

0001

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COPY OF SUNNYSIDE PROJECT COMPANY STRUCTURE

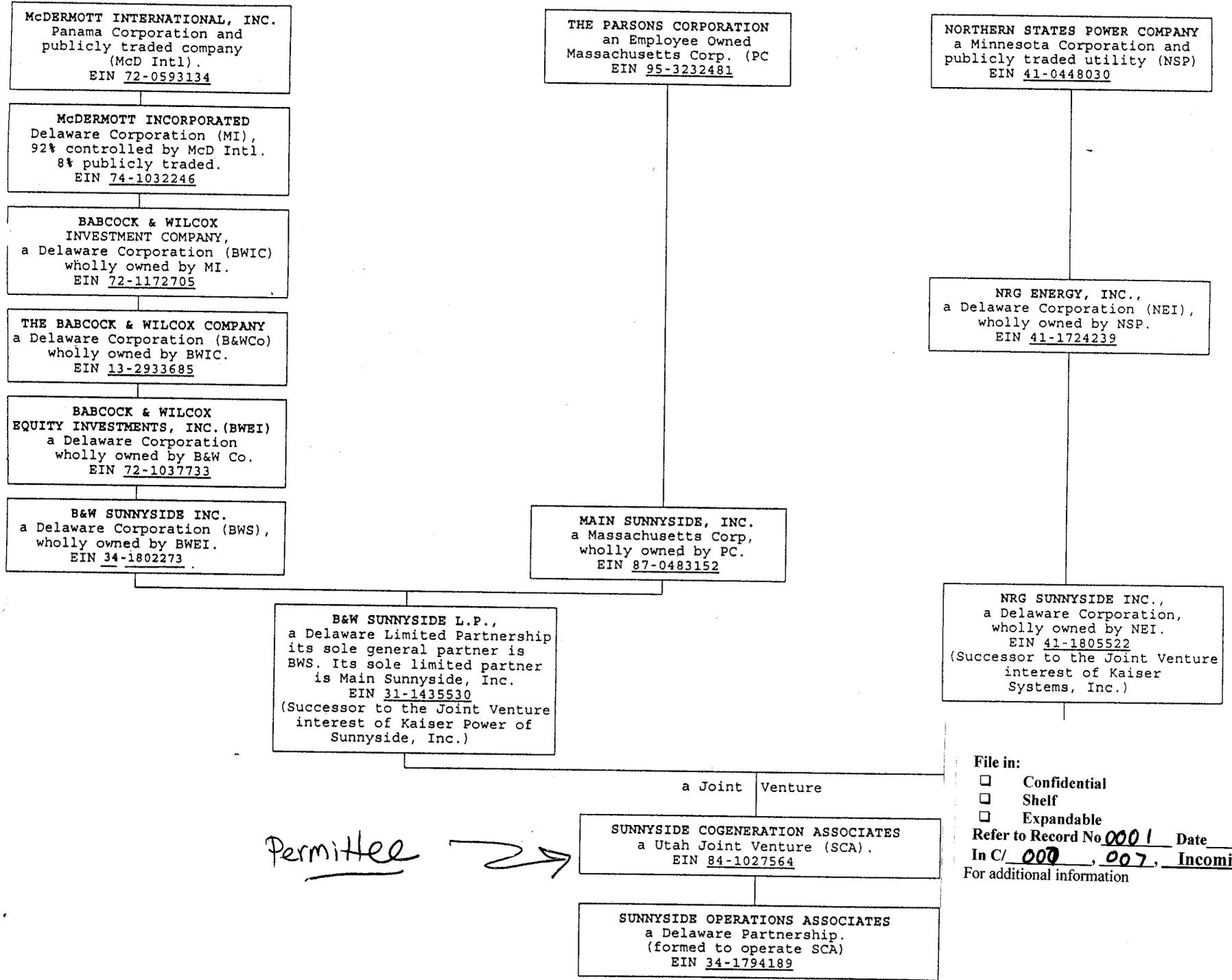
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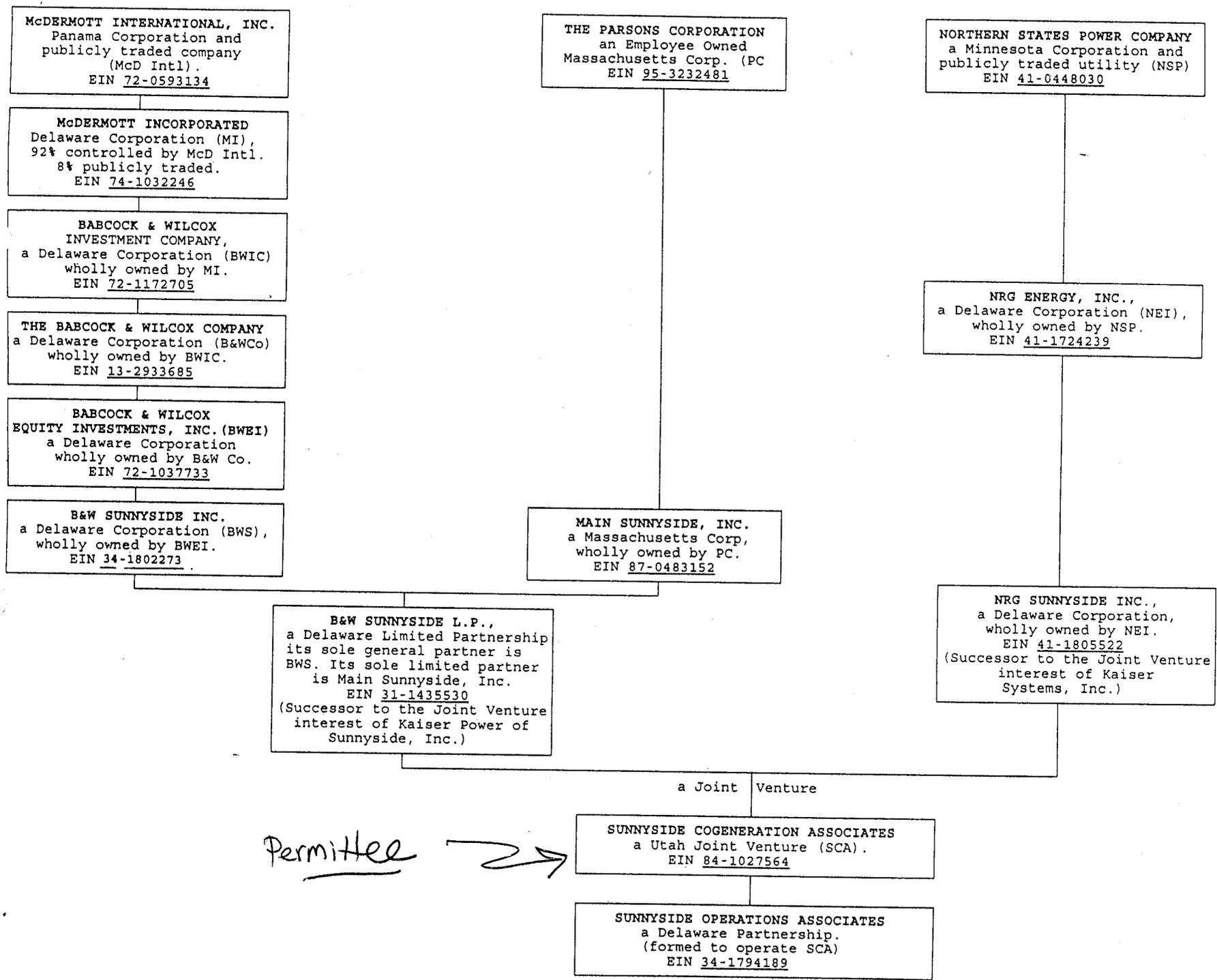
SUNNYSIDE PROJECT COMPANY STRUCTURE



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 For additional information

SUNNYSIDE PROJECT COMPANY STRUCTURE



Permitted →

DUNS: 19-999-9764
SUNNYSIDE MINES, INC

DATE PRINTED
SEP 04 1996

SUMMARY
RATING --

1113 SPRUCE ST
AND BRANCH(ES) OR DIVISION(S)
BOULDER CO 80302
TEL: 303 938-1506

COAL MINE
SIC NO.
12 22

STARTED 1989
EMPLOYS 385 (3 HERE)
HISTORY MANAGEMENT

CHIEF EXECUTIVE: DAVID B CORMAN, DIRECTOR

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SPECIAL
EVENTS
03/20/95

..... BANKRUPTCY FILING

On Mar 25, 1994 SUNNYSIDE COAL COMPANY, SUNNYSIDE RECLAMATION & SALVAGE, individually filed a voluntary petition in bankruptcy in UNITED STATES BANKRUPTCY COURT, DENVER, CO under Chapter 11 of the United States Bankruptcy Act. Attorney is JACK SMITH, Denver, CO. File Number is 94-12794-CEM. Judge CHARLES E MATHESON is presiding. The following figures have been filed with the court: Total Assets \$7,539,337 and Total Liabilities \$11,300,000. This bankruptcy relates to SUNNYSIDE COAL COMPANY, SUNNYSIDE RECLAMATION & SALVAGE individually and not to SUNNYSIDE MINES, INC.

On Mar 30 1994, outside sources indicated this business continues to operate.

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* * * CUSTOMER SERVICE * * *

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If you need any additional information, would like a credit recommendation, or have any questions, please call our Customer Service Center at (800) 234-3867

from anywhere within the U.S. From outside the U.S., please call your local D&B office.

PUBLIC FILINGS

The following data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

* * * SUIT(S) * * *

DOCKET NO.: 91CI-0664
SUIT AMOUNT: \$14,408 STATUS: Pending
PLAINTIFF: ELKHORN STONE COMPANY, DATE STATUS ATTAINED: 02/21/1991
LEXINGTON, KY DATE FILED: 02/21/1991
DEFENDANT: SUNNYSIDE MINES, INC LATEST INFO RECEIVED: 07/13/1992
and OTHERS
CAUSE: Breach of contract
Debt, non-payment
WHERE FILED: FAYETTE COUNTY CIRCUIT COURT,
LEXINGTON, KY

* * * LIEN(S) * * *

CASE NO.: 1623247
AMOUNT: \$8,625 STATUS: Open
TYPE: Federal Tax DATE STATUS ATTAINED: 07/08/1996
FILED BY: US INTERNAL REVENUE DATE FILED: 07/08/1996
AGAINST: SUNNYSIDE MINES INC LATEST INFO RECEIVED: 07/24/1996
WHERE FILED: BOULDER COUNTY RECORDER OF
DEEDS, BOULDER, CO

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

THE INFORMATION IN THE "PAYMENTS", "PUBLIC FILINGS" AND OTHER SECTIONS, WHEN PRESENT, MAY NOT RELATE TO THIS BUSINESS DUE TO POSSIBLE CHANGES IN OWNERSHIP, CONTROL, OR LEGAL STATUS SINCE THE DATA WAS COLLECTED.

IN DATE

RATING CHANGE

DUNS: 86-146-9864
SUNNYSIDE COGENERATION
ASSOCIATES

PO BOX 10
EAST CARBON UT 84520
1 POWER PLANT RD
SUNNYSIDE UT 84539
TEL: 801 888-4476

DATE PRINTED
SEP 04 1996
ELECTRIC POWER
PLANT
SIC NO.
49 11

SUMMARY
RATING 1R3
FORMERLY --
STARTED 1994
EMPLOYS 29
HISTORY CLEAR

DANNY MATTINGLY, PLANT MGR

SPECIAL
EVENTS

09/14/95 On Sept 14 1995, Lee Stanley, admin, stated the new plant manager as of Jan 1 1995 is Danny Mattingly.

* * * CUSTOMER SERVICE * * *

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* * * SUMMARY ANALYSIS * * *

The Summary Analysis section reflects information in D&B's file as of September 2, 1996.

RATING SUMMARY

The Rating was changed on September 15, 1995 because of D&B's overall assessment of the company's financial, payment and history information. The "1R" portion of the Rating (the Rating Classification) indicates business size of 10 or more employees for this company. The "3" on the right (Composite Credit Appraisal) indicates an overall "fair" credit appraisal. This credit appraisal was assigned because the payment information in D&B's file on this company indicates slowness in meeting trade obligations and this company's number of years in business.

Below is an overview of the company's D&B Rating(s) since 08/16/94:

RATING	DATE APPLIED
-----	-----
1R3	09/15/95
--	08/16/94

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* * * PAYMENT SUMMARY * * *

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The Payment Summary section reflects payment information in D&B's file as of the date of this report.

The PAYDEX for this company is 78.

This PAYDEX score indicates that payments to suppliers average 3 days beyond terms, weighted by dollar amounts. When dollar amounts are not considered, approximately 91% of the company's payments are within terms.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	TOTAL RCV'D	TOTAL DOLLAR AMOUNTS	LARGEST HIGH CREDIT	% W/IN TERMS	DAYS SLOW	<31	31-60	61-90	91+
	#	\$	\$	%	%	%	%	%	%
Total in D&B's file	12	41,150	15,000						
Top 10 Industries:									
1 Mfg process controls	2	15,500	15,000	100	-	-	-	-	-
2 Whol chemicals	1	15,000	15,000	100	-	-	-	-	-
3 Whol electronic parts	1	2,500	2,500	-	50	50	-	-	-
4 Mfg photograph equip	1	2,500	2,500	100	-	-	-	-	-
5 Whol metal	1	2,500	2,500	100	-	-	-	-	-
6 Petroleum refining	1	1,000	1,000	100	-	-	-	-	-
7 Air courier service	1	1,000	1,000	100	-	-	-	-	-
8 Mfg industrial valves	1	750	750	100	-	-	-	-	-
9 Whol industrial equip	1	250	250	100	-	-	-	-	-
10 Mfg misc special mach	1	100	100	100	-	-	-	-	-
11 OTHER INDUSTRIES	1	50	50	100	-	-	-	-	-

Other Payment Categories:

Cash experiences	0	0	0
Payment record unknown	0	0	0
Unfavorable comments	0	0	0
Placed for collection			

with D&B
other

0
6

0
N/A

The highest "Now Owes" on file is \$750
The highest "Past Due" on file is \$ 0

D&B receives over 220 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

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PAYMENTS (Amounts may be rounded to nearest figure in prescribed ranges)

Antic - Anticipated (Payments received prior to date of invoice)
 Disc - Discounted (Payments received within trade discount period)
 Ppt - Prompt (Payments received within terms granted)

REPORTED	PAYING RECORD	HIGH CREDIT	NOW OWES	PAST DUE	SELLING TERMS	LAST SALE WITHIN
08/96	Ppt	2500	750			4-5 Mos
	Ppt	2500	50	-0-		2-3 Mos
07/96	Ppt	15000	-0-	-0-		2-3 Mos
	Ppt	15000	-0-	-0-	N30	4-5 Mos
	Ppt	100	-0-	-0-	N30	2-3 Mos
06/96	Ppt	1000	500	-0-	N15	1 Mo
	Ppt	250	-0-	-0-	N30	1 Mo
	Ppt	50	-0-	-0-		6-12 Mos
02/96	Ppt	750	-0-		N30	6-12 Mos
01/96	Ppt	500	-0-	-0-	N30	6-12 Mos
	Slow 30-60	2500	-0-	-0-	2 10 N30	6-12 Mos
12/95	Ppt	1000	-0-	-0-		6-12 Mos

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

* Each experience shown represents a separate account reported by a supplier. Updated trade experiences replace those previously reported.

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FINANCE

09/14/95 On SEP 14 1995 Lee Stanley, admin, deferred financial statement.

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PUBLIC FILINGS

The following data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

* * * UCC FILING(S) * * *

COLLATERAL: Specified Accounts receivable - Specified Assets - Specified Contract rights

DEBTOR: YORK, NY
SUNNYSIDE COGENERATION
ASSOCIATES

COMMERCE/UCC DIVISION
UT

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

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HISTORY
09/14/95

BABCOCK & WILCOX COMPANY, PARTNER NRG ENERGY INC, PARTNER

Business started Mar 1994 by Kaiser Power of Sunnyside Inc and Kaiser Systems Inc. Present control succeeded 1995.

BABCOCK & WILCOX COMPANY. Babcock & Wilcox Company has it's headquarters in Louisiana, and a branch in Barberton OH. Operations consist of manufacturing of turbines. Business was started in 1978. **D-U-N-S 00-419-1441.**

NRG ENERGY INC. NRG Energy Inc is located in Minneapolis MN. Operates as an energy company. Business started in 1990. **D-U-N-S 79-342-2213.**

Affiliates: The following are related through common principals, management and/or ownership. Babcock & Wilcox Company, The (Inc), Barberton, OH, started 1978. DUNS #00-419-1441. Operates as a manufacturer of turbines/generators. Intercompany relations: partners in operations.

Affiliates: The following are related through common principals, management and/or ownership. NRG Energy, Inc (Delaware Corp), Minneapolis, MN, started 1990. DUNS #79-342-2213. Intercompany relations: partners in operations.

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OPERATION
09/14/95

Operates as an independent electric power plant (100%). Terms of sale is undetermined. **Has 1 account(s). Sells to Utah Power and Light. Territory : Local.**

EMPLOYEES: 29 which includes partners. Referenced employees are contract employees.

FACILITIES: Owns premises in a one story steel building.

LOCATION: Rural section on side street.

09-04(71W /042) 00000 086186186

DUNS: 92-654-9643
SUNNYSIDE OPERATIONS
ASSOCIATES LTD
+SUNNYSIDE CO-GENERATION
ASSOCIATES

DATE PRINTED
SEP 04 1996
RATING --
OPERATOR OF POWER STARTED 1995
PLANT EMPLOYS 26
SIC NO. HISTORY CLEAR
49 31

PO BOX 10
EAST CARBON UT 84520
1 POWER PLANT RD
EAST CARBON UT 84520
TEL: 801 888-4476

LEA STANLEY, ADMINISTRATOR

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* * * CUSTOMER SERVICE * * *

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* * * SUMMARY ANALYSIS * * *

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The Summary Analysis section reflects information in D&B's file as of September 2, 1996.

RATING SUMMARY

The absence of a Rating (--) indicates that the information available to D&B does not permit us to assign a Rating to this business. In this case, no Rating was assigned because of D&B's overall assessment of the company's financial, payment, and its historical information.

Below is an overview of the company's D&B Rating(s) since 08/22/95:

RATING	DATE APPLIED
----	-----
--	08/22/95

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* * * PAYMENT SUMMARY * * *

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The Payment Summary section reflects payment information in D&B's file as of the date of this report.

D&B has not received a sufficient sample of payment experiences to establish a

PAYDEX score.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	TOTAL	TOTAL	LARGEST	%	DAYS SLOW			
	RCV'D	DOLLAR AMOUNTS	HIGH CREDIT	W/IN TERMS	<31	31-60	61-90	91+
	#	\$	\$	%	%	%	%	%
Total in D&B's file	1	2,500	2,500					
Payment By Industry:								
1 Whol industrial equip	1	2,500	2,500	100	-	-	-	-
Other Payment Categories:								
Cash experiences	0	0	0					
Payment record unknown	0	0	0					
Unfavorable comments	0	0	0					
Placed for collection								
with D&B	0	0						
other	0	N/A						

The highest "Now Owes" on file is \$1,000
 The highest "Past Due" on file is \$100

D&B receives over 220 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

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PAYMENTS (Amounts may be rounded to nearest figure in prescribed ranges)

- Antic - Anticipated (Payments received prior to date of invoice)
- Disc - Discounted (Payments received within trade discount period)
- Ppt - Prompt (Payments received within terms granted)

REPORTED	PAYING RECORD	HIGH CREDIT	NOW OWES	PAST DUE	SELLING TERMS	LAST SALE WITHIN
07/96	Ppt	2500	1000	100		1 Mo

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.
 * Each experience shown represents a separate account reported by a supplier. Updated trade experiences replace those previously

DUNS: 00-128-9065
BABCOCK & WILCOX COMPANY, THE
 (INC)
 (SUBSIDIARY OF BABCOCK &
 WILCOX INVESTMENT COMPANY,
 NEW ORLEANS, LA)

PO BOX 61038
 NEW ORLEANS LA 70161
 1450 POYDRAS ST, SUITE 2600
 AND BRANCH(ES) OR DIVISION(S)
 NEW ORLEANS LA 70112
 TEL: 504 587-5400

DATE PRINTED
 SEP 04 1996

 MFG POWER
 GENERATION SYSTEMS
 & EQUIPMENT &
 CONSTRUCTION
 ACTIVITIES

 SIC NOS.
 35 11 34 43 35 64
 16 29 15 41 76 99

SUMMARY
 RATING 5A3

 STARTED 1978
 SALES F \$1,573,732,000
 WORTH F \$667,001,000
 EMPLOYS 9,000 (10 HERE)
 HISTORY CLEAR
 FINANCING SEC-UNSEC
 FINANCIAL
 CONDITION FAIR

CHIEF EXECUTIVE: JAMES E DUTT, INTERIM CHB

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* * * CUSTOMER SERVICE * * *

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* * * SUMMARY ANALYSIS * * *

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The Summary Analysis section reflects information in D&B's file as of September 2, 1996.

RATING SUMMARY

The "5A" portion of the Rating (the Rating Classification) indicates that the company has a worth in excess of \$50 million. The "3" on the right (Composite Credit Appraisal) indicates an overall "fair" credit appraisal. This credit appraisal was assigned because of D&B's assessment of the company's financial ratios and its cash flow.

Below is an overview of the company's D&B Rating(s) since 01/01/91:

RATING	DATE APPLIED
5A3	12/02/92
--	01/01/91

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* * * PAYMENT SUMMARY * * *

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 The Payment Summary section reflects payment information in D&B's file as of the date of this report.

The PAYDEX for this company is 73.

This PAYDEX score indicates that payments to suppliers average 11 days beyond terms, weighted by dollar amounts. When dollar amounts are not considered, approximately 78% of the company's payments are within terms.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	TOTAL RCV'D	TOTAL DOLLAR AMOUNTS	LARGEST HIGH CREDIT	% W/IN TERMS	DAYS SLOW			
	#	\$	\$	%	<31	31-60	61-90	91+
					%	%	%	%
Total in D&B's file	826	11,512,550	2,000,000					
Top 10 Industries:								
1 Trucking non-local	55	477,200	100,000	49	3	11	31	6
2 Whol metal	43	2,044,950	500,000	92	6	2	-	-
3 Whol industrial suppl	31	245,600	100,000	95	5	-	-	-
4 Whol industrial equip	24	438,000	200,000	96	4	-	-	-
5 Mfg process controls	16	935,450	900,000	51	1	-	48	-
6 Mfg computers	13	235,250	60,000	61	31	7	1	-
7 Steel works	12	851,000	300,000	93	6	1	-	-
8 Computer system desgn	7	305,600	300,000	99	1	-	-	-
9 Nonferrous roll/draw	2	2,020,000	2,000,000	100	-	-	-	-
10 Mfg non-elect heaters	2	500,100	500,000	50	50	-	-	-
11 OTHER INDUSTRIES	576	3,333,000	100,000	72	16	7	3	2

Other Payment Categories:

Cash experiences	3	1,250	1,000
Payment record unknown	41	125,150	35,000
Unfavorable comments	0	0	0
Placed for collection			
with D&B	0	0	
other	1	N/A	

The highest "Now Owes" on file is \$1,000,000

The highest "Past Due" on file is \$250,000

Dun & Bradstreet has 826 payment experiences in its file for this company. For

your convenience, we have displayed 80 representative experiences in the PAYMENTS section.

PAYMENTS (Amounts may be rounded to nearest figure in prescribed ranges)

Antic - Anticipated (Payments received prior to date of invoice)
 Disc - Discounted (Payments received within trade discount period)
 Ppt - Prompt (Payments received within terms granted)

REPORTED	PAYING	HIGH	NOW	PAST	SELLING	LAST SALE
	RECORD	CREDIT	OWES	DUE	TERMS	WITHIN
08/96	Disc	20000	-0-	-0-	2 10 N30	4-5 Mos
	Disc-Ppt	50000	50000	-0-	1/2 10 N30	1 Mo
	Disc-Ppt	1000	-0-	-0-	1/2 10 N30	6-12 Mos
	Ppt	250000	200000	-0-		1 Mo
	Ppt	25000	15000	-0-	Regular terms	2-3 Mos
	Ppt	25000	-0-	-0-		1 Mo
	Ppt	20000	750	-0-		1 Mo
	Ppt	10000	250	-0-		1 Mo
	Ppt	10000	5000	-0-		1 Mo
	Ppt	10000	-0-	-0-	N30	6-12 Mos
	Ppt	7500	7500	-0-	N30	1 Mo
	Ppt	5000	-0-	-0-		2-3 Mos
	Ppt	5000	-0-	-0-	N30	4-5 Mos
	Ppt	5000	-0-	-0-		2-3 Mos
	Ppt	2500	-0-	-0-	N30	1 Mo
	Ppt	2500	2500	-0-	N30	1 Mo
	Ppt	2500	-0-	-0-	N30	6-12 Mos
	Ppt	2500	-0-	-0-		6-12 Mos
	Ppt	2500	-0-	-0-	2 10 N30	1 Mo
	Ppt	2500	2500	-0-	N30	1 Mo
	Ppt	1000	-0-	-0-	N30	2-3 Mos
	Ppt	1000	-0-	-0-		4-5 Mos
	Ppt	1000	1000	-0-	N30	1 Mo
	Ppt	1000	1000	-0-	N30	1 Mo
	Ppt	1000	-0-	-0-		6-12 Mos
	Ppt	1000	-0-	-0-	N30	4-5 Mos
	Ppt	1000	-0-	-0-		6-12 Mos
	Ppt	1000	-0-	-0-		2-3 Mos
	Ppt	1000	100	-0-		1 Mo
	Ppt	750	50	-0-	N30	1 Mo
	Ppt	750	750	-0-		1 Mo
	Ppt	750	-0-	-0-		6-12 Mos
	Ppt	500	-0-	-0-	N15	4-5 Mos
	Ppt	500	500	-0-	N30	1 Mo
	Ppt	500	-0-	-0-	N30	6-12 Mos
	Ppt	250	-0-	-0-	N30	4-5 Mos
	Ppt	250	-0-	-0-		6-12 Mos

Ppt	250	-0-	-0-		2-3 Mos
Ppt	250	-0-	-0-	N30	6-12 Mos
Ppt	250	-0-	-0-	N30	6-12 Mos
Ppt	250	250	-0-	N30	1 Mo
Ppt	250	-0-	-0-	N30	4-5 Mos
Ppt	100	-0-			1 Mo

Ppt	100	-0-	-0-	1 10 N30	4-5 Mos
Ppt	50	-0-	-0-	N30	2-3 Mos
Ppt	50	50	-0-		1 Mo
Ppt	50	-0-	-0-		6-12 Mos
Ppt	50	-0-	-0-	N30	6-12 Mos
Ppt	50	-0-	-0-	N30	6-12 Mos
Ppt		-0-	-0-	N30	6-12 Mos
Ppt		-0-	-0-		4-5 Mos
Ppt		-0-	-0-	Regular terms	4-5 Mos
Disc-Slow 30	750	-0-	-0-	2 10 N30	2-3 Mos
Ppt-Slow 15	7500	2500	-0-		1 Mo
Ppt-Slow 30	15000	2500	500	N30	1 Mo
Ppt-Slow 30	5000	1000	-0-	N30	1 Mo
Ppt-Slow 30	1000	-0-	-0-	N30	6-12 Mos
Ppt-Slow 30	500	250	-0-		1 Mo
Ppt-Slow 45	20000	-0-	-0-	N30	2-3 Mos
Ppt-Slow 60	1000	-0-	-0-		4-5 Mos
Ppt-Slow 60	1000	100	-0-	N30	1 Mo
Ppt-Slow 60	500	500	500		1 Mo
Ppt-Slow 60	500	-0-	-0-	Prox	6-12 Mos
Ppt-Slow 60	50	-0-	-0-	N30	6-12 Mos
Ppt-Slow 90	10000	2500			2-3 Mos
Ppt-Slow 120	500	250	250	N30	1 Mo
Slow 5	2500	-0-	-0-		2-3 Mos
Slow 5	750	-0-	-0-		6-12 Mos
Slow 15	250	100	-0-		1 Mo
Slow 15	50	-0-	-0-	N30	2-3 Mos
Slow 25	750	50	-0-		1 Mo
Slow 30	10000	10000	10000		
Slow 30	5000	-0-	-0-	N30	4-5 Mos
Slow 30	5000	-0-	-0-	N30	4-5 Mos
Slow 30	2500	2500	2500	N30	
Slow 30	2500	-0-	-0-	N30	4-5 Mos
Slow 30	750	-0-	-0-		6-12 Mos
Slow 80	50	-0-	-0-		4-5 Mos
Slow 90+	1000	-0-	-0-		6-12 Mos
07/96 Ppt-Slow 30	70000	-0-	-0-		6-12 Mos

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

* Each experience shown represents a separate account reported by a supplier. Updated trade experiences replace those previously reported.

	Mar 31 1994	Mar 31 1995	Mar 31 1996
Curr Assets	665,822,000	607,990,000	742,600,000
Curr Liabs	526,700,000	517,241,000	664,326,000
Current Ratio	1.26	1.17	1.11

Working Capital	139,122,000	90,749,000	78,274,000
Other Assets	1,901,145,000	1,843,784,000	1,663,357,000
Noncurrent Liabs	1,382,614,000	1,297,900,000	1,074,630,000
Worth	657,653,000	636,633,000	667,001,000
Sales	1,605,623,000	1,632,924,000	1,573,732,000
Net Income (loss)	(82,944,000)	(5,193,000)	29,832,000
Depreciation & Amor	42,396,000	38,151,000	40,756,000
Interest Expense	7,184,000	1,929,000	4,289,000
Capital			
Expenditures	44,107,000	45,546,000	27,170,000
Cash Prov(Used)			
Oper	59,788,000	79,226,000	16,082,000
Fiscal Consolidated statement dated MAR 31 1996:			
Cash	\$ 21,480,000	Accts Pay	\$ 124,177,000
Accts Rec	222,418,000	Notes Pay	78,382,000
Inventory	66,354,000	Environmental &	
Insurance		Products Liab	159,824,000
Recoverable -		Accruals	152,672,000
Current	116,280,000	L.T. Liab-(1yr)	437,000
Contracts In		Advance Billings	
Progress	244,654,000	On Contracts	132,439,000
Deferred Income		Income Taxes	16,395,000
Taxes	65,506,000		
Other Curr Assets	5,908,000		
	-----		-----
Curr Assets	742,600,000	Curr Liabs	664,326,000
Fixt & Equip	237,677,000	Long-term Debt	5,469,000
Insurance		Environmental &	
Recoverable -		Products Liab	721,584,000
Noncurrent	606,963,000	L.T. Liab-Other	347,577,000
Notes Receivable		COMMON STOCK	1,000
Affiliates	451,523,000	ADDIT. PD.-IN CAP	739,710,000
Intangibles	117,176,000	RETAINED EARNINGS	55,372,000
Prepaid Pension		CURRENCY	
Costs	212,399,000	TRANSLATION	(10,906,000)
Other Assets	154,795,000		
	-----		-----
Total Assets	2,523,133,000	Total	2,523,133,000

From APR 01 1995 to MAR 31 1996 sales \$1,573,732,000; cost of goods sold \$1,420,228,000. Gross profit \$153,504,000; operating expenses \$98,558,000. Other items, net \$9,237,000. Operating income \$45,709,000; other income \$19,356,000; other expenses \$14,482,000; net income before taxes \$50,583,000. Net income \$29,832,000. Income tax provision \$20,751,000. Retained earnings at start \$26,257,000. Net income \$29,832,000; dividends \$506,000; other deductions \$211,000; retained earnings at end \$55,372,000.

Statement received by mail JUL 24 1996. Prepared from

statement(s) by Accountant: Ernst & Young LLP, New Orleans, LA.

ACCOUNTANTS OPINION: A review of the accountant's opinion indicates the financial statements meet generally accepted accounting principles and that the audit contains no qualifications.

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Item worth shown in summary section was computed after deduction of intangibles, excess cost of net assets acquired, totaling \$117,176,000. Fixed assets shown net less \$301,324,000 depreciation.

. ----- BALANCE SHEET EXPLANATIONS (000'S OMITTED) ----- .

CASH includes equivalents. ACCOUNTS RECEIVABLE: \$167,657 trade, and \$55,761 other (less \$107,000 receivables sold under an agreement with a US bank with limited recourse). INVENTORY is carried at the lower of cost (primarily using the average cost method) or market.

INSURANCE RECOVERABLE (estimated insurance recoveries based upon analysis of insurers providing coverage of the estimated asbestos claims). CONTRACTS IN PROGRESS: \$8,784 costs incurred less cost of revenue recognized; and \$235,870 revenues recognized less billings to customers. OTHER CURRENT ASSETS reflect prepaid expenses and other items.

NOTES RECEIVABLE AFFILIATES: Non-interest bearing notes receivable from McDermott Incorporated and Babcock & Wilcox Investment Company, payable within 30 days of written demand (the companies do not intend to settle the notes during fiscal 1997). PREPAID PENSION COSTS: Plans for which assets exceed accumulated benefits. OTHER ASSETS are comprised of noncurrent assets of discontinued operations and miscellaneous deposits and deferred items.

NOTES PAYABLE: The Company has available uncommitted short-term lines of credit totaling \$81,618, against which \$28,382 was outstanding at year end. In addition, the Company has a \$150,000 unsecured revolving line, under which \$50,000 was outstanding at year end.

ENVIRONMENTAL & PRODUCTS LIAB (relating to the estimated liability for pending and future non-employee products liability asbestos claims; and environmental reserves). ADVANCE BILLINGS ON CONTRACTS: \$136,087 billings to customers less revenues recognized, less \$(3,648) costs incurred less costs of revenue recognized.

LONG-TERM DEBT reflects project financing notes and other obligations. LONG-TERM LIAB-OTHER: \$296,335 accumulated postretirement benefit obligation; and \$51,242 in other liabilities.

CONTINGENCIES: At Mar 31 1996, the estimated liability for pending and future non-employee products liability asbestos claims was \$843,986 (of which approximately \$208,000 had been asserted) and estimated insurance recoveries were \$723,243.

The Company is a defendant in numerous legal proceedings. Management and general counsel believe that the outcome of these proceedings will not have a material adverse effect upon the consolidated financial position of the Company. The Company is contingently liable under standby letters of credit totaling \$244,228 at Mar 31 1996, issued in the normal course of business.

. ----- INCOME STATEMENT EXPLANATIONS (000'S OMITTED) ----- .

SALES (revenues). OPERATING EXPENSES (selling, general and administrative). OTHER ITEMS, NET: \$40,756 depreciation and amortization, less equity in income of investees of \$31,519. OTHER

INCOME reflects interest. OTHER EXPENSES: \$4,209 interest and \$10,193 in other expenses, net.

. ----RECONCILIATION'S (000'S OMITTED)---- .
FISCAL MAR 31 1996: Earnings retained and translation adjustments

contributed to an increase in stockholders' equity to \$784,177 from \$752,527 the prior year. Tangible (rateable) net worth at Mar 31 1996 totaled \$667,001 (less intangibles \$117,176) versus \$636,633 (less intangibles \$115,894) at Mar 31 1995.

The comparative decrease in other assets primarily reflected a \$143,256 decrease in the noncurrent provision for insurance recoverable with amounts realized during the year. Net fixed assets decreased \$12,300 compared to Mar 31 1995, with notes receivable affiliates increasing \$12,415, prepaid pension costs increased \$795 and other assets decreased \$38,081.

A \$192,058 decrease in the environmental and products liabilities reserve reflected the primary factor increasing noncurrent liabilities with minimal changes in the composition of the other components of the figure.

NOTE: The following comments were made by McDermott Incorporated (the parent company of Babcock & Wilcox Investment Company) in a Mar 31 1996 10-K filing with the Securities and Exchange Commission. The Babcock & Wilcox Company reflects the primary portion of the activities of the Power Generation Systems and Equipment segment of McDermott Incorporated.

The figures differ somewhat from the audited financial statement of Babcock & Wilcox Company with the following comments presented to offer a general idea of factors contributing to results in 1996.

FISCAL MAR 31 1996 (000's omitted):.

POWER GENERATION SYSTEMS AND EQUIPMENT SEGMENT revenues totaled \$1,708,274, a \$45,257 increase over the prior year with an operating income of \$17,176 nearly equal to \$17,642 the prior year.

The revenue increase primarily reflected higher revenues from engineering, procurement and construction of cogeneration plants, from defense and space-related products, replacement nuclear steam generators for domestic customers, and fabrication of industrial boilers.

Segment operating income decreased \$466 due to the \$12,600 write-off of an insurance claim; and other factors which included lower volume and margins in specified operations. Fiscal 1995 included provisions of \$46,489 for the decontamination, decommissioning and closing of certain nuclear manufacturing facilities and the closing of a manufacturing facility.

THE BABCOCK & WILCOX COMPANY operating and statement ratios.

-----SELECTED FISCAL OPERATING RATIOS-----

MAR 31	1994	1995	1996.
Sales - % increase	6.2	1.7	(3.6).
Gross Profit Margin - POS	11.0	8.8	9.8.
Operating Expenses - POS	6.7	6.1	6.3.
Operating Income - % increase	(26.5)	(63.4)	259.6.

-----SELECTED FISCAL STATEMENT RATIOS-----

MAR 31	1994	1995	1996.
Quick Ratio (times)	1.02	0.97	0.91.
Receivables (DSO)	52.2	40.0	50.9.

Current Liabs/Worth - %	67.6	58.7	84.7.
Accounts Payable/Sales - %	6.9	6.8	7.9.
Fixed Assets/Worth - %	37.5	33.2	30.3.
Total Liabs/Worth (times)	2.45	2.41	2.21.

NOTE: POS (percentage of sales). DSO (days sales outstanding) at

year end and quick ratio include all receivables (also contracts in progress), to reflect the period required for realization of cash being used to retire current obligations; and coverage of associated current payables, accruals and borrowings. Worth (stockholders' equity).

..... ANALYST COMMENTS

During fiscal Mar 31 1996, cash and equivalents increased \$2,625,000 and total debt increased \$69,199,000 compared to the prior year. During the same period, the Company operations provided net cash of \$16,082,000 and financing activities provided net cash of \$68,481,000 with net cash of \$82,293,000 used in investing activities.

At Mar 31 1996, the leverage of total liabilities to worth increased slightly with debt retired during the year contributing to a decrease in the relationship of total borrowings to worth to 1.60 to 1 at Mar 31 1996 compared to 1.74 at Mar 31 1995, despite a decrease in worth in 1996.

The Company reflected comparable to slightly lower overall measures of liquidity and solvency in fiscal Mar 31 1996 with leverage measures slightly lower compared to the prior year, as reflected by fiscal statement summaries and selected ratios. Total borrowings reflected less than 15% of tangible worth at Mar 31 1996.

The Company has a sizable level of notes receivable due from McDermott Incorporated and Babcock & Wilcox Investment Company (approximately 27% of other assets at Mar 31 1996, less intangibles), a factor which should be taken into consideration in reviewing the statement.

The following comments were made by McDermott Incorporated in the Mar 31 1996 annual report:.

During 1997, McDermott Incorporated expects to obtain funds to meet capital expenditure, working capital and debt maturity requirements from operating activities, additional borrowings and capital contributions from the parent company if required. Leasing agreements for equipment, which are short-term in nature, are not expected to impact the Company's liquidity nor capital resources.

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PUBLIC FILINGS

The following data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

* * * JUDGMENT (S) * * *

DOCKET/WARRANT: 482264

JDGMT TYPE: Judgment

AGAINST: \$1,951-BABCOCK AND WILCOX CO

STATUS: Unsatisfied

DATE STATUS ATTAINED: 10/19/1992

INC THE
IN FAVOR OF: NYC DEPARTMENT OF FINANCE
WHERE FILED: NEW YORK COUNTY SUPREME COURT,
NEW YORK, NY

DATE ENTERED: 10/19/1992
LATEST INDEX RECEIVED: 11/06/1992

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

* * * SUIT(S) * * *

DOCKET NO.: 96CVF00567
SUIT AMOUNT: \$459 STATUS: Dismissed
PLAINTIFF: DEPENDABLE CHECK CASHING DATE STATUS ATTAINED: 07/17/1996
DEFENDANT: BABCOCK & WILCOX, WADSWORTH, OH DATE FILED: 06/07/1996
WHERE FILED: BARBERTON MUNICIPAL COURT, LATEST INFO RECEIVED: 08/06/1996
BARBERTON, OH

DOCKET NO.: CV96052063
PLAINTIFF: CALVIN HARRIS STATUS: Pending
DEFENDANT: BABCOCK & WILCOX INC, BARBERTON OH DATE STATUS ATTAINED: 05/24/1996
DATE FILED: 05/24/1996
WHERE FILED: SUMMIT COUNTY COMMON PLEAS LATEST INFO RECEIVED: 07/02/1996
COURTS, AKRON, OH

DOCKET NO.: 952-01462
PLAINTIFF: ALEXANDER HALBMAN STATUS: Pending
DEFENDANT: BABCOCK AND WILCOX COMPANY A DELAWARE CORP DATE STATUS ATTAINED: 05/03/1995
and OTHERS DATE FILED: 05/03/1995
LATEST INFO RECEIVED: 05/08/1995
CAUSE: personal injury-product liability
WHERE FILED: ST LOUIS CITY CIRCUIT COURT, SAINT LOUIS, MO

CASE NO.: 416479
PLAINTIFF: LAWRENCE J ACOSTA JR STATUS: Pending
DEFENDANT: THE BABCOCK & WILCOX COMPANY, BATON ROUGE, LA DATE STATUS ATTAINED: 05/01/1995
and OTHERS DATE FILED: 05/01/1995
LATEST INFO RECEIVED: 06/14/1995
WHERE FILED: EAST BATON ROUGE PARISH DISTRICT COURT, BATON ROUGE, LA

CASE NO.: 416480
PLAINTIFF: HIRAM BALLARD STATUS: Pending
DEFENDANT: THE BABCOCK & WILCOX COMPANY, BATON ROUGE, LA DATE STATUS ATTAINED: 05/01/1995
and OTHERS DATE FILED: 05/01/1995
LATEST INFO RECEIVED: 06/14/1995
WHERE FILED: EAST BATON ROUGE PARISH DISTRICT COURT, BATON ROUGE, LA

DOCKET NO.: 95CVF00293
SUIT AMOUNT: \$4,265 STATUS: Dismissed

PLAINTIFF: ALBERT KURILKO DATE STATUS ATTAINED: 04/10/1995
DEFENDANT: BABCOCK & WILCOX, BARBERTON, OH DATE FILED: 03/14/1995
and OTHERS LATEST INFO RECEIVED: 07/03/1995
WHERE FILED: BARBERTON MUNICIPAL COURT,
BARBERTON, OH

DOCKET NO.: CV9502522

PLAINTIFF: JOSEPH SMITH

STATUS: Dismissed

DEFENDANT: BABCOCK & WILCOX COMP,
BARBERTON, OH

DATE STATUS ATTAINED: 07/06/1995

DATE FILED: 02/07/1995

WHERE FILED: SUMMIT COUNTY COMMON PLEAS
COURTS, AKRON, OH

LATEST INFO RECEIVED: 08/07/1995

DOCKET NO.: 1:95-CV-0136

PLAINTIFF: TONY & GARY RICHARDSON

STATUS: Pending

DEFENDANT: BABCOCK & WILCOX CO
and OTHERS

DATE STATUS ATTAINED: 01/20/1995

DATE FILED: 01/20/1995

WHERE FILED: US DISTRICT COURT-, ATLANTA, GA

LATEST INFO COLLECTED: 01/23/1995

CASE NO.: 9418173

PLAINTIFF: DUDLEY DUFRENE

STATUS: Pending

DEFENDANT: BABCOCK & WILCOX COMPANY
and OTHERS

DATE STATUS ATTAINED: 11/21/1994

DATE FILED: 11/21/1994

WHERE FILED: ORLEANS PARISH DISTRICT COURT,
NEW ORLEANS, LA

LATEST INFO RECEIVED: 01/13/1995

DOCKET NO.: CV94113786

PLAINTIFF: KENNETH D SHOOK

STATUS: Pending

DEFENDANT: BABCOCK & WILCOX CO, BARBERTON,
OH

DATE STATUS ATTAINED: 11/09/1994

DATE FILED: 11/09/1994

WHERE FILED: SUMMIT COUNTY COMMON PLEAS
COURTS, AKRON, OH

LATEST INFO RECEIVED: 12/06/1994

* * * LIEN(S) * * *

A lienholder can file the same lien in more than one filing location. The appearance of multiple liens filed by the same lienholder against a debtor may be indicative of such an occurrence.

DOCKET NO.: 94 R 43419

AMOUNT: \$8,358 Sales and use

STATUS: Open

TYPE: State Tax

DATE STATUS ATTAINED: 11/03/1994

FILED BY: ILLINOIS DEPT REVENUE, SPRINGFIELD
IL

DATE FILED: 11/03/1994

LATEST INFO COLLECTED: 01/05/1995

AGAINST: BABCOCK & WILCOX COMPANY

WHERE FILED: SANGAMON COUNTY RECORDER OF
DEEDS, SPRINGFIELD, IL

VOLUME/PAGE: 94079/1063

AMOUNT: \$63,407

STATUS: Open

TYPE: State Tax

DATE STATUS ATTAINED: 04/26/1994

FILED BY: STATE OF TEXAS

DATE FILED: 04/26/1994

AGAINST: BABCOCK AND WILCOX CO

LATEST INFO RECEIVED: 05/20/1994

WHERE FILED: DALLAS COUNTY RECORDERS OFFICE,
DALLAS, TX

BOOK/PAGE: 9565/2162

AMOUNT: \$63,407

STATUS: Open

TYPE: State Tax
 FILED BY: STATE OF TEXAS
 AGAINST: BABCOCK & WILCOX CO
 WHERE FILED: HARRIS COUNTY RECORDERS OFFICE,
 HOUSTON, TX

DATE STATUS ATTAINED: 04/18/1994
 DATE FILED: 04/18/1994
 LATEST INFO RECEIVED: 04/28/1994

 BOOK/PAGE: 9870/1932

AMOUNT: \$63,407
 TYPE: State Tax
 FILED BY: STATE OF TEXAS
 AGAINST: BABCOCK & WILCOX CO
 WHERE FILED: HARRIS COUNTY RECORDERS OFFICE,
 HOUSTON, TX

STATUS: Released
 DATE STATUS ATTAINED: 05/31/1994
 DATE FILED: 04/16/1994
 LATEST INFO RECEIVED: 06/10/1994

 VOLUME/PAGE: 94111/3074

AMOUNT: \$63,407
 TYPE: State Tax
 FILED BY: STATE OF TEXAS
 AGAINST: BABCOCK AND WILCOX CO
 WHERE FILED: DALLAS COUNTY RECORDERS OFFICE,
 DALLAS, TX

STATUS: Released
 DATE STATUS ATTAINED: 06/10/1994
 DATE FILED: 04/14/1994
 LATEST INFO RECEIVED: 06/24/1994

 DOCKET NO.: 02189341

AMOUNT: \$40,571
 TYPE: State Tax
 FILED BY: STATE OF INDIANA
 AGAINST: THE BABCOCK & WILCOX CO
 WHERE FILED: MARION COUNTY CIRCUIT COURT,
 INDIANAPOLIS, IN

STATUS: Released
 DATE STATUS ATTAINED: 05/07/1993
 DATE FILED: 04/29/1993
 LATEST INFO RECEIVED: 06/20/1994

 BOOK/PAGE: 1371 / 304

AMOUNT: \$318
 TYPE: State Tax
 FILED BY: GEORGIA, STATE OF, ATLANTA, GA
 AGAINST: BABCOCK & WILCOX, LYNCHBURG, VA
 WHERE FILED: FULTON COUNTY RECORDERS OFFICE,
 ATLANTA, GA

STATUS: Released
 DATE STATUS ATTAINED: 08/29/1992
 DATE FILED: 06/29/1990
 LATEST INFO COLLECTED: 01/04/1993

 * * * UCC FILING(S) * * *

 COLLATERAL: All Assets - Proceeds

FILING NO: AM86338
 TYPE: Original
 SEC. PARTY: ERVIN LEASING COMPANY, ANN ARBOR
 MI
 DEBTOR: DIAMOND POWER SPECIALTY COMPANY,
 LANCASTER, OH

DATE FILED: 07/08/1996
 LATEST INFO RECEIVED: 07/31/1996
 FILED WITH: SECRETARY OF
 STATE/UCC DIVISION,
 OH

 COLLATERAL: Negotiable instruments and proceeds - Account(s) and proceeds -

Leased Equipment and proceeds

FILING NO: 950620 7099

TYPE: Original

SEC. PARTY: ALLIANCE CORPORATE RESOURCES,
INC., DUBLIN, OH

DATE FILED 06/20/1995

LATEST INFO RECEIVED: 08/23/1995

FILED WITH: SECRETARY OF THE
COMMONWEALTH/UCC

DEBTOR: BABCOCK & WILCOX COMPANY DIVISION, VA

COLLATERAL: Inventory and proceeds - Account(s) and proceeds - Chattel paper
and proceeds

FILING NO: 0949117 DATE FILED: 12/28/1995
TYPE: Original LATEST INFO RECEIVED: 02/12/1996
SEC. PARTY: CITICORP NORTH AMERICA, INC., AS FILED WITH: SECRETARY OF
AGENT, LOS ANGELES, CA STATE/UCC DIVISION,
DEBTOR: BABCOCK & WILCOX - ST COMPANY, MS
WEST POINT, MS

COLLATERAL: Inventory - Proceeds - Unspecified

FILING NO: AM02192 DATE FILED: 07/21/1995
TYPE: Original LATEST INFO RECEIVED: 08/30/1995
SEC. PARTY: RAYMOND LEASING CORPORATION, FILED WITH: SECRETARY OF
GREENE, NY STATE/UCC DIVISION,
DEBTOR: BABCOCK & WILCOX CO, THE, OH
LANCASTER, OH
and OTHERS

COLLATERAL: Specified Accounts receivable - Specified Inventory - Specified
Account(s)

FILING NO: 36-51165 DATE FILED: 11/15/1990
TYPE: Original LATEST INFO RECEIVED: 06/15/1992
SEC. PARTY: CITICORP NORTH AMERICA INC, LOS FILED WITH: ORLEANS PARISH CLERKS
ANGELES, CA OFFICE, LA
DEBTOR: BABCOCK & WILCOX CO, THE

COLLATERAL: Specified Inventory and proceeds - Specified Account(s) and
proceeds

FILING NO: 36-62087 DATE FILED: 01/03/1992
TYPE: Amendment LATEST INFO RECEIVED: 03/19/1992
SEC. PARTY: CITICORP NROTH AMERICA INC, LOS ORIG. UCC FILED: 11/15/1990
ANGELES, CA ORIG. FILING NO: 36-51165
DEBTOR: THE BABCOCK & WILCOX CO FILED WITH: ORLEANS PARISH CLERKS
OFFICE, LA

COLLATERAL: Specified Inventory and proceeds - Specified Account(s) and
proceeds - Specified Chattel paper and proceeds

FILING NO: 36-70922 DATE FILED: 01/11/1993
TYPE: Amendment LATEST INFO RECEIVED: 03/23/1993
SEC. PARTY: CITICORP NORTH AMERICA INC AS ORIG. UCC FILED: 11/15/1990
AGENT, LOS ANGELES, CA ORIG. FILING NO: 36-51165
DEBTOR: BABCOCK & WILCOX COMPANY, THE FILED WITH: ORLEANS PARISH CLERKS
OFFICE, LA

FILING NO: 36-94322 DATE FILED: 05/25/1995
TYPE: Continuation LATEST INFO RECEIVED: 08/18/1995
SEC. PARTY: CITICORP NORTH AMERICA, INC., AS ORIG. UCC FILED: 11/15/1990

AGENT, LOS ANGELES, CA
DEBTOR: THE BABCOCK & WILCOX COMPANY

ORIG. FILING NO: 36-51165
FILED WITH ORLEANS PARISH CLERK,
LA

FILING NO: 36-101607

DATE FILED: 12/27/1995

TYPE: Amendment LATEST INFO RECEIVED: 04/05/1996
SEC. PARTY: CITICORP NORTH AMERICA, INC., AS ORIG. UCC FILED: 11/15/1990
AGENT, LOS ANGELES, CA ORIG. FILING NO: 36-51165
DEBTOR: THE BABCOCK & WILCOX COMPANY FILED WITH: ORLEANS PARISH CLERK,
LA

COLLATERAL: Specified Accounts receivable and proceeds - Specified Account(s)
and proceeds - Specified Assets and proceeds
FILING NO: 36-70921 DATE FILED: 01/11/1993
TYPE: Continuation LATEST INFO RECEIVED: 03/23/1993
SEC. PARTY: CITICORP NORTH AMERICA INC ORIG. UCC FILED: 12/29/1989
INDIVIDUALLY AND AS AGENT, LOS ANGELES, CA ORIG. FILING NO: 830093
DEBTOR: BABCOCK & WILCOX COMPANY, THE FILED WITH: ORLEANS PARISH CLERKS
OFFICE, LA

COLLATERAL: Specified Accounts receivable and proceeds - Specified Account(s)
and proceeds - Specified Assets and proceeds
FILING NO: 36-70921 DATE FILED: 01/11/1993
TYPE: Continuation LATEST INFO RECEIVED: 03/23/1993
SEC. PARTY: CITICORP NORTH AMERICA INC ORIG. UCC FILED: 02/02/1989
INDIVIDUALLY AND AS AGENT, LOS ANGELES, CA ORIG. FILING NO: 788959
DEBTOR: BABCOCK & WILCOX COMPANY FILED WITH: ORLEANS PARISH CLERKS
OFFICE, LA

COLLATERAL: Specified Inventory and proceeds - Specified Business
machinery/equipment and proceeds - Specified Equipment and proceeds
FILING NO: 92016527 DATE FILED: 01/27/1992
TYPE: Original LATEST INFO RECEIVED: 03/11/1992
SEC. PARTY: XEROX CORP, DALLAS, TX FILED WITH: SECRETARY OF
DEBTOR: BABCOCK & WILCOX, DALLAS, TX STATE/UCC DIVISION,
and OTHERS TX

COLLATERAL: Specified Inventory and proceeds - Specified Equipment and proceeds
- Specified Fixtures and proceeds
FILING NO: 19020552 DATE FILED: 10/09/1990
TYPE: Original LATEST INFO RECEIVED: 12/14/1990
SEC. PARTY: P M A C LTD, HOUSTON, TX FILED WITH: SECRETARY OF
DEBTOR: BABCOCK & WILCOX CO STATE/UCC DIVISION,
PA

COLLATERAL: Leased Equipment
FILING NO: 950623 7051 DATE FILED: 06/23/1995
TYPE: Original LATEST INFO RECEIVED: 08/23/1995
SEC. PARTY: CCA FINANCIAL, INC., RICHMOND, VA FILED WITH: SECRETARY OF THE
COMMONWEALTH/UCC
DEBTOR: BABCOCK AND WILCOX COMPANY, DIVISION, VA
LYNCHBURG, VA

COLLATERAL: Leased Inventory

FILING NO: 950725 7026
TYPE: Assignment
SEC. PARTY: CCA FINANCIAL, INC., RICHMOND,

DATE FILED 07/25/1995
LATEST IN RECEIVED: 09/08/1995
ORIG. UCC FILED: 06/23/1995

ASSIGNEE:	VA TRUST COMPANY BANK, ATLANTA, GA	ORIG. FILING NO: 950623 7051
DEBTOR:	BABCOCK AND WILCOX COMPANY, LYNCHBURG, VA	FILED WITH: SECRETARY OF THE COMMONWEALTH/UCC DIVISION, VA

There are additional suits, liens, or judgments in D&B'S file on this company available by contacting 1-800-DNB-DIAL.

There are additional UCC's in D&B's file on this company available by contacting 1-800-DNB-DIAL.

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

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BANKING

03/96 Borrowing account. Now owing nothing.
12/95 Account(s) averages moderate 4 figures. Account open over 10 years.

AUG 1996: The Company has available uncommitted short-term lines of credit totaling \$81,618,000, against which \$28,382,000 was outstanding at year end. In addition, the Company has a \$150,000,000 unsecured revolving line, under which \$50,000,000 was outstanding at year end.

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HISTORY

08/28/96

JAMES E DUTT, INTERIM CHB-CEO+	RICHARD E WOOLBERT, EX V PRES-CAO
WALTER E BOOMER, EX V PRES	JOE J STEWART, EX V PRES
E ALLEN WOMACK JR, EX V PRES	
DIRECTOR(S): THE OFFICER(S)	

BUSINESS TYPE: Corporation - Profit

DATE INCORPORATED: 02/15/1978
STATE OF INCORP: Delaware

AUTH SHARES-COMMON: 100
PAR VALUE-COMMON: \$10.0000

INVESTED CAPITAL: All common shares were issued at Mar 31 1996 with additional paid-in capital placed at \$739,710,000.
Charter amended Mar 31 1978 changing name from McDermott Energy Inc to The Babcock & Wilcox Company.

---GENERAL BACKGROUND/OWNERSHIP---

In Jul 1993, the Company relocated its corporate headquarters offices to 1450 Poydras St, Suite 1850, New Orleans, LA, from 1010 Common St, New Orleans, LA.

Business started 1867. Present control succeeded 1978. 100% of

capital stock is owned by the parent company.

The Company was originally established in 1867 as a partnership of George Babcock and Stephen Wilcox, who in that year patented a boiler design.

On Apr 4 1978, Babcock & Wilcox merged with McDermott Incorporated and became a direct wholly-owned subsidiary following completion of a tender offer valued at approximately \$748 million, including expenses.

During 1991, primary underlying subsidiaries of McDermott Incorporated were restructured, with an intermediate holding company formed, Babcock & Wilcox Investment Company.

-----OFFICERS BACKGROUND-----

JAMES E DUTT born 1924. Prior to 1986, former Chairman of the Board and Chief Executive Officer, Beatrice Companies. 1986-present Stratxx Ltd, Chairman of the Board. 1982-present here, 1982 director, 1996 interim Chairman of the Board and CEO.

RICHARD E WOOLBERT born 1933. BA degree 1955, Colgate University. 1955-78 The Babcock & Wilcox Company, vice president. 1978-present McDermott International Inc.

WALTER E BOOMER born 1938. 1960-94 US Marine Corps, retired General. 1994-present McDermott International Inc, ex v pres and pres, Babcock & Wilcox Power Generation Group.

JOE J STEWART born 1937. BS degree chemical engineering, Purdue University. MS degree nuclear engineering, Kansas State University. Phd degree nuclear engineering, North Carolina State University. 1972-present McDermott International Inc, ex v pres; and pres, Babcock & Wilcox Government Group.

E ALLEN WOMACK JR born 1943. Since prior to 1980-present McDermott International Inc, sr v pres and Chief Technical Officer; and sr v pres and group exec shipbuilding and industrial group.

-----AFFILIATES & JOINT VENTURES-----

Investments are treated by the equity method with intercompany services and merchandise transactions expensed as incurred.

ASEA Babcock PFBC (Sweden), an Oct 1985 50-50 joint venture with ASEA PFBC AB of Sweden which builds pressurized fluid-bed combustion power plants. Babcock & Wilcox Beijing Company (China) Ltd, a Jan 1986 50-50 joint venture with Beijing Boiler Works (China). Thermax Babcock & Wilcox Private Ltd (India), a Mar 1988 joint venture 40% held by Babcock and 60% held by Thermax Private Ltd of Pune India.

TRANSACTIONS WITH AFFILIATES: Affiliates refer to the parent company and the ultimate parent (McDermott International Inc); as well as companies under the ownership structure of the ultimate parent.

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OPERATION

08/28/96

Subsidiary of Babcock & Wilcox Investment Company, New Orleans, LA started 1990 which operates as an intermediate holding company of The Babcock & Wilcox Company and other subsidiaries for McDermott

Incorporated. Parent company owns 100% of capital stock.
Intercompany relations: Consist of service and merchandise
transactions; income tax payments on an ongoing and continuing basis;
and intercompany loans and advances at predetermined interest and
maturity. **McDermott Incorporated and J Ray McDermott SA are**

restricted, as a result of covenants in certain credit agreements, in their ability to transfer funds to McDermott International Inc and its subsidiaries through cash dividends or through unsecured loans or investments.

Babcock & Wilcox Investment Company has three significant direct subsidiaries, the largest of which is The Babcock & Wilcox Company.

As noted this company is a subsidiary of Babcock & Wilcox Investment Company Duns #78-752-3976 and reference is made to that report for background information and the management of the parent company.

Babcock & Wilcox Investment Company fiscal consolidated statement dated Mar 31 1996: Curr Assets \$771,202,000; Curr Liabs \$687,294,000; Total Assets \$2,128,471,000; Tangible Net Worth \$223,917,000; Revenues \$1,607,656,000 and Net Income \$29,030,000.

Babcock & Wilcox Investment Company is in turn a subsidiary of McDermott Incorporated, Duns #00-819-8731; which is in turn a subsidiary of McDermott International Inc, Duns #04-775-8503, the ultimate publicly held parent company.

McDermott International Inc fiscal consolidated statement dated Mar 31 1996: Curr Assets \$1,724,538,000; Curr Liabs \$1,392,552,000; Total Assets \$4,387,251,000; Revenues \$3,279,106,000; and Net Income \$20,625,000. Total Stockholders' Equity \$684,520,000.

-----ACTIVITIES-----

Supplies (manufactures) individually engineered complete fossil fuel steam generating systems for the electric utility industry, as well as fossil fuel steam generating systems for industrial processes and power generation.

Supplies process recovery boilers and pollution control systems (air and water treatment applications) for the process and utility industries and air-cooled heat exchangers (plate type).

Engaged in the erection of utility plants and industrial facilities and the repair and alteration of the buildings and associated equipment.

Provides (manufactures) nuclear fuel assemblies and nuclear reactor components to the US Navy. Also manufactures ordnance, missile and torpedo metal parts and other equipment and services to the US government.

Terms are net 30 days and by special contract. Has 7,500+ account(s). Sells to electric utilities, the government, pulp, paper and other process industries. Territory : International.
Nonseasonal.

EMPLOYEES: 9,000 which includes officer(s). 10 employed here.

FACILITIES: Leases 10,000 sq. ft. on 20th floor of multi story steel and concrete building.

LOCATION: Central business section on main street.

BRANCHES: Fossil Power Division: West Point, MS; Barberton, OH; and Paris, TX.

Energy Services Division: Barberton, OH (and 17 US service offices).
Research & Development and Contract Research Divisions: Washington,
DC; Alliance, OH; and Lynchburg, VA.
Nuclear Equipment Division: Barberton, OH.
ERI Division: Indianapolis, IN.

Diamond Power Specialty Company: Lancaster, OH; Bromma, Sweden; Burlington, Ontario, Canada; Dumbarton, Scotland; Helsinki, Finland; Berkeley Vale, Australia; Shiheung-Kung, Korea and Wu Han, China. McDermott Heat Transfer Division: Beasley and Houston, TX. Electronic Information Systems Division: New Orleans, LA; Kansas City, MO; Alliance and Chargrin Falls, OH; Dallas, TX; Singapore; and Wembly, England.

.....
 GLOBAL ACTIVITY.

The following section is a global summary and is intended to assist D&B's non-US customers when evaluating D&B reports on US companies.

GLOBAL NEWSWORTHY EVENTS.

Summarized financial information of foreign subsidiaries included in the consolidated financial statements:.

Fiscal Mar 31	1995	1996.
Assets	\$256,885,000	\$361,307,000.
Liabilities	\$161,126,000	\$257,797,000.
Net Income	\$17,901,000	\$17,395,000.

SUBSIDIARIES: The Company has a number of domestic and foreign wholly-owned significant subsidiaries. Intercompany relations (see comments regarding parent, Babcock & Wilcox Investment Company):.

- Americon Inc (direct) (DUNS: 17-368-1735), (Copley) Akron, OH.
- Babcock & Wilcox Equity Investments Inc (DE) (direct).
- Subsidiary - Babcock & Wilcox Ebensburg Power Inc (DE).
- Babcock & Wilcox Industries Ltd (direct), Canada.
- Hudson Products Corporation (TX) (direct) (DUNS: 02-660-6863), Houston, TX.

09-04(9Z3 /001) 00000 787523976 039678678 NH

FULL DISPLAY COMPLETE

DO NOT CONFUSE WITH SUBSIDIARIES WITH A SIMILAR NAME AT THE SAME ADDRESS.

DUNS: 04-775-8503
MCDERMOTT INTERNATIONAL INC

DATE PRINTED
SEP 04 1996

SUMMARY
RATING 5A3

1450 POYDRAS ST, SUITE 1850
AND BRANCH(ES) OR DIVISION(S)
NEW ORLEANS LA 70112
TEL: 504 587-5400

MFG POWER
GENERATION SYSTEMS
& EQUIPMENT &
MARINE
CONSTRUCTION
SERVICES

SIC NOS.
35 11 34 43 35 64
15 41 16 29 34 89

STARTED 1959
SALES F \$3,279,106,000
WORTH F \$224,462,000
EMPLOYS 25,400
(400 HERE)
HISTORY CLEAR
FINANCIAL
CONDITION FAIR

CHIEF EXECUTIVE: JAMES E DUTT, INTERIM CHB

=====

* * * CUSTOMER SERVICE * * *

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If you need any additional information, would like a credit recommendation, or have any questions, please call our Customer Service Center at (800) 234-3867 from anywhere within the U.S. From outside the U.S., please call your local D&B office.

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* * * SUMMARY ANALYSIS * * *

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The Summary Analysis section reflects information in D&B's file as of September 2, 1996.

RATING SUMMARY

The "5A" portion of the Rating (the Rating Classification) indicates that the company has a worth in excess of \$50 million. The "3" on the right (Composite Credit Appraisal) indicates an overall "fair" credit appraisal. This credit appraisal was assigned because of D&B's overall assessment of the company's financial, payment, and its historical information.

Below is an overview of the company's D&B Rating(s) since 01/01/91:

RATING	DATE APPLIED
-----	-----
5A3	10/14/92
--	01/01/91

=====
 * * * PAYMENT SUMMARY * * *
 =====

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

The PAYDEX for this company is 62.

This PAYDEX score indicates that payments to suppliers average 21 days beyond terms, weighted by dollar amounts. When dollar amounts are not considered, approximately 70% of the company's payments are within terms.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	TOTAL RCV'D #	TOTAL DOLLAR AMOUNTS \$	LARGEST HIGH CREDIT \$	% W/IN TERMS %	DAYS SLOW			
					<31 %	31-60 %	61-90 %	91+ %
Total in D&B's file	58	1,420,000	1,000,000					
Top 10 Industries:								
1 Air courier service	4	12,250	10,000	98	2	-	-	-
2 Telephone communictns	2	37,500	35,000	53	-	47	-	-
3 Petroleum refining	1	1,000,000	1,000,000	50	-	50	-	-
4 Mfg general machinery	1	55,000	55,000	50	-	50	-	-
5 Whol petroleum prdts	1	50,000	50,000	50	50	-	-	-
6 Gravure printing	1	40,000	40,000	-	100	-	-	-
7 Mfg power handtools	1	35,000	35,000	100	-	-	-	-
8 Computer facility mgt	1	25,000	25,000	-	-	100	-	-
9 Mfg measure devices	1	20,000	20,000	100	-	-	-	-
10 Misc business credit	1	15,000	15,000	100	-	-	-	-
11 OTHER INDUSTRIES	41	79,900	10,000	59	32	4	-	5

Other Payment Categories:

Cash experiences	0	0	0
Payment record unknown	3	50,350	50,000
Unfavorable comments	0	0	0
Placed for collection			
with D&B	0	0	
other	0	N/A	

The highest "Now Owes" on file is \$750,000

The highest "Past Due" on file is \$600,000

D&B receives over 220 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

=====

PAYMENTS (Amounts may be rounded to nearest figure in prescribed ranges)

Antic - Anticipated (Payments received prior to date of invoice)
 Disc - Discounted (Payments received within trade discount period)
 Ppt - Prompt (Payments received within terms granted)

REPORTED	PAYING RECORD	HIGH CREDIT	NOW OWES	PAST DUE	SELLING TERMS	LAST SALE WITHIN
08/96	Ppt	500	250			2-3 Mos
	Ppt-Slow 30	2500	-0-	-0-		6-12 Mos
	Ppt-Slow 30	1000	50	-0-	N30	1 Mo
	Slow 60	2500	-0-	-0-		6-12 Mos
	(005)	250	-0-	-0-	N30	4-5 Mos
	(006)	100	100	-0-		1 Mo
07/96	Disc	250	-0-	-0-	1/2 10 N30	6-12 Mos
	Ppt	15000	15000	7500		1 Mo
	Ppt	10000	10000	-0-		1 Mo
	Ppt-Slow 5	50000	-0-	-0-		1 Mo
	Ppt-Slow 30	2500	750	750	N30	1 Mo
	Ppt-Slow 30	750	50	50		2-3 Mos
	Ppt-Slow 60	1000000	750000	600000		1 Mo
	Ppt-Slow 90	250	-0-	-0-	N30	4-5 Mos
	Slow 5	40000	-0-	-0-	N10	4-5 Mos
	Slow 90	100				2-3 Mos
06/96	Ppt	10000	7500	-0-	N15	1 Mo
	Ppt	7500	-0-	-0-		4-5 Mos
	Ppt	2500	2500	-0-		1 Mo
	Ppt	1000	250	-0-	N15	1 Mo
	Ppt	750	100	-0-	N15	1 Mo
	Ppt	750	500	-0-	N30	1 Mo
	Ppt	250	-0-	-0-		4-5 Mos
	Ppt	50	-0-	-0-	N30	6-12 Mos
	Ppt-Slow 60	35000	2500	-0-		1 Mo
05/96	Ppt	35000	-0-	-0-	N30	2-3 Mos
	Ppt	1000	1000	-0-		1 Mo
	Ppt-Slow 30	1000	-0-	-0-		6-12 Mos
04/96	Ppt	750	-0-	-0-	N30	1 Mo
	Ppt	500	-0-	-0-	N30	2-3 Mos
	Ppt-Slow 15	2500	750	500		1 Mo
	Slow 30	5000	100	-0-	2 10 N30	1 Mo
03/96	Slow 170	2500	-0-	-0-	N30	1 Mo
02/96	Ppt-Slow 15	500	-0-	-0-		6-12 Mos
	Ppt-Slow 30	1000	1000	500	N30	1 Mo
01/96	Ppt	500	50	-0-	N30	1 Mo
	Ppt-Slow 30	2500	250	250		2-3 Mos
12/95	Disc	500	500	-0-		1 Mo
	Ppt	20000	-0-	-0-		4-5 Mos
	Ppt	2500	1000	-0-	N30	1 Mo

Ppt	100	-0-	-0-	1 10 N30	2-3 Mos
Ppt-Slow 30	250	100	-0-	N30	1 Mo
Slow 5	250	100	-0-		1 Mo

	Slow 30	250	-0-	-0-	N30	6-12 Mos
	Slow 60	25000	2500	-0-	N30	1 Mo
11/95	Ppt-Slow 5	1000	1000	1000	N30	1 Mo
	Ppt-Slow 5	1000	-0-	-0-	N30	1 Mo
	Ppt-Slow 30	2500	-0-	-0-		4-5 Mos
	Ppt-Slow 30	2500	1000	-0-		
	Ppt-Slow 60	1000	-0-	-0-		4-5 Mos
	Ppt-Slow 60	250	50	-0-		1 Mo
10/95	Ppt	1000	50	-0-	N30	1 Mo
	Ppt-Slow 30	7500	7500	7500	N30	1 Mo
	Slow 10	5000	100	50	N30	1 Mo
09/95	Ppt	2500	-0-	-0-		6-12 Mos
	Ppt-Slow 60	55000	-0-	-0-	N30	4-5 Mos
08/95	Ppt-Slow 120	2500	-0-	-0-		6-12 Mos
	(058)	50000	-0-	-0-	N30	6-12 Mos

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

* Each experience shown represents a separate account reported by a supplier. Updated trade experiences replace those previously reported.

FINANCE

08/27/96

	Fiscal Consolidated Mar 31 1994	Fiscal Consolidated Mar 31 1995	Fiscal Consolidated Mar 31 1996
Curr Assets	1,173,946,000	1,450,567,000	1,724,538,000
Curr Liabs	1,108,294,000	1,491,357,000	1,392,552,000
Current Ratio	1.05	.972	1.23
Working Capital	65,652,000	(40,790,000)	331,986,000
Other Assets	2,890,897,000	2,919,612,000	2,202,655,000
Noncurrent Liabs	2,573,017,000	2,549,734,000	2,310,179,000
Worth	383,532,000	329,088,000	224,462,000
Sales	3,059,912,000	3,043,680,000	3,279,106,000
Net Income (loss)	(10,794,000)	9,111,000	20,625,000
Depreciation & Amor	99,393,000	115,558,000	139,875,000
Interest Expense	63,975,000	57,115,000	84,312,000
Capital			
Expenditures	76,321,000	97,890,000	85,838,000
Cash Prov(Used)			
Oper	223,111,000	(12,559,000)	(165,836,000)
Cash Dividends	56,773,000	61,956,000	62,532,000
Fiscal Consolidated statement dated MAR 31 1996:			
Cash	\$ 238,663,000	Accts Pay	\$ 264,930,000
Accts Rec	677,075,000	Notes Pay	199,067,000
Inventory	77,592,000	Advance Billings	
Mktble Securities	2,077,000	On Contracts	187,378,000

Insurance		Accruals	508,262,000
Recoverable -		L.T. Liab- (yr)	35,191,000
Current	116,280,000	Income Taxes	36,662,000
Contracts In		Other Curr Liabs	161,062,000
Progress	457,265,000		

Deferred Income			
Taxes	93,104,000		
Other Curr Assets	62,482,000		
	-----		-----
Curr Assets	1,724,538,000	Curr Liabs	1,392,552,000
Fixt & Equip	690,687,000	Long-term Debt	576,256,000
Insurance		Minority Interest	341,887,000
Recoverable -		L.T. Liab-Other	1,392,036,000
Noncurrent	606,963,000	PREFERRED STOCK	2,875,000
Investments-Other	242,026,000	COMMON STOCK	54,436,000
Prepaid Pension		ADDIT. PD.-IN CAP	949,022,000
Costs	283,656,000	RETAINED EARNINGS	(290,968,000)
Intangibles	460,058,000	OTHER ADJUSTMENTS	(30,845,000)
Other Assets	379,323,000		
	-----		-----
Total Assets	4,387,251,000	Total	4,387,251,000

From APR 01 1995 to MAR 31 1996 sales \$3,279,106,000; cost of goods sold \$2,838,588,000. Gross profit \$440,518,000; operating expenses \$274,772,000. Other items, net \$91,437,000. Operating income \$74,309,000; other income \$41,737,000; other expenses \$94,342,000; net income before taxes \$21,704,000. Net income \$20,625,000. Income tax provision \$1,079,000. Retained earnings at start (249,061,000). Net income \$20,625,000; dividends \$62,532,000; retained earnings at end (290,968,000).

Statement received by mail JUL 24 1996. Prepared from statement(s) by Accountant: Ernst & Young LLP, New Orleans, LA.

ACCOUNTANTS OPINION: A review of the accountant's opinion indicates the financial statements meet generally accepted accounting principles and that the audit contains no qualifications.

The following comments were taken from explanatory paragraphs in the accountants opinion.

The Company changed its methods of accounting for postemployment benefits and investment securities in 1995 and recoveries of products liability claims in 1994.

--0--

Item worth shown in summary section was computed after deduction of intangibles, excess cost of net assets acquired, totaling \$460,058,000. Fixed assets shown net less \$1,199,416,000 depreciation.

----- BALANCE SHEET EXPLANATIONS (000'S OMITTED) -----

CASH includes equivalents. ACCOUNTS RECEIVABLE: \$457,049 accounts receivable - trade; \$57,691 accounts and note receivable - unconsolidated affiliates; and \$162,335 accounts receivable - other. INVENTORY is carried at the lower of cost (average cost method except for certain materials for which the LIFO method is used) or market.

INSURANCE RECOVERABLE (current & noncurrent): Estimated insurance recoveries related to estimated liability for pending and future non-employee products liability asbestos claims. CONTRACTS IN

PROGRESS: \$77,483 costs incurred less costs of revenue recognized and \$379,782 revenues recognized less billings to customers. OTHER CURRENT ASSETS consist of prepaid expenses and other items.

INVESTMENTS-OTHER: \$132,674 government obligations; and \$109,352 in other investments. PREPAID PENSION COSTS: Plans for which assets

exceed accumulated benefits. OTHER ASSETS are comprised of miscellaneous deposits and deferred items.

NOTES PAYABLE: At Mar 31 1996, the Company and its subsidiaries had available uncommitted short-term lines of credit from banks totaling \$439,610 (\$149,067 outstanding) and \$50,000 also outstanding under the Babcock & Wilcox Company short-term line of \$150,000. In addition J Ray McDermott SA has a \$150,000 unsecured line which was not in use at Mar 31 1996.

ADVANCE BILLINGS ON CONTRACTS: \$207,036 billings to customers less revenue recognized, less \$19,658 (costs of revenues recognized less costs incurred). OTHER CURRENT LIABILITIES consist of the current portion of environmental and products liabilities.

LONG-TERM DEBT: UNSECURED - 9.375% notes due 2002 \$224,538; Medium term notes (maturities ranging from 1 to 27 years) \$176,000; Other notes (payable through 2009) \$112,728; and SECURED (by letter of credit and capitalized lease obligations) \$98,181; Less current maturities \$(35,191) = Total \$576,256.

SUBSEQUENT MATURITIES of long-term debt are: Mar 31 1997 - \$35,191; 1998 - \$82,892; 1999 - \$54,983; 2000 - \$30,735 and 2001 - \$27.

LONG-TERM LIABS-OTHER: \$401,321 accumulated postretirement benefit obligation; \$721,740 environmental and products liabilities; and \$268,975 in other reserves and obligations.

CONTINGENCIES: The Company and certain of its officers, directors and subsidiaries are defendants in numerous legal proceedings. Management believes that the outcome of these proceedings will not have a material adverse effect upon the consolidated financial position of McDermott International Inc.

The Company is contingently liable under standby letters of credit totaling \$445,602 issued in the normal course of business. At Mar 31 1996, the estimated liability for pending and future non-employee products liability asbestos claims was \$843,986 (of which approximately \$208,000 had been asserted) and estimated insurance recoveries were \$723,243.

. ----- INCOME STATEMENT EXPLANATIONS (000'S OMITTED) ----- .
 SALES (revenues). COST OF GOODS SOLD (cost of operations).
 OPERATING EXPENSES (selling, general and administrative). OTHER
 ITEMS, NET: \$(139,875) depreciation and amortization; and \$48,438
 equity in income of investees. OTHER INCOME reflects interest and
 other items, net. OTHER EXPENSES: \$84,312 interest and \$10,030
 minority interest.

. ----TANGIBLE WORTH RECONCILIATION (000'S OMITTED)---- .
 FISCAL MAR 31 1996: Mar 31 1996 stockholders' equity decreased to
 \$684,520,000 primarily as a result of preferred and common stock
 dividends exceeding net earnings. The decrease in tangible (rateable)
 net worth at Mar 31 1996 compared to the prior year, also included a
 \$78,567 increase in intangibles deducted in computation.

. ----OTHER RECONCILIATIONS (000'S OMITTED)---- .
 FISCAL MAR 31 1996: The following factors contributed to a

comparative decrease in other assets. Net fixed assets decreased \$208,990, and investments-other decreased \$340,776 compared to Mar 31 1995. Intangibles, deducted in computation, increased by \$78,567 compared to the prior year.

Notes payable and current maturities of long-term debt were

\$234,258 at Mar 31 1996 compared to \$407,586 at Mar 31 1995. Total long-term debt, exclusive of current maturities was \$576,256 at Mar 31 1996 versus \$579,101 at Mar 31 1995. Noncurrent liabilities decreased somewhat compared to Mar 31 1995 with the largest reduction, a \$192,199 decrease in environmental and products liabilities.

Working capital increased \$372,776 to \$331,986 at Mar 31 1996 from a deficit of \$40,790 at Mar 31 1995. This increase reflects the liquidation of approximately \$384,000 of the long-term investment portfolio to repay short-term debt and the 10.25% notes, and cash received from vessel sales.

----RECENT TREND----

On AUG 23 1996 corporate management, referred to the above figures.

NOTE: Commentary regarding operating trend and financial condition incorporate remarks by the Company's management and disclosure in public releases to Company shareholders as well as documents filed with the Securities and Exchange Commission.

EARNINGS UPDATE:.

3 months ended Jun 30	1995	1996.
Sales	\$816,474,000	\$872,809,000.
Net Income (Loss)	\$8,832,000	\$(7,824,000).

----FISCAL SEGMENT COMPARISONS----

.....POWER GENERATION SYSTEMS AND EQUIPMENT.....

(000's omitted).

Fiscal Mar 31	1995	1996.
Revenues	\$1,663,235	\$1,708,566.
Operating Income	13,440	20,579.
Backlog	\$2,130,754	\$2,261,799.

FISCAL MAR 31 1996: Power Generation Systems and Equipment segment revenues were about the same. Revenues from cogeneration projects, defense and space-related products, replacement nuclear steam generators, and industrial boilers were higher during the year. Revenues from service, fabrication and erection of fossil fuel steam and environmental controls systems, and nuclear fuel assemblies and reactor components for the US government were lower.

Segment operating income increased because of provisions of \$46,500,000 in fiscal 1995 for closing manufacturing facilities, including a nuclear facility. Volume was higher in replacement nuclear steam generators and defense space-related products, and margins improved in the replacement nuclear steam generator, fossil steam, and environmental equipment businesses.

Margins declined in both cogeneration and operations and maintenance projects; margins and volume declined in service. There was also a \$12.6 million write-off of an insurance claim.

----MARINE CONSTRUCTION SERVICES---

(000's omitted).

Fiscal Mar 31	1995	1995.
Revenues	\$1,390,919	\$1,590,318.
Operating Income	32,189	38,447.

Backlog

\$1,343,078

\$1,337,597.

FISCAL MAR 31 1996: Marine Construction Services segment revenues were higher as a result of activity on BP's Foinaven project in the North Atlantic, the addition of business from Offshore Pipelines Inc "OPI", increased marine and engineering activity in North America, and

the sale of an interest in three Caspian Sea oil fields. Revenues were down in the Far East and in domestic shipyard operations.

The \$34,800,000 gain from the sale of the Caspian Sea interests increased segment operating income. Excluding the gain, operating income decreased by \$28,500,000 because of higher amortization expense relating to goodwill and other intangibles resulting from the acquisition of OPI.

NOTE: In segment disclosure, revenues are shown prior to intersegment transfer eliminations.

-----SELECTED FISCAL OPERATING RATIOS-----			
MAR 31	1994	1995	1996.
Revenues - % increase	(3.6)	(0.5)	7.7.
Gross Profit Margin - POR	13.1	13.1	13.4.
Operating Expenses - POR	8.6	9.1	8.4.
Operating Income - POR	3.8	1.3	2.3.

-----SELECTED FISCAL STATEMENT RATIOS-----			
MAR 31	1994	1995	1996.
Quick Ratio (times)	0.80	0.77	0.99.
Curr Liabs/Worth - %	204.4	210.0	203.4.
Fixed Assets/Worth - %	143.9	126.6	100.9.
Total Liabs/Worth (times)		3.6	3.4.
Total Liabs/Tang Worth (times)		12.3	16.5.

NOTE: POS (percent of revenue). Worth (stockholders' equity). Tangible Worth (rateable - less intangibles).

..... ANALYST COMMENTS

During fiscal Mar 31 1996, the Company's cash and cash equivalents increased \$152,754,000 to \$238,663,000 and total debt decreased \$176,173,000 to \$810,514,000. Liquid assets, inclusive of the liquidation of investments, provided increased coverage of current liabilities (including the impact of a increase in cash and equivalents and a decrease in notes payable and current maturities of long-term debt).

During fiscal Mar 31 1996, the Company used cash of \$85,838,000 for additions to property, plant and equipment; \$62,411,000 for dividends on the Company's common and preferred stocks; \$174,331,000 for repayment of long-term debt; \$165,836,000 in operating activities; and \$81,987,000 for other purposes.

During fiscal Mar 31 1997, the Company expects to obtain funds to meet capital expenditure, working capital and debt maturity requirements from operating activities, sales of non-strategic assets and borrowings under its short-term lines of credit.

The Company's financial strategy is to rebuild its investment portfolio and maintain a level of cash and investments equal to or greater than its total debt.

If it is indicated that there are defendants other than the report subject, the lawsuit may be an action to clear title to property and does not necessarily imply a claim for money against the subject.

* * * SUIT(S) * * *

CASE NO.: 9610854

PLAINTIFF: ADRIAN SHANNON STATUS: Pending
DEFENDANT: MCDERMOTT INTERNATIONAL INC, DATE STATUS ATTAINED: 07/03/1996
NEW ORLEANS, LA DATE FILED: 07/03/1996
and OTHERS LATEST INFO RECEIVED: 08/19/1996
WHERE FILED: ORLEANS PARISH DISTRICT COURT,
NEW ORLEANS, LA

CASE NO.: 9610566

PLAINTIFF: MARTIN BROADMAN STATUS: Pending
DEFENDANT: MCDERMOTT INTERNATIONAL INC, DATE STATUS ATTAINED: 06/29/1996
NEW ORLEANS, LA DATE FILED: 06/29/1996
and OTHERS LATEST INFO RECEIVED: 08/19/1996
WHERE FILED: ORLEANS PARISH DISTRICT COURT,
NEW ORLEANS, LA

CASE NO.: 9607837

PLAINTIFF: JOHN R COOPER STATUS: Pending
DEFENDANT: MCDERMOTT INTERNATIONAL INC, DATE STATUS ATTAINED: 05/15/1996
NEW ORLEANS, LA DATE FILED: 05/15/1996
WHERE FILED: ORLEANS PARISH DISTRICT COURT, LATEST INFO RECEIVED: 07/22/1996
NEW ORLEANS, LA

CASE NO.: 9604729

PLAINTIFF: JOSEPH A STRAVINSKY STATUS: Pending
DEFENDANT: MCDERMOTT INTERNATIONAL INC, DATE STATUS ATTAINED: 03/25/1996
NEW ORLEANS, LA DATE FILED: 03/25/1996
and OTHERS LATEST INFO RECEIVED: 06/06/1996
WHERE FILED: ORLEANS PARISH DISTRICT COURT,
NEW ORLEANS, LA

CASE NO.: 9412940

PLAINTIFF: PHILIP WILSON STATUS: Pending
DEFENDANT: MCDERMOTT INTERNATIONAL INC, DATE STATUS ATTAINED: 08/15/1994
NEW ORLEANS, LA DATE FILED: 08/15/1994
and OTHERS LATEST INFO RECEIVED: 10/24/1994
WHERE FILED: ORLEANS PARISH DISTRICT COURT,
NEW ORLEANS, LA

CASE NO.: 9412732

PLAINTIFF: RIZALDO D DIAZ STATUS: Pending
DEFENDANT: MCDERMOTT INTERNATIONAL INC, DATE STATUS ATTAINED: 08/11/1994

NEW ORLEANS, LA
and OTHERS

DATE FILED 08/11/1994
LATEST INDEX RECEIVED: 10/13/1994

WHERE FILED: ORLEANS PARISH DISTRICT COURT,
NEW ORLEANS, LA

DOCKET NO.: 94G0642

PLAINTIFF: DARRAL J PALMATURE
 DEFENDANT: MCDERMOTT INTERNATIONAL INC,
 NEW ORLEANS, LA
 and OTHERS

STATUS: Pending
 DATE STATUS ATTAINED: 03/14/1994
 DATE FILED: 03/14/1994
 LATEST INFO RECEIVED: 03/28/1994

WHERE FILED: BRAZORIA COUNTY CIVIL DISTRICT
 COURT, ANGLETON, TX

 DOCKET NO.: 93G3254

PLAINTIFF: WOODROW WAYNE DOWDEN
 DEFENDANT: MCDERMOTT INTERNATIONAL INC,
 NEW ORLEANS, LA
 and OTHERS

STATUS: Pending
 DATE STATUS ATTAINED: 11/23/1993
 DATE FILED: 11/23/1993
 LATEST INFO RECEIVED: 01/04/1994

WHERE FILED: BRAZORIA COUNTY CIVIL DISTRICT
 COURT, ANGLETON, TX

 CASE NO.: 9314881

PLAINTIFF: LARRY DIXON
 DEFENDANT: MCDERMOTT INTERNATIONAL INC,
 NEW ORLEANS, LA
 and OTHERS

STATUS: Dismissed
 DATE STATUS ATTAINED: 06/19/1995
 DATE FILED: 09/09/1993
 LATEST INFO RECEIVED: 10/19/1995

WHERE FILED: ORLEANS PARISH DISTRICT COURT,
 NEW ORLEANS, LA

 DOCKET NO.: 93C2205

PLAINTIFF: \$40,000,000-BELONG BIN ASAN
 DEFENDANT: MCDERMOTT INTERNATIONAL INC,
 NEW ORLEANS, LA
 and OTHERS

STATUS: Pending
 DATE STATUS ATTAINED: 08/13/1993
 DATE FILED: 08/13/1993
 LATEST INFO RECEIVED: 12/12/1993

WHERE FILED: BRAZORIA COUNTY CIVIL DISTRICT
 COURT, ANGLETON, TX

 * * * UCC FILING(S) * * *-----
 COLLATERAL: Leased Computer equipment and proceeds - Leased Equipment and
 proceeds

FILING NO: 921130165
 TYPE: Original
 SEC. PARTY: MASTER LEASE DIV OF TOKAI
 FINANCIAL SERVICES INC, BERWYN,
 PA
 DEBTOR: B & W NUCLEAR SERVICE CO,
 LYNCHBURG, VA

DATE FILED: 11/23/1992
 LATEST INFO RECEIVED: 01/06/1993
 FILED WITH: SECRETARY OF THE
 COMMONWEALTH/UCC
 DIVISION, VA

 COLLATERAL: Leased Computer equipment and proceeds - Leased Equipment and
 proceeds

FILING NO: 921032309
 TYPE: Original
 SEC. PARTY: TOKAI FINANCIAL SERVICES INC,

DATE FILED: 10/30/1992
 LATEST INFO RECEIVED: 12/02/1992
 FILED WITH: SECRETARY OF THE

BERWYN, PA

COMMONWEALTH/UCC

DEBTOR: B & W NUCLEAR SERVICE CO,
LYNCHBURG, VA

DIVISION, VA

COLLATERAL: Specified Machinery and proceeds - Specified Equipment and proceeds

FILING NO: 920310672 DATE FILED: 03/03/1992
 TYPE: Original LATEST INFO RECEIVED: 04/15/1992
 SEC. PARTY: BANQUE NATIONALE DE PARIS, NEW YORK, NY FILED WITH: SECRETARY OF THE COMMONWEALTH/UCC DIVISION, VA
 DEBTOR: B & W NUCLEAR SERVICE CO, LYNCHBURG, VA

 COLLATERAL: Specified Machinery and proceeds - Specified Equipment and proceeds
 FILING NO: 920620877 DATE FILED: 06/16/1992
 TYPE: Amendment LATEST INFO RECEIVED: 07/23/1992
 SEC. PARTY: BANQUE NATIONALE DE PARIS, NEW YORK, NY ORIG. UCC FILED: 03/03/1992
 DEBTOR: B & W NUCLEAR SERVICE CO, LYNCHBURG, VA ORIG. FILING NO: 920310672
 FILED WITH: SECRETARY OF THE COMMONWEALTH/UCC DIVISION, VA

 COLLATERAL: Leased Equipment and proceeds
 FILING NO: 910431418 DATE FILED: 04/26/1991
 TYPE: Original LATEST INFO RECEIVED: 05/30/1991
 SEC. PARTY: DOMINION LEASING CORP, ROANOKE, VA FILED WITH: SECRETARY OF THE COMMONWEALTH/UCC DIVISION, VA
 DEBTOR: B & W NUCLEAR SERVICE CO, LYNCHBURG, VA

 COLLATERAL: Specified Business machinery/equipment
 FILING NO: 930211807 DATE FILED: 02/08/1993
 TYPE: Original LATEST INFO RECEIVED: 03/29/1993
 SEC. PARTY: CANON FINANCIAL SERVICES INC, BURLINGTON, NJ FILED WITH: SECRETARY OF THE COMMONWEALTH/UCC DIVISION, VA
 DEBTOR: B & W NUCLEAR SERVICE CO, LYNCHBURG, VA

 COLLATERAL: Leased Equipment
 FILING NO: 36-66791 DATE FILED: 06/22/1992
 TYPE: Original LATEST INFO RECEIVED: 07/28/1992
 SEC. PARTY: N E T CREDIT CORP, SAN JOSE, CA FILED WITH: ORLEANS PARISH CLERKS OFFICE, LA
 DEBTOR: MCDERMOTT INTERNATIONAL, INC

 COLLATERAL: Leased Business machinery/equipment
 FILING NO: 910221460 DATE FILED: 01/18/1991
 TYPE: Original LATEST INFO RECEIVED: 03/28/1991
 SEC. PARTY: LEASEFIRST, SOUTHFIELD, MI FILED WITH: SECRETARY OF THE COMMONWEALTH/UCC DIVISION, VA
 DEBTOR: B & W NUCLEAR SERVICE CO, LYNCHBURG, VA

 There are additional suits, liens, or judgments in D&B'S file on this company available by contacting 1-800-DNB-DIAL.

BANKING

08/95 Loans granted to high 7 figures on an unsecured basis. Now owing nothing.

AUG 1996: Accounts are maintained with a group of major domestic and international banks. Balances in the aggregate are substantial with excess cash channeled into equivalents and short-term investments.

At Mar 31 1996, the Company and its subsidiaries had available uncommitted short-term lines of credit from banks totaling \$439,610,000 (\$149,067,000 outstanding) and \$50,000,000 also outstanding under the Babcock & Wilcox Company short-term line of \$150,000,000. In addition J Ray McDermott SA has a \$150,000,000 unsecured line which was not in use at Mar 31 1996.

HISTORY

08/27/96

JAMES E DUTT, INTERIM CHB-CEO+ JOE J STEWART, EX V PRES
 WALTER E BOOMER, EX V PRES E ALLEN WOMACK JR, SR V PRES-CTO
 MIKE H LAM, PRES MARINE RICHARD E WOOLBERT, EX V PRES-CAO
 CONSTRUCTION SERVICES
 S WAYNE MURPHY, V PRES-GENERAL
 COUNSEL-CORP SEC

DIRECTOR(S): The officers identified by (+) and Thomas D Barrow, Theodore H Black, John F Bookout, M Philip Burguieres, Robert E Howson, John W Johnstone Jr, William McCollam Jr, J Howard Macdonald and John N Turner.

The Company was incorporated under the laws of the Republic of Panama on Aug 15 1959. Authorized capital stock consists of 150,000,000 common shares with \$1 par value; and 25,000,000 shares of series C \$2.875 cumulative convertible preferred stock \$1 pare value.

INVESTED CAPITAL: At Mar 31 1996 there were 54,435,823 common shares issued with additional paid-in capital placed at \$949,022,000.

----GENERAL BACKGROUND/OWNERSHIP----

Business started 1959.

This company was chartered in 1959 (Panama) as a wholly-owned subsidiary of McDermott Incorporated, responsible for foreign operations of the consolidated company. In 1983, this company and its parent reorganized their operating structure, with this company becoming the publicly held holding company of McDermott Incorporated its former parent. As a result of the reorganization this company assumed 92% effective voting control of McDermott Incorporated.

This is a publicly held company with common shares traded on the New York Stock Exchange under the symbol "MDR". At Mar 31 1996, there were approximately 6,294 shareholders of record.

STOCK OWNERSHIP: The Company's capital stock is held by the

general public (including institutional investors) with Company executive officers and directors beneficially holding approximately a 2.02% interest in the Company as of Jun 5 1996. Jun 5 1996 beneficial holders of 5% or more of the stock: FMR Corp, Boston, MA - 9.76%; and Norwest Corporation, Minneapolis, MN - 9.66%.

----ACQUISITIONS----

In Dec 1995, the Babcock & Wilcox Company subsidiary purchased the assets of Joy Environmental Technologies Inc, Houston, TX; from Harnischfeger Industries Inc, Brookfield, WI.

In Jul 1995, McDermott Incorporated acquired the remaining minority interests in Delta Catalytic Corporation (now known as McDermott Engineers & Constructors (Canada) Ltd).

On Feb 1 1995 a new marine construction services company, J Ray McDermott SA, New Orleans, LA, was formed through the merger of substantially all of the Company's marine construction operations with the operations of Offshore Pipelines Inc, Houston, TX.

----OFFICERS BACKGROUND----

NOTE: Reference to here in antecedents refers to this company and its subsidiary, McDermott Incorporated.

NOTE: According to Aug 6 1996 published Robert E Howson, CHB and CEO of McDermott International Inc, will retire from his executive positions at the Company effective Sep 1 1996, continuing as a director. James L Dutt, currently a member of the board of directors, will become interim Chairman of the Board and CEO until a successor for Howson is selected.

JAMES E DUTT born 1924. Prior to 1986, former Chairman of the Board and Chief Executive Officer, Beatrice Companies. 1986-present Stratxx Ltd, Chairman of the Board. 1982-present here, 1982 director, 1996 interim Chairman of the Board and CEO.

JOE J STEWART born 1937. BS degree chemical engineering, Purdue University. MS degree nuclear engineering, Kansas State University. Phd degree nuclear engineering, North Carolina State University. 1972-present here, ex v pres; and pres, Babcock & Wilcox Government Group.

WALTER E BOOMER born 1938. 1960-94 US Marine Corps, retired General. 1994-present here, ex v pres and pres, Babcock & Wilcox Power Generation Group.

E ALLEN WOMACK JR born 1943. Since prior to 1980-present here, sr v pres and Chief Technical Officer; and sr v pres and group ex shipbuilding and industrial group.

MIKE E LAM born 1947. 1980-88 McDermott International Inc, vice president. 1988-90 independent cattle rancher. 1990-95 Offshore Pipelines Inc, Houston, TX, Vice Chairman. Jan 1995-present J Ray McDermott SA, president marine construction services.

RICHARD E WOOLBERT born 1933. AB degree 1955, Colgate University. 1955-78 The Babcock & Wilcox Company, 1974 v pres. 1978-present here, ex v pres and Chief Administrative Officer.

S WAYNE MURPHY born 1935. Since prior to 1987-present here, 1996 v pres, general counsel and corp sec.

----OTHER OFFICERS----

ROBERT J MACHEN, sr v pres marketing - China.

FRANK C ALLEN JR, v pres environmental affairs, safety and health and risk management. GEORGE J CLESSURAS, v pres marketing - former Soviet Union and Eastern Europe. DANIEL R GAUBERT (born 1948),

1971-present here, pres-finance and controll

THOMAS A HENZLER, v pres tax administration. ROBERT A JOLLIFF (born 1943), 1974-present here, treasurer. JOHN D KRUEGER, v pres planning and business development. FRANCISCO J SAN MIGUEL, v pres marketing - Mexico. GEORGE A STODDART, v pres corporate

communications.

----OUTSIDE DIRECTORS----

THOMAS D BARROW, former V CHB, The Standard Oil Company (Ohio).
THEODORE H BLACK, former CHB and CEO, Ingersoll-Rand Company. JOHN F
BOOKOUT, former pres and CEO, Shell Oil Company.

M PHILIP BURGUIERES, CHB, pres and CEO, Weatherford Enterra Inc.
ROBERT E HOWSON, 1957-63 and 1972-present here, 1972 v pres, 1983
group pres, 1988 Chairman of the Board and CEO, 1996 director. JOHN W
JOHNSTONE JR, Chmn Exec Comm, Olin Corporation.

WILLIAM MC COLLAM JR, energy management consultant, pres
emeritus, Edison Electric Institute. J HOWARD MACDONALD, former CHB
and CEO, NatWest Investment Bank. JOHN N TURNER, partner, Miller
Thompson, barristers and solicitors.

----JOINT VENTURES----

HeereMac joint venture, Leiden, The Netherlands, an equal joint
venture with Heerema Offshore Construction Group Inc, Houston, TX.

McDermott-ETPM joint venture, Rotterdam, The Netherlands, formed
in Apr 1989 with ETPM SA, France "McDermott-ETPM East Inc (67.2%
McDermott ownership) operating in the Middle East and India; and
McDermott-ETPM West Inc (49.9% McDermott ownership) with operations in
the North Sea, West Africa and South America".

Intercompany relations between the Company and joint venture
partners consist of service, managerial, material and financial
transactions on an ongoing and continuing basis.

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OPERATION

08/27/96

The Company's operations are divided into the following primary
operating segments.

----POWER GENERATION SYSTEMS AND EQUIPMENT (52%)----

Supplies (manufactures) individually engineered complete fossil
fuel steam generating systems for the electric utility industry, as
well as fossil fuel steam generating systems for industrial processes
and power generation.

Supplies process recovery boilers and pollution control systems
(air and water treatment applications) for the process and utility
industries and air-cooled heat exchangers (plate type).

Engaged in the erection of utility plants and industrial
facilities and the repair and alteration of the buildings and
associated equipment.

Provides (manufactures) nuclear fuel assemblies and nuclear
reactor components and controls to the US Navy. Also manufactures
ordnance, missile and torpedo metal parts and other equipment and
services to the US government.

----MARINE CONSTRUCTION SERVICES (48%)----

Principal activities include the design, engineering, fabrication
and installation of offshore drilling and production platforms and
other specialized structures, modular facilities, marine pipelines and

subsea production systems and onshore construction and maintenance services; and the maintenance and construction of a variety of marine vessels. Worldwide services are provided for the offshore oil and gas exploration and production and hydrocarbon processing industries and to other marine construction companies.

Negotiates 50% and bids for 50% of contracts. Payments are lump sum (40%), cost plus (40%); monthly progress collections on 90% of completed work, with 10% retainage collectible within 30 days after final completion of contract and net 30 days (20%). Sells to utilities, oil and gas, construction, government and industrial accounts. Territory : International.

Nonseasonal.

EMPLOYEES: 25,400. 400 employed here. Total employment - Mar 31 1996 including subcontract labor.

FACILITIES: Leases 10,000+ sq. ft. on 26th floor of multi story brick building. In fiscal Mar 31 1996, the US government accounted for approximately 12% of the Company's total revenues.

LOCATION: Central business section on main street.
.....

GLOBAL ACTIVITY.

The following section is a global summary and is intended to assist D&B's non-US customers when evaluating D&B reports on US companies.
.....

GLOBAL NEWSWORTHY EVENTS.

Revenues by geographic areas (000's omitted):.

FISCAL MAR 31 1996: US \$1,488,458; Canada \$883,883; Europe and West Africa \$517,190; Far East \$206,913; Middle East \$177,814; and other foreign \$4,848. FISCAL MAR 31 1995: US \$1,500,037; Canada \$739,663; Europe and West Africa \$348,486; Far East \$326,523; Middle East \$128,860; and other foreign \$111.

Operating income (loss) by geographic areas (000's omitted):.

FISCAL MAR 31 1996: US \$(17,534); Canada \$18,838; Europe and West Africa \$24,962; Far East \$(961); Middle East \$33,609; and other foreign \$112. FISCAL MAR 31 1995: US \$(48,284); Canada \$27,233; Europe and West Africa \$24,980; Far East \$35,911; Middle East \$9,904; and other foreign \$(4,115).

Identifiable assets by geographic areas (000's omitted):.

FISCAL MAR 31 1996: US \$2,324,949; Canada \$344,984; Europe and West Africa \$570,367; Far East \$279,575; Middle East \$170,154; other foreign \$52,884; and corporate \$644,338. FISCAL MAR 31 1995: US \$2,267,800; Canada \$348,200; Europe and West Africa \$736,442; Far East \$208,655; Middle East \$209,221; other foreign \$45,817; and corporate \$935,535.

SUBSIDIARIES: The Company has numerous domestic and international subsidiaries which conduct the consolidated activities of the Company.

INTERCOMPANY RELATIONS consist of service and merchandise transactions; income tax payments on an ongoing and continuing basis; and intercompany loans and advances at predetermined interest and maturity. McDermott Incorporated and J Ray McDermott SA are restricted, as a result of covenants in certain credit agreements, in their ability to transfer funds to McDermott International Inc and its

subsidiaries through cash dividends or through unsecured loans or investments.

Significant subsidiaries are (100% owned unless otherwise reflected in parenthesis):.

McDermott Incorporated (DUNS: 00-819-8731), New Orleans, LA (92%

owned). Activities - power generation systems and equipment operations described in this report. Subsidiaries: Hudson Engineering Corporation (direct); Delta Hudson Engineering Corporation (indirect); Babcock & Wilcox Investment Company (direct); The Babcock & Wilcox Company (indirect); Babcock & Wilcox Industries Ltd (indirect); Americon Inc (indirect); and Power Systems Operations Inc (indirect).

J Ray McDermott, S.A. (60.43% owned) (DUNS: 94-772-7368, New Orleans, LA. Activities - marine construction services described in this report. Subsidiaries: J Ray McDermott Holdings Inc (direct), New Orleans, LA; J Ray McDermott Incorporated (indirect), Houston, TX. Foreign subsidiaries McDermott Holdings (UK) Limited (direct), London, England.

McDermott International Investments Co Inc (Panama), engaged in the international investment activities of the Company.

Creole Insurance Company Inc (Bermuda).

09-04(9Z3 /001) 00000 039678678 NH

ANALYST: Steve Frieders

FULL DISPLAY COMPLETE

SUMMARY REPORTS CATEGORIZE ELEMENT EXPERIENCES. ACTUAL EXPERIENCES ARE IN THE FULL REPORT.

*****REVIEW IN PROCESS. UPDATED REPORT WILL BE FORWARDED*****

THE "DS" INDICATOR ASSIGNED TO THIS BUSINESS MEANS THAT THE LIMITED INFORMATION CURRENTLY IN THE D&B FILE DOES NOT ALLOW US TO CLASSIFY IT WITHIN OUR RATING SYSTEM.

WE ARE PROVIDING THIS INFORMATION TO YOU IMMEDIATELY IN THE INTEREST OF SPEED. BECAUSE MANAGEMENT MAY HAVE NOT BEEN INTERVIEWED, THIS INFORMATION SHOULD NOT BE CONSIDERED A STATEMENT OF EXISTING FACTS. WE ARE CURRENTLY INVESTIGATING FURTHER, AND AN UPDATED REPORT WILL BE SENT TO YOU SHORTLY.

DUNS: 79-693-6227

Parent DUNS 00-128-9065

BABCOCK & WILCOX EQUITY
INVESTMENTS, INC

DATE PRINTED

SUMMARY

SEP 04 1996

RATING DS

(SUBSIDIARY OF BABCOCK &
WILCOX COMPANY, NEW
ORLEANS, LA)

POWER GENERATION
SYSTEMS
SIC NO.
49 11

EMPLOYS 5 (5 HERE)

1450 POYDRAS ST
AND BRANCH(ES) OR DIVISION(S)
FMLY: 1010 COMMON ST
NEW ORLEANS LA 70112
TEL: 504 587-5400

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* * * CUSTOMER SERVICE * * *
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If you need any additional information, would like a credit recommendation, or have any questions, please call our Customer Service Center at (800) 234-3867 from anywhere within the U.S. From outside the U.S., please call your local D&B office. SUMMARY DISPLAY COMPLETE WOULD YOU LIKE TO BE NOTIFIED OF SIGNIFICANT CHANGES IN THIS BUSINESS? BUSINESS INFORMATION REPORT - CONTINUOUS SERVICE (Y/N):

n

DUN & BRADSTREET IS IN THE PROCESS OF INVESTIGATING THIS COMPANY.
AN UPDATED BUSINESS INFORMATION REPORT WILL BE SENT TO YOU AUTOMATICALLY,
AT NO ADDITIONAL CHARGE, WITHIN FOUR BUSINESS DAYS.

IN DATE

DUNS: 79-342-2213

DATE PRINTED

SUMMARY

NRG ENERGY, INC (DELAWARE CORP)

SEP 04 1996

RATING 5A1

(SUBSIDIARY OF NORTHERN

STATES POWER COMPANY (INC)

ENERGY COMPANY &

STARTED 1989

(MINNESOTA), MINNEAPOLIS,

ELECTRIC & STEAM

WORTH \$277,225,000

MN)

SERVICES

GR REV F \$92,819,000

+MINNEAPOLIS ENERGY CENTER

SIC NO.

EMPLOYS 245(80 HERE)

49 31

HISTORY CLEAR

1221 NICOLLET MALL STE 700

FINANCIAL

AND BRANCH(ES) OR DIVISION(S)

CONDITION STRONG

MINNEAPOLIS MN 55403

TEL: 612 373-5300

CHIEF EXECUTIVE: DAVID H PETERSON, CHB-PRES-CEO+

* * * CUSTOMER SERVICE * * *

If you need any additional information, would like a credit recommendation, or have any questions, please call our Customer Service Center at (800) 234-3867 from anywhere within the U.S. From outside the U.S., please call your local D&B office.

* * * SUMMARY ANALYSIS * * *

The Summary Analysis section reflects information in D&B's file as of September 2, 1996.

RATING SUMMARY

The "5A" portion of the Rating (the Rating Classification) indicates that the company has a worth in excess of \$50 million. The "1" on the right (Composite Credit Appraisal) indicates an overall "strong" credit appraisal. This credit appraisal was assigned because the payment information in D&B's file indicates that this company's obligations are retired satisfactorily and because of D&B's "strong" assessment of the company's December 31, 1995, abridged, fiscal financial statement.

Below is an overview of the company's D&B Rating(s) since 08/26/92:

RATING	DATE APPLIED
5A1	04/11/95
5A2	03/29/95
4A3	11/15/94
4A2	03/11/94
--	08/26/92

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* * * PAYMENT SUMMARY * * *

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The Payment Summary section reflects payment information in D&B's file as of the date of this report.

The PAYDEX for this company is 79.

This PAYDEX score indicates that payments to suppliers average 2 days beyond terms, weighted by dollar amounts. When dollar amounts are not considered, approximately 92% of the company's payments are within terms.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	TOTAL RCV'D	TOTAL DOLLAR AMOUNTS	LARGEST HIGH CREDIT	% W/IN TERMS	DAYS SLOW			
	#	\$	\$	%	<31	31-60	61-90	91+
					%	%	%	%
Total in D&B's file	47	681,400	400,000					
Top 10 Industries:								
1 Mfg process controls	6	147,500	95,000	87	10	3	-	-
2 Whol electrical equip	2	15,250	15,000	100	-	-	-	-
3 Mfg refrig/heat equip	1	400,000	400,000	100	-	-	-	-
4 Whol const/mine equip	1	45,000	45,000	100	-	-	-	-
5 Mfg chemicals	1	40,000	40,000	100	-	-	-	-
6 Whol refrig equip	1	10,000	10,000	100	-	-	-	-
7 Mfg fluid meters	1	5,000	5,000	100	-	-	-	-
8 Mfg analytic instrmnt	1	2,500	2,500	100	-	-	-	-
9 Nonferrous wiredrawing	1	2,500	2,500	100	-	-	-	-
10 Mfg industrial valves	1	2,500	2,500	-	100	-	-	-
11 OTHER INDUSTRIES	28	7,150	1,000	80	20	-	-	-

Other Payment Categories:

Cash experiences	0	0	0	
Payment record unknown	3	4,000	2,500	
Unfavorable comments	0	0	0	
Placed for collection				
with D&B	0	0		
other	0	N/A		

The highest "Now Owes" on file is \$25,000

The highest "Past Due" on file is \$20,000

PAYMENTS (Amounts may be rounded to nearest figure in prescribed ranges)

Antic - Anticipated (Payments received prior to date of invoice)
 Disc - Discounted (Payments received within trade discount period)
 Ppt - Prompt (Payments received within terms granted)

REPORTED	PAYING RECORD	HIGH CREDIT	NOW OWES	PAST DUE	SELLING TERMS	LAST SALE WITHIN
08/96	Disc	15000	7500	-0-	1 10 Prox	1 Mo
	Disc	100	100	-0-		1 Mo
	Ppt	2500	-0-	-0-	N30	6-12 Mos
	Ppt	250	250	-0-	N30	1 Mo
	Ppt	250	250	-0-	1 10 N30	1 Mo
	Ppt	100	-0-	-0-	1 10 N30	6-12 Mos
	Ppt	50	-0-	-0-	N30	1 Mo
	Ppt-Slow 30	750	-0-	-0-	1 10 N30	2-3 Mos
	Ppt-Slow 30	50	50	50	N30	1 Mo
07/96	Ppt	400000	25000	-0-	N30	1 Mo
	Ppt	95000	-0-	-0-		2-3 Mos
	Ppt	45000	-0-	-0-	N30	1 Mo
	Ppt	10000	10000	-0-		1 Mo
	Ppt	5000	-0-	-0-	N30	6-12 Mos
	Ppt	5000	-0-	-0-		2-3 Mos
	Ppt	2500	2500	-0-	N30	1 Mo
	Ppt	750	750	-0-	N30	1 Mo
	Ppt	500	-0-	-0-		4-5 Mos
	Ppt	500	-0-	-0-		1 Mo
	Ppt	250	-0-	-0-	1 10 N30	2-3 Mos
	Ppt	250	-0-	-0-	N30	1 Mo
	Ppt	250	100	-0-	N30	1 Mo
	Ppt	100	-0-	-0-	N30	6-12 Mos
	Ppt	100	-0-	-0-	N30	6-12 Mos
	Ppt	50	-0-	-0-	N30	6-12 Mos
	Ppt		-0-	-0-		1 Mo
	Ppt-Slow 30	20000	20000	20000		1 Mo
	Slow 30-60 (029)	10000	-0-	-0-		6-12 Mos
		2500	1000	-0-	N30	1 Mo
	(030)	1000	-0-	-0-	N30	2-3 Mos
06/96	Ppt	40000	-0-	-0-	N30	2-3 Mos
	Ppt	10000	-0-	-0-	N30	1 Mo
	Ppt	7500	7500	-0-		1 Mo
	Ppt	750	-0-	-0-		6-12 Mos
	Ppt	500	500	-0-	N30	1 Mo
	Ppt	250	-0-	-0-		1 Mo
	Ppt	100	50	-0-	N30	1 Mo
	Ppt	50	-0-	-0-	N15	4-5 Mos
	Ppt	50	-0-	-0-	N30	1 Mo
05/96	Slow 10	1000	-0-	-0-		6-12 Mos

	(041)	500	-0-		N30	6-12 Mos
04/96	Ppt	100	-0-	-0-		6-12 Mos
	Slow 30	2500	-0-	-0-	N30	6-12 Mos

03/96	Ppt	100	-0-	-0-	N30	6-12 Mos
	Ppt	50	-0-	-0-		6-12 Mos
02/96	Ppt	50	50	-0-		1 Mo
09/95	Ppt	100	-0-			6-12 Mos

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

* Each experience shown represents a separate account reported by a supplier. Updated trade experiences replace those previously reported.

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FINANCE

03/07/96

	Fiscal Consolidated Dec 31 1993	Fiscal Consolidated Dec 31 1994	Fiscal Consolidated Dec 31 1995
Curr Assets	37,091,000	51,631,000	38,223,000
Curr Liabs	28,841,000	28,293,000	18,569,000
Current Ratio	1.28	1.82	2.05
Working Capital	8,250,000	23,338,000	19,654,000
Other Assets	131,885,000	288,694,000	373,379,000
Worth	35,519,000	189,925,000	277,225,000
Sales			92,819,000
Long Term Liab	104,616,000	122,108,000	115,838,000
Net Profit (Loss)			31,201,000

Submitted MAR 07 1996 by Adam Carte, treas asst. Extent of audit, if any, not indicated.

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----- STATEMENT ITEM EXPLANATIONS -----

The complete balance sheet was reviewed in its entirety and the above highlights were extracted for publication.

CURRENT ASSETS: Consist of cash and cash equivalents, restricted cash, accounts receivable-trade, accounts receivable-affiliates, accrued income taxes, notes receivable, inventory, prepaids and other current assets.

CURRENT LIABILITIES: Consist of current portion of long term debt, accounts payable-trade, accounts payable-affiliates, accruals and other current liabilities.

OTHER ASSETS: Consist of investments in projects, capitalized project costs and notes receivable.

LONG-TERM LIABILITIES: Consist of long term debt, deferred revenue, deferred income taxes, deferred investment tax credit and deferred compensation.

INTANGIBLES: Consist of goodwill, debt issuance costs and other intangibles.

CONTINGENCIES: None.

LIQUIDITY: Liquid assets provide full coverage of current liabilities.

FIXED ASSETS: Net \$64,248,000 depreciation
On MAR 07 1996 Adam Carte, treas asst, submitted the above
figures.

=====

HISTORY

08/02/96

DAVID H PETERSON, CHB-PRES-CEO+
CARL A CARRECA, VICE PRES-EXEC
ADVISOR TO CHB

L A BLUHM, V PRES-CFO
RON J WILL, V PRES-OPER

LOUISE T ROUTHE, V PRES-HUM RES
& ADMIN

LEE R CARLSON, TREAS

JULIE A JORGENSEN, V PRES-
GENERAL COUNSEL

CRAIG A MATA CZYNSKI, V PRES-US
BUS DEV

ROBERT MC CLENACHAN, V PRES-INTL
BUS DEV

DIRECTOR(S): The officers identified by (+) and Douglas D Antony, E J
Mc Intyre, J A Currier and G R Johnson.

BUSINESS TYPE: Corporation -
Profit

DATE INCORPORATED: 05/29/1992
STATE OF INCORP: Delaware

Business started 1989 by the parent company. 100% of capital
stock is owned by the parent company.

DAVID H PETERSON born 1941. 1964-92 active at the parent
company. 1992 to present active here.

L A BLUHM born 1950. 1971 graduate of the University of
Minnesota, Minneapolis, MN. Also 1987 received MBA from the
University of Minnesota, Minneapolis, MN. 1980-90 employed by
Northern States Power, Minneapolis, MN in various management
capacities. 1990 to present employed by this company and it's related
companies.

CARL A CARRECA born 1936. Graduated from Louisiana State
University in 1958. 1965-87 employed by General Electric Co,
Fairfield, CT. 1987-90 employed by Southern Company, Atlanta, GA.
1991 to present employed by this company.

RON J WILL born 1940. 1958-90 employed with the parent company,
Minneapolis, MN. 1990 to present active with this company.

LOUISE T ROUTHE born 1956. Graduated from Metropolitan State
University in 1985 with a BA degree. 1979-81 employed by First Bank
System Inc, Minneapolis, MN. 1981-85 in college. 1985-91 employed by
First Bank System Inc, Minneapolis, MN as vice president human
resources. 1991-92 self-employed as a human resources consultant
under her own name in Minneapolis, MN. 1992 to present employed by
this company.

LEE R CARLSON born 1939. 1962 received BME from the University
of Minnesota. 1970 received MBA from the University of Minnesota.
1965-68 employed by Fabritek Inc, Minneapolis, MN. 1968-70 employed
by Rosemount Inc, Minneapolis, MN. 1970-90 employed by the parent
company. 1990 to present employed by this company and it's related
companies.

JULIE A JORGEN 'N born 1962. Graduated in 1984 from Iowa State University with a BBA in finance and in 1987 from the University Of Minnesota with a JD. 1987-93 employed by Morrison & Foerster in Los Angeles, CA. 1993-present active here.

CRAIG A MATACZYNSKI born 1960. Graduate in 1982 from the

University Of Wisconsin with a BS in nuclear engineering and in 1986 from the University Of Minnesota with an MBA in finance. Employed by the parent company from 1982-84 and this company 1994-present.

ROBERT MC CLENACHAN born 1951. 1975 graduated Ramapo College, NJ. 1981 received MBA Fairleigh Dickinson University. 1976-79 bond underwriter, Chubb Corporation, Short Hills, NJ. 1979-81 financial analyst, Ciba-Geigy, Summit, NJ. 1981-83 financial analyst Siliski & Buzzell, CPA, Rutland, VT. 1983-91 Central Vermont Public Service Corporation. 1992 to present active here.

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OPERATION

08/02/96

Subsidiary of Northern States Power Company (Inc) (Minnesota), Minneapolis, MN started 1909 which operates as generation and distribution of electric and natural gas power. Parent company owns 100% of capital stock. Parent company has numerous other subsidiary(ies).

As noted, this company is a subsidiary of Northern States Power Company (Inc) (Minnesota), DUNS number 006962419, and reference is made to that report for background information on the parent company and its management. The parent company has submitted the following consolidated figures dated December 31, 1994: Current Assets \$665,227,000; Current Liabilities \$963,645,000; Total Assets \$5,953,571,000; Total Equity \$2,137,436,000; Total Sales \$2,486,547,000 and Net Income \$243,475,000.

Operates as an energy company specializing in electric and steam services used to develop, own and operate non-utility energy related business, both directly and through its subsidiaries (100%).

Terms are net 30 days. Sells to commercial, industrial and governmental concerns. Territory : International.
Nonseasonal.

EMPLOYEES: 245 which includes officer(s). 80 employed here.

FACILITIES: Leases 5,000 sq. ft. in an eight story steel and glass office building.

LOCATION: Central business section on well traveled street.

BRANCHES: Branch offices are located in Saint Paul, MN and in Minneapolis, MN. Operations same as headquarters.

SUBSIDIARIES: Subject has numerous subsidiaries, primary listed below:.

Scoria Incorporated, Minneapolis, MN (100% owned), chartered 1989. Operates as partner in clean coal technology facilities. DUNS #78-677-9819. Intercompany relations: Management services on a fee basis.

Graystone Corporation, Minneapolis, MN (100% owned), chartered 1989. DUNS #61-269-9918. Operates as partner in uranium enrichment facilities. Intercompany relations: Management services on a fee basis.

NRG International, Inc, Minneapolis, MN (100% owned). DUNS #80-340-5638. Holding company for international units. Intercompany relations: Management services on a fee basis.

NRG Energy Jackson Valley I, Inc, Minneapolis, MN (100% owned). DUNS #80-340-5844. Holding company for a partnership that generates

electrical power. Intercompany relations: Management services on a fee basis.

San Joaquin Valley Energy IV, Inc, Minneapolis, MN (100% owned). Holding company for a partnership that generates electrical power. DUNS #80-340-5760. Intercompany relations: Management services on a fee basis.

NRG Energy Jackson Valley II Inc, Minneapolis, MN. Operates as a holding company for an interest in partnerships that generate electrical power. Intercompany relations: Management services on a fee basis.

NRG Sunnyside Inc, Minneapolis, MN. Operates as a holding company for an interest in partnerships that generate electrical power. Intercompany relations; Management services on a fee basis.

San Joaquin Valley Energy I, Inc, Minneapolis, MN. Provides electric services. DUNS #80-340-5703.

Neo Corporation, Minneapolis, MN. Provides electric services. DUNS #84-748-5984.

NRG Energy Center Inc, Minneapolis, MN. Provides electric services. DUNS #87-671-5780.

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