	358,869	437,420
Total current liabilities	1,432,441	1,280,660	1,416,421
Long-term borrowings	140	8	14
Pensions and other employee benefits	77,097	54,237	52,744
Asbestos obligations	25,300		

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Deferred tax liabilities	6,411	12,348	4,512
Other noncurrent liabilities	11,299	11,876	12,621
Total liabilities	1,552,688	1,359,129	1,486,312
Commitments and contingencies			
Minority interests	15,582	15,384	13,166
Parent investment (deficit)	(264,461)	(160,644)	(136,395)
Total liabilities and parent investment (deficit)	\$ 1,303,809	\$ 1,213,869	\$ 1,363,083

See accompanying notes to combined financial statements.

F-4

Table of Contents**ABB Lummus Global****Combined Statements of Cash Flows**

	Year Ended December 31		
	2006	2005	2004
	(US \$ in thousands)		
Cash flows from operating activities:			
Net (loss) income	\$ (79,973)	\$ 4,992	\$ (39,990)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Depreciation and amortization	10,815	12,040	13,104
Impairment of long lived assets			714
Gain on sale of intellectual property rights		(4,600)	
Loss from dispositions	151	304	512
Asbestos (income) provision	(2,373)		33,000
Deferred income taxes	(8,615)	5,680	977
Earnings of investees accounted for by the equity method, net of dividends received	(11,731)	(228)	695
Changes in operating assets and liabilities:			
Decrease in accounts receivable	8,154	17,501	14,221
(Decrease) in costs and estimated earnings in excess of billings	(2,185)	(44,502)	(11,592)
(Decrease) in accounts payable	(12,585)	(106,577)	(169,877)
Decrease in asbestos liabilities	(12,144)	(3,531)	(131)
Increase (decrease) in billings in excess of costs and estimated billings	72,475	(47,902)	(27,552)
Increase in other operating assets and decrease in other operating liabilities, net	86,035	16,217	235,589
Net cash provided by (used in) operating activities	48,024	(150,606)	49,670
Cash flows from investing activities:			
Purchases of property, plant and equipment	(1,695)	(1,118)	(767)
Proceeds from sales of property, plant and equipment	30	45	341
Increase in investments and other assets		(9,046)	
Proceeds from sale of technology		4,600	
Proceeds from sale of business			3,414
Purchase of business	(1,694)		
Net cash (used in) provided by investing activities	(3,359)	(5,519)	2,988
Cash flows from financing activities:			
Net change in debt with affiliates	\$ 31,212	\$ 148,213	\$ (44,846)
(Increase) decrease in interest bearing receivables with affiliates	(110,311)	4,886	(52,032)
Proceeds (payments) related to third party debt	243	(8,657)	(7,588)
Capital contributions from parent	549	1,165	430

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Net cash (used in) provided by financing activities	(78,307)	145,607	(104,036)
Effect of foreign exchange rate changes on cash and cash equivalents	16,071	(12,362)	10,997
Net decrease in cash and cash equivalents	(17,571)	(22,880)	(40,381)
Cash and cash equivalents beginning of year	68,284	91,164	131,545
Cash and cash equivalents end of year	\$ 50,713	\$ 68,284	\$ 91,164
Cash paid during the year for:			
Interest	\$ 12,323	\$ 29,683	\$ 26,453
Income tax	\$ 13,096	\$ 26,995	\$ 16,840

See accompanying notes to combined financial statements.

F-5

Table of Contents**ABB Lummus Global****Statements of Changes in Net Parent Investment (Deficit)
Years Ended December 31, 2006, 2005 and 2004**

	Share Capital and Accumulated Deficit	Foreign Currency Translation Adjustments	Minimum Pension Liability Adjustment	Total Accumulated Other Comprehensive Income (Loss)	Parent Investment (Deficit)
	(US \$ in thousands)				
Balance at January 1, 2004	\$ (59,025)	\$ 16,390	\$ (317)	\$ 16,073	\$ (42,952)
Net loss	(39,990)				(39,990)
Foreign currency translation adjustments		(49,499)		(49,499)	(49,499)
Minimum pension liabilities			(4,384)	(4,384)	(4,384)
Comprehensive loss					(93,873)
Parent contributions	430				430
Balance at December 31, 2004	(98,585)	(33,109)	(4,701)	(37,810)	(136,395)
Net income	4,992				4,992
Foreign currency translation adjustments		(25,816)		(25,816)	(25,816)
Minimum pension liabilities			(4,590)	(4,590)	(4,590)
Comprehensive loss					(25,414)
Parent contributions	1,165				1,165
Balance at December 31, 2005	(92,428)	(58,925)	(9,291)	(68,216)	(160,644)
Net loss	(79,973)				(79,973)
Foreign currency translation adjustments		28,708		28,708	28,708
Minimum pension liabilities			235	235	235
Comprehensive loss					(51,030)
Adoption of SFAS No. 158			(53,336)	(53,336)	(53,336)
Parent contributions	549				549
Balance at December 31, 2006	\$ (171,852)	\$ (30,217)	\$ (62,392)	\$ (92,609)	\$ (264,461)

See accompanying notes to combined financial statements.

Table of Contents

ABB Lummus Global

**Notes to Combined Financial Statements
(U.S. \$ in thousands)**

1. Description of the Business

The accompanying Combined Financial Statements present the historical financial position, results of operations and cash flows of ABB Lummus Global as conducted by ABB Lummus Global Inc. (Lummus), ABB Oil & Gas Europe B.V. (Lummus B.V.) and their respective subsidiaries (the Company) which both are indirectly owned by ABB Ltd. (ABB or the Parent). The Company s operations include on/near shore engineering, procurement, construction and technology operations and are part of ABB s Oil, Gas and Petrochemical business (OGP).

OGP supplies a comprehensive range of products and services to the global oil, gas and petrochemical industries, including the design and supply of production facilities, refineries and petrochemical plants.

The oil, gas and petrochemical industry is typically divided into two markets:

Upstream markets: Equipment, systems and services for onshore and offshore oil and gas exploration and production

Downstream markets: Processing of hydrocarbon raw material using refineries, petrochemical and chemical plants, gas processing and pipelines.

The Company is focused mainly in the downstream business and generates its revenues through its segments of engineering, procurement and construction services and project management services (EPC) and engineering services and the licensing of technology (PT) to the refining and petrochemical industries. The Company transacts business and operates internationally with customers principally based in the United States of America, the Netherlands, the Czech Republic, Germany, Russia, Algeria, United Arab Emirates, China and Brazil.

The accompanying Combined Financial Statements were prepared in connection with the anticipated disposition of the Company. Net borrowings due to ABB will be settled as stipulated in the sale and purchase agreement between ABB and the buyer. A significant portion of affiliated Company debt in the U.S. at December 31, 2006 is subordinated to the Company s asbestos obligations (see Note 15).

2. Significant Accounting Policies

Basis of Presentation and Combination

Historically, financial statements have not been prepared for the Company, as the Parent does not account for it separately as a combined entity. The accompanying Combined Financial Statements have been prepared from the historical accounting records of the Parent to present the combined results of operations, financial position, and cash flows of the Company in compliance with the rules and regulations of the Securities and Exchange Commission as required by Rule 3-05 of Regulation S-X. The accompanying Combined Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Certain corporate expenses, assets and liabilities have been allocated to the Company by ABB based on measures relevant to the items being allocated. The Combined Financial Statements are not necessarily indicative of what the results of operations or financial position of the Company would have been, had the Company been operated as a separate

stand-alone entity for the periods presented.

The Combined Financial Statements are presented in thousands of U.S. dollars (\$), the reporting currency of the Parent.

Generally, the equity method is used for investment ownership ranging from 20% to 50%. Investment ownership of less than 20% is accounted for at cost. As is common in the industry, the Company executes certain contracts jointly with third parties through unincorporated joint ventures. For these contracts, the Company recognizes its share of joint venture revenues, costs, operating profits, and assets and liabilities in its

F-7

Table of Contents**ABB Lummus Global****Notes to Combined Financial Statements (Continued)**

Combined Financial Statements based upon the Company's relative involvement or control over the venture. Below is a summary of the Company's unincorporated joint ventures.

Project	Country	Method of Consolidation	Percentage Held	Year of Estimated or Actual Completion
Rio Polimeros	Various	Proportional	50%	2007
BHP Ohanet	The Netherlands	Full Consolidation	50%	2005
Kizomba A	United States	Full Consolidation	50%	2004

All significant transactions among entities within the Company have been eliminated in combination.

Operating Cycle

A portion of the Company's operating cycle, including long term construction activities, exceeds one year. For classification of current assets and liabilities related to these types of construction activities, the Company elected to use the duration of the contracts as its operating cycle.

Use of Estimates

The preparation of the Combined Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Combined Financial Statements. Significant estimates for which changes in the near term are considered reasonably possible and that may have a material impact on the Combined Financial Statements are addressed in these notes to the Combined Financial Statements.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with maturities of three months or less at the date of acquisition.

Concentration of Credit Risk

The Company sells a broad range of services to oil, gas and petrochemical customers throughout the world. The risk of uncollectible trade receivables is considered low, as the Company's customer base is generally major global oil, gas and petrochemical companies. Ongoing credit evaluations of customers' financial positions are performed and, generally, no collateral is required. See Note 22 for segment, geographic and customer concentrations. The Company believes it maintains adequate reserves for potential losses and such losses have been minimal and approximate management estimates.

Revenue Recognition, Contract Accounting and Provision for Losses

The Company recognizes engineering and construction contract revenues using the percentage-of-completion method. The Company principally uses the cost-to-cost method to measure progress towards completion on contracts. Long term contracts typically extend over a period of several months to five years.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, including estimates for performance risks and warranties. The Company's contracts occasionally allow customers to withhold a certain portion of the contract price until specific performance requirements are met.

Management expects the majority of related contracts will be completed and substantially all of the billed amounts retained by the customer will be collected within one year of the balance sheet date.

Table of Contents

ABB Lummus Global

Notes to Combined Financial Statements (Continued)

Provisions for warranties are based on specific project evaluations. Anticipated project warranty costs are expensed in proportion to sales recognition on the related contracts.

Bid costs are typically expensed, unless the costs are directly associated with a contract and have a future benefit, in which case they are capitalized as a cost of the contract when it is awarded.