

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2011</div> <div>This Form is Open to Public Inspection</div>
--	---	---

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div><div>☐ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information	
1a	Name of plan THE SHAW GROUP INC. 401 (K) PLAN	1b Three-digit plan number (PN) ▶ 001
		1c Effective date of plan 01/01/1994
2a	Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) THE SHAW GROUP INC. 4171 ESSEN LANE BATON ROUGE, LA 70809	2b Employer Identification Number (EIN) 72-1106167
		2c Sponsor's telephone number 225-932-2500
		2d Business code (see instructions) 332900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/25/2012	MONIQUE VOCKE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") THE SHAW GROUP INC. 4171 ESSEN LANE BATON ROUGE, LA 70809	3b Administrator's EIN 72-1106167 3c Administrator's telephone number <div style="background-color: #cccccc; height: 30px; width: 100%;"></div>
--	--

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
---	-----------------------------------

5 Total number of participants at the beginning of the plan year	5	23986
---	----------	-------

6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	20166
b Retired or separated participants receiving benefits.....	6b	38
c Other retired or separated participants entitled to future benefits.....	6c	4222
d Subtotal. Add lines 6a , 6b , and 6c	6d	24426
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	46
f Total. Add lines 6d and 6e	6f	24472
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	22436
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	7085

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan THE SHAW GROUP INC. 401 (K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 THE SHAW GROUP INC.	D Employer Identification Number (EIN) 72-1106167

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
BANK OF AMERICA CORPORATION

94-1687665

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERRILL LYNCH,PIERCE,FENNER,&SMITH

13-5674085

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50 52 62 71 60 59 72 57	RECORDKEEPER	1346619	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

R V KUHNS

93-0910652

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16 49 17 50	CONSULTANT	105000	Yes ☐ No ☒	Yes ☐ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

KPMG LLP

13-5565207

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 49 16 50	ACCOUNTANT	56715	Yes ☐ No ☒	Yes ☐ No ☐	0	Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan THE SHAW GROUP INC. 401 (K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 THE SHAW GROUP INC.	D Employer Identification Number (EIN) 72-1106167

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
---------------	--

a Name of MTIA, CCT, PSA, or 103-12 IE: MANAGED INCOME PORTFOLIO II

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN 04-3022712-025	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 154468301
--------------------------------	------------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
-----------------	----------------------	---

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>THE SHAW GROUP INC. 401 (K) PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE SHAW GROUP INC.</u>		D Employer Identification Number (EIN) <u>72-1106167</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	868479	586112
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	802608	781413
(2) Participant contributions	1b(2)	308707	529565
(3) Other.....	1b(3)	55035	66707
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	7698298	16809901
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	18132420	19886849
(9) Value of interest in common/collective trusts.....	1c(9)	147920767	154468301
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	539662360	566904874
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	49534341	35542598
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	764983015	795576320

Liabilities

g Benefit claims payable	1g	791049	509710
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	339384	305207
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1130433	814917

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	763852582	794761403
---	-----------	-----------	-----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	32147175	
(B) Participants	2a(1)(B)	97518912	
(C) Others (including rollovers)	2a(1)(C)	3098118	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		132764205
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	52005	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	796510	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		848515
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	23194700	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		23194700
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	10618127	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	11887103	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-1268976

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-8608298	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-8608298
(6) Net investment gain (loss) from common/collective trusts	2b(6)		4817812
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-28314657
c Other income.....	2c		256151
d Total income. Add all income amounts in column (b) and enter total.....	2d		123689452

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	91272297	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		91272297
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	47815	
(2) Contract administrator fees	2i(2)	1346619	
(3) Investment advisory and management fees	2i(3)	105000	
(4) Other	2i(4)	8900	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1508334
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		92780631

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		30908821
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KPMG LLP

(2) EIN: 13-5565207

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>THE SHAW GROUP INC. 401 (K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE SHAW GROUP INC.</u>	D Employer Identification Number (EIN) <u>72-1106167</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>94-1687665</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	<u>0</u>	
b Enter the amount contributed by the employer to the plan for this plan year	6b	<u>0</u>	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



THE SHAW GROUP INC. 401(k) PLAN

Financial Statements and Supplemental Schedule

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

THE SHAW GROUP INC. 401(k) PLAN

Table of Contents

	Page(s)
Independent Auditors' Report	1
Financial Statements:	
Statements of Net Assets Available for Benefits – December 31, 2011 and 2010	2
Statements of Changes in Net Assets Available for Benefits – Years ended December 31, 2011 and 2010	3
Notes to Financial Statements	4 – 16
Supplemental Schedule:	
Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) – December 31, 2011	17



KPMG LLP
Suite 1700
450 Laurel Street, Suite 1700
Baton Rouge, LA 70801

Independent Auditors' Report

The Plan Administrator
The Shaw Group Inc. 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of The Shaw Group Inc. 401(k) Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we do not express an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2011 and 2010, and the changes in net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2011 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

June 27, 2012

THE SHAW GROUP INC. 401(k) PLAN
Statements of Net Assets Available for Benefits
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Assets:		
Investments, at fair value:		
Common collective trust fund	\$ 154,468,301	147,920,767
Mutual funds	583,714,775	547,360,658
The Shaw Group Inc. common stock	35,542,598	49,534,341
Total investments	<u>773,725,674</u>	<u>744,815,766</u>
Non-interest bearing cash	586,112	868,479
Receivables:		
Participants' contributions	529,565	308,707
Employer contributions	781,413	802,608
Notes receivable from participants	19,886,849	18,132,420
Other receivables	66,707	55,035
Total receivables	<u>21,264,534</u>	<u>19,298,770</u>
Total assets	<u>795,576,320</u>	<u>764,983,015</u>
Liabilities:		
Other liabilities	<u>305,207</u>	<u>339,384</u>
Total liabilities	<u>305,207</u>	<u>339,384</u>
Net assets available for benefits, before adjustment	795,271,113	764,643,631
Adjustment from fair value to contract value for Fully Benefit-Responsive Investment Contracts	<u>(3,753,065)</u>	<u>(1,460,617)</u>
Net assets available for benefits	<u><u>\$ 791,518,048</u></u>	<u><u>763,183,014</u></u>

See accompanying notes to financial statements.

THE SHAW GROUP INC. 401(k) PLAN

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Additions to net assets attributed to:		
Investment income (loss):		
Interest and dividends	\$ 25,772,069	15,756,334
Net appreciation (depreciation) in fair value:		
Mutual funds	(28,314,657)	57,799,884
The Shaw Group Inc. common stock	(9,877,274)	8,798,215
	<u>(38,191,931)</u>	<u>66,598,099</u>
Total investment income (loss)	<u>(12,419,862)</u>	<u>82,354,433</u>
Interest income on notes receivable from participants	796,510	734,696
Other income	256,151	123,950
Contributions:		
Participants	97,518,912	90,582,871
Employer	32,147,175	26,530,856
Rollovers	3,098,118	5,738,652
	<u>132,764,205</u>	<u>122,852,379</u>
Total additions	<u>121,397,004</u>	<u>206,065,458</u>
Deductions from net assets attributed to:		
Benefit payments	91,553,636	101,771,832
Administrative expenses	1,508,334	1,195,520
Total deductions	<u>93,061,970</u>	<u>102,967,352</u>
Net increase in net assets available for benefits before transfers	28,335,034	103,098,106
Transfers:		
Transfers to the plan	—	31,235,185
Transfers from the plan	—	(33,969)
Total net transfers	<u>—</u>	<u>31,201,216</u>
Net increase in net assets available for benefits	28,335,034	134,299,322
Net assets available for benefits at beginning of year	<u>763,183,014</u>	<u>628,883,692</u>
Net assets available for benefits at end of year	\$ <u><u>791,518,048</u></u>	<u><u>763,183,014</u></u>

See accompanying notes to financial statements.

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(1) Description of Plan

The following description of The Shaw Group Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description, which is available from The Shaw Group Inc. (the Company).

(a) General

The Plan is a defined contribution plan covering all eligible employees of The Shaw Group Inc. who are age 21 or older and who are not receiving benefits under a collective-bargaining agreement, alumni agreement, or other similar agreement. The entry date of the Plan is the later of the employee's date of hire or the date that the employee meets the eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

(b) Contributions

Effective June 1, 2010, the Plan allows participants to contribute up to 90% of their annual compensation, as defined by the Plan, increased from 50% during the first five months of the 2010 plan year. Participants may contribute on a pre-tax and/or after-tax Roth basis up to the maximum dollar amount allowed by law. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also transfer amounts representing distributions from other qualified defined benefit or defined contribution plans, subject to approval by the Company.

The Plan contains an automatic enrollment feature for eligible employees hired on or after October 1, 2006. These employees are automatically enrolled to contribute 3% of their eligible compensation to the Plan on a pre-tax basis unless such employees affirmatively take action to opt out of the automatic enrollment process within 30 days of their date of hire. The deferral rate for participants that are automatically enrolled is increased annually by 1%, up to a maximum of 6% of compensation. The contributions made under the automatic enrollment process are invested in Target Retirement Date Funds based on the employee's targeted date of retirement unless the participants affirmatively choose another investment fund or any combination of funds available under the Plan.

For the 2011 and 2010 plan years, the Company elected to make matching contributions for each payroll period equal to 50% of each eligible participant's deferral not to exceed 6% of the participant's compensation subject to limitations by tax regulations. Prior to June 1, 2010, the frequency of the Company matching contribution and the contribution rate were specifically defined by the Plan. Each participant was entitled to receive a Company matching contribution equal to 50% of the participant's deferrals during each payroll period up to 6% of the participant's compensation during such payroll period, subject to limitations by tax regulations. Effective June 1, 2010, the frequency of the Company matching contribution and the contribution rate are no longer specified in the Plan. The Company may elect to make a matching contribution either monthly, quarterly, or annually at a rate determined by the Company.

The Plan defines the contribution period as the plan year for the purposes of calculating the Company's matching contributions. Annually, the Company adjusts the matching contributions to

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

ensure that all eligible participants maximize the Company match regardless of their savings strategy. The Plan recorded receivables of \$553,597 and \$726,524, respectively, for the “true-up contribution” for the 2011 and 2010 plan years. The Company may also elect to make discretionary contributions. No discretionary contributions were made during the years ended December 31, 2011 and 2010.

Contributions are required to meet certain limitations, as prescribed by the Internal Revenue Code of 1986, as amended (the Code). Excess contributions are refunded to participants so that the Plan complies with the regulations of the Code.

(c) Participant Accounts

Each participant’s account is credited with the participant’s contributions, company contributions, earnings or losses on participant-directed investments, and administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

(d) Unallocated Assets

Beginning June 1, 2010, investment-related income is remitted quarterly to the Plan’s trust by the third-party record keeper to be held in an unallocated account. This account may be used to pay administrative expenses or reduce employer contributions at the discretion of the Plan Administrator. Investment-related income may represent all revenue from processing fees, service fees, distribution fees and all other fees the third-party record keeper receives from mutual funds or collective trust providers attributable to the Plan’s assets invested in such investments. Investment-related income remitted to the Plan’s trust totaling \$254,396 and \$116,420 in 2011 and 2010, respectively, is included in “Other Income” on the statements of changes in net assets available for benefits. The balance of the unallocated account at December 31, 2011 and 2010 totaled \$243,426 and \$12,549, respectively. Administrative fees of \$61,400 were paid from the unallocated account in 2011. No administrative fees were paid from this account in 2010.

(e) Forfeitures

Forfeitures of terminated participants’ nonvested account balances may be used to restore participant account balances required to be reinstated, to pay administrative expenses or to reduce employer contributions. Forfeited nonvested balances at December 31, 2011 and 2010 totaled \$228,107 and \$50,417, respectively. Employer contributions were reduced by \$4,327,819 and \$6,619,294 in 2011 and 2010, respectively. Administrative fees of \$151,988 and \$221,337 were paid from forfeitures in 2011 and 2010, respectively. Also, see Footnote 4 of the notes to financial statements.

(f) Vesting

Participants are immediately vested in their contributions plus any actual earnings thereon. Vesting in the Company’s contribution portion of their accounts, plus any actual earnings thereon, is based on years of active service. After one year of service, as defined by the Plan, the participant becomes 20% vested in the Company’s contributions and applicable earnings and vesting increases 20% for each year of active service thereafter. A participant is 100% vested after five years of active service. The nonvested portion of a participant’s account remains in his/her account until the participant has a

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

period of break in service of five years or receives a distribution of the vested portion of his/her account. If the participant is not reemployed within five years, the nonvested portion of his/her account is forfeited.

(g) *Notes Receivable from Participants*

Participants can borrow from their vested account balances a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance (reduced by the highest outstanding loan balance during the prior twelve-month period). Loans must be repaid within a five-year period (ten years for primary residence loans). Loans are secured by the participant's account balance and bear interest at a fixed rate for the term of the loan. Effective June 1, 2010, the interest rate is the prime rate as listed on the last business day of each month in *The Wall Street Journal* plus 1%. Prior to June 1, 2010, the interest rate was determined by the Plan Administrator based on prevailing interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. At December 31, 2011, interest rates for outstanding loans ranged from 3.25% to 9.25% with maturities to October 2021. Principal and interest are paid ratably through payroll deductions.

(h) *Investment Options*

In 2011 and prior, upon enrollment in the Plan, participants were allowed to make direct contributions to various investment options, including a common collective trust fund, mutual funds, and The Shaw Group Inc. common stock. The amount of contributions and the value of a participant's account were limited to 20% participation in The Shaw Group Inc. common stock during both 2011 and 2010. Effective January 1, 2012, the Plan was amended to no longer allow new contributions to, or the transfer of investments to, The Shaw Group Inc. common stock.

Plan participants, excluding Insiders (as defined by The Shaw Group Inc. Insider Trading Policy), may change investment options and contribution percentages on a daily basis. Insiders are restricted from trading The Shaw Group Inc. common stock during a blackout period (as defined by The Shaw Group Inc. Insider Trading Policy). Insiders may change investment options for all other funds and contribution percentages on a daily basis.

Effective June 1, 2010, the Plan converted The Shaw Group Inc. Stock Fund from a unitized stock fund to a share accounting stock fund. Instead of units of Company common stock, each participant who has elected to purchase The Shaw Group Inc. common stock holds shares of Company common stock.

(i) *Payments of Benefits*

Upon separation of service, a participant may elect to receive a lump-sum payment equal to the value of the participant's vested balance.

A participant may withdraw all or a portion of their account in the event of financial hardship, as defined by the Plan.

Effective June 1, 2010, vested account balances less than \$5,000 are immediately distributable in a lump sum under the terms of the Plan without the participant's consent. If there is no direction from

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

the participant and the vested balance is greater than \$1,000 but less than \$5,000, the vested balance will be distributed as a direct rollover into an individual retirement account selected by the Plan Administrator.

(j) Transfers to/from the Plan

Plan assets transferred into and out of the Plan from and to other company-sponsored qualified plans as a result of employee status changes are included in Transfers to the Plan or Transfers from the Plan in the accompanying statements of changes in net assets available for benefits. Effective June 1, 2010, the Company merged the Hourly Plan with and into the Plan. Total Plan assets, including notes receivable from participants, transferred from the Hourly plan were \$31,063,818.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Benefits are recorded when paid.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits are prepared on a contract-value basis.

As of December 31, 2011 and 2010, the Plan invests in a common collective trust, Fidelity's Managed Income Portfolio II fund, which owns fully benefit-responsive investment contracts. The Plan reflects these fully benefit-responsive investment contracts at fair value. An adjustment from fair value to contract value of (\$3,753,065) and (\$1,460,617), respectively, as of December 31, 2011 and 2010, was recorded in the accompanying statements of net assets available for benefits. The average yields of Fidelity's Managed Income Portfolio II fund were as follows:

	<u>2011</u>	<u>2010</u>
Based on actual earnings	1.92%	2.25%
Based on interest rates credited to participants	1.60%	1.82%

As of December 31, 2011 and 2010, there were no reserves against the wrap contracts' carrying values due to credit risks of the issuers. Interest rates are reviewed by the wrap issuer on a monthly basis for resetting. Certain events could limit the ability of the Plan to transact at contract value with the issuers of the contracts held by the Fidelity Managed Income Portfolio II. Such events could include, but are not limited to, the following: the establishment of a defined contribution plan that competes with the Plan for contributions, substantive modification to the Fidelity Managed Income

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

Portfolio II or the administration of the Fidelity Managed Income Portfolio II, change in law, regulation or administrative ruling applicable to the Plan that could have a material adverse effect on cash flow, transfer to a competing investment option, and failure of the Plan to qualify under the applicable sections of the Code. Withdrawals initiated by the Plan will normally be provided at contract value as soon as practicable within twelve months following written notice. The Plan does not believe that the occurrence of any of these events, which could limit the Plan's ability to transact at contract value with participants, is probable.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates that affect the amounts reported in the financial statements and accompanying notes and schedules. Actual results could differ from those estimates.

(c) Recently Issued Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. This ASU clarifies existing guidance on fair value measurement and disclosure requirements, amends certain fair value measurement principles and requires additional disclosures related to the reasons for fair value measurements, transfers between levels in the fair value hierarchy, valuation techniques and inputs used in Level 2 and Level 3 fair value measurements and the sensitivity of Level 3 fair value measurements to changes in unobservable inputs. The Plan does not expect the provisions of this ASU, which are effective for the plan year beginning January 1, 2012, to have a material impact on the Plan's financial statements.

In September 2010, the FASB issued ASU No. 2010-25, *Plan Accounting – Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Pension Plans*, which amends ASU 962. The ASU specifies that participant loans should be classified as notes receivable from participants in the financial statements of a defined contribution plan, measured at the outstanding principal amount plus accrued but unpaid interest. The ASU also states that no further disclosures specific to participant loans is required. The ASU is effective for fiscal years ending after December 15, 2010, with early adoption permitted. This amendment was adopted for the year ended December 31, 2010. The adoption of the ASU did not have a material impact on the Plan's financial statements.

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements (Topic 820) – Fair Value Measurements and Disclosures* (ASU 2010-06) to add additional disclosures about the different classes of assets and liabilities measured at fair value, the valuation techniques and inputs used, the activity of Level 3 fair value measurements, and the transfers between Levels 1, 2, and 3. Levels 1, 2, and 3 of fair value measurements are defined in note 3 below. The Plan adopted this ASU in the year ending December 31, 2010 except for the provisions of this update, which became effective in the year ended December 31, 2011. The adoption did not have a material impact on the Plan's financial statements.

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(d) Administrative Expenses

Certain administrative and investment expenses specific to Participant transactions, such as loan initiation and maintenance fees and processing fees for certain withdrawals, are deducted from the requesting Participant's account. The Company, at its sole discretion, may pay the administrative expenses (i.e., legal fees, trustee fees, fund fees, loan fees, recordkeeping fees, and other similar expenses) of the Plan. If such expenses are not paid by the Plan sponsor, they are paid out of Plan assets. Administrative expenses for the Plan totaling \$43,374 and \$165,083 were paid by the Company for the years ended December 31, 2011 and 2010, respectively.

(e) Investments

The common collective trust fund is presented at fair value on the statements of net assets available for benefits including a separate disclosure of the adjustment from fair value to contract value. The fair value of fully benefit-responsive investment contracts is calculated by the issuer utilizing quoted market prices, most recent bid prices in the principal market in which the securities are normally traded, pricing services and dealer quotes. The fair value of underlying wrapper contracts is calculated by the issuer using a discounted cash flow method, which considers recent fee bids as determined by recognized dealers, discount rate and duration of the underlying portfolio securities. The statements of net assets available for benefits include the fair value of the underlying assets and wrapper contracts of the common collective trust fund based on the proportionate ownership of the Plan.

The mutual funds are valued at the net asset value.

Under the terms of the Plan, the Trustee, on behalf of the trust fund, was allowed to acquire, hold and dispose of the common stock units/shares of The Shaw Group Inc. Prior to June 1, 2010, in the event that trading transactions in The Shaw Group Inc. Stock Fund exceeded the cash portion of the Stock Fund, the Trustee had authority to borrow funds in order to facilitate transactions in a timely manner. Effective June 1, 2010, if there is not sufficient liquidity in the Stock Fund to process all transactions, the Trustee may postpone transactions until there is available liquidity.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes gains and losses on investments sold during the year as well as appreciation and depreciation of the investments held at the end of the year.

The Plan provides for various investment options in any combination of the common collective trust fund, mutual funds, and The Shaw Group Inc. common stock. These investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with these investments, it is at least reasonably possible that changes in the values of the funds/investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Certain funds available for investment by the participants may contain securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

mortgage-backed securities. The value, liquidity, and related income of those securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

(f) Notes Receivable from Participants

Notes receivable from participants are valued at amortized cost, which is equal to the principal balance plus accrued interest.

(g) Subsequent Events

Subsequent events have been evaluated through June 27, 2012, the date the financial statements were issued.

(3) Fair Value Measurements

ASC 820 (Topic 820, *Fair Value Measurements and Disclosures*) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the Plan has the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are unobservable and are based on assumptions market participants would utilize in pricing the asset.

The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The Plan reviews the fair value hierarchy classification on an annual basis. Changes in the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The Plan's policy is to recognize transfers into and out of levels within the fair value hierarchy at the end of the plan year in which the actual event or change in circumstances that caused the transfer occurs. At December 31, 2011 and 2010, there were no transfers between levels within the fair value hierarchy.

Certain investments are measured at fair value on a recurring basis in the statements of net assets available for benefits. The following methods and assumptions were used to estimate the fair values at December 31, 2011 and 2010:

Level 1 – The fair value of mutual funds is based on the net asset value of the fund. The fair value of The Shaw Group Inc. common stock and interest bearing cash are based on quoted market prices.

Level 2 – The fair value of the common collective trust fund is based on the Plan's proportionate ownership of the underlying investments. The fair value of the common collective trust fund is calculated by the issuer utilizing quoted market prices, most recent bid prices in the principal market in which the securities are normally traded, pricing services, and dealer quotes. The fair value of the underlying wrapper

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

contracts is calculated using a discounted cash flow model, which considers recent fee bids as determined by recognized dealers, discount rate and the duration of the underlying portfolio securities. Participant-directed redemptions have no restrictions; however, the Plan is required to provide a one-year redemption notice to liquidate its entire share in the fund. There are no unfunded commitments related to any of the underlying portfolio securities.

The preceding methods described may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the Plan's valuation methodologies during the years ended December 31, 2011 and 2010.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011 and 2010:

		Assets at fair value			
		Level 1	Level 2	Level 3	Total
December 31, 2011:					
Common collective trust fund	\$	—	154,468,301	—	154,468,301
Mutual funds:					
Money market funds		16,809,901	—	—	16,809,901
Value funds		51,209,500	—	—	51,209,500
Blend funds:					
Domestic		99,020,392	—	—	99,020,392
Foreign		52,398,259	—	—	52,398,259
Growth funds		128,467,271	—	—	128,467,271
Bond funds:					
Short-term		2,755,754	—	—	2,755,754
Intermediate-term		79,097,644	—	—	79,097,644
Inflation-protected		8,458,382	—	—	8,458,382
Target Retirement Date funds – moderate-risk		145,497,672	—	—	145,497,672
The Shaw Group Inc. common stock		35,542,598	—	—	35,542,598
Total	\$	619,257,373	154,468,301	—	773,725,674

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

		Assets at fair value			
		Level 1	Level 2	Level 3	Total
December 31, 2010:					
Common collective trust fund	\$	—	147,920,767	—	147,920,767
Mutual funds:					
Money market funds		7,698,298	—	—	7,698,298
Value funds		52,276,823	—	—	52,276,823
Blend funds:					
Domestic		94,864,482	—	—	94,864,482
Foreign		59,194,873	—	—	59,194,873
Growth funds		130,309,634	—	—	130,309,634
Bond funds:					
Short-term		687,712	—	—	687,712
Intermediate-term		74,764,090	—	—	74,764,090
Inflation-protected		2,576,963	—	—	2,576,963
Target Retirement Date funds – moderate-risk		124,987,783	—	—	124,987,783
The Shaw Group Inc. common stock		49,534,341	—	—	49,534,341
Total	\$	596,894,999	147,920,767	—	744,815,766

(4) Self Correction and Voluntary Correction Program

During 2010, the Company discovered that one of the Plan's amendments, effective in 2002, from a prior recordkeeper prototype plan provided that catch-up contributions be taken into account in applying company matching contributions, which was contrary to plan operations. The plan document was subsequently amended and restated in October 2006 and included removal of this provision. The Company self-corrected this issue in 2011 by making corrective contributions to impacted participants for the 2002 through 2006 plan years. The Plan Administrator expects that the self-correction will not adversely affect the qualified status of the Plan.

On October 12, 2009, the Company filed a Voluntary Correction Program (VCP) request under the Internal Revenue Service (IRS) Employee Plans Compliance Resolution System as outlined in Revenue Procedure 2008-50 (EPCRS) to correct the below-described operational defect.

Certain plan participants with compensation in excess of the annual compensation limits received excess allocations of matching contributions. The failures occurred in plan years 1999, 2001, and 2004 through 2009. The Company submitted a proposed correction through VCP and the IRS issued its compliance statement on July 29, 2010. Pursuant to the compliance statement, the Company took corrective action to remove the excess matching contributions and related earnings and losses from the accounts of current plan participants who received the excess allocations. These amounts were transferred to the forfeiture account within the Plan during 2010. The amounts that were forfeited are included in the forfeited amounts mentioned in note 1 of the notes to financial statements. The corrections for plan year 2009 were made during that plan year using the method described above and were not submitted through VCP.

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

The Company is planning to file additional VCP requests under EPCRS in 2012 to correct the operational defects described below. The Plan Administrator expects that the operational defects and proposed corrections will not adversely affect the qualified status of the Plan.

Beginning with the 2003 plan year, the Company failed to exclude certain employees from participation in the Plan. These employees had previously been members of a collective-bargaining unit and had been promoted to positions not subject to collective bargaining. These individuals were permitted to continue to participate in their collectively bargained, union-sponsored retirement plans under alumni agreements or similar agreements. These employees were also allowed to participate in the Plan while continuing to be covered under the collectively bargained pension benefits. To correct the dual participation, these employees will no longer be permitted to participate in the Plan.

The Company has also determined that the Plan failed to exclude certain nonresident alien employees who had no U.S. source income from participation in the Plan. To correct the failure, the ineligible employees will no longer be permitted to participate in the Plan. Employee contributions, employer contributions and earnings thereon were forfeited and placed in the Plan's forfeiture account. The Company refunded the employee contributions and earnings to the ineligible employees in 2012.

For plan years 2009 and 2010, the Plan failed to default certain loans that were not repaid in accordance with the terms of the loans, including applicable cure periods for late payments. The failure involved 24 participants' loans, which should have been declared in default. To correct the failure, the Company will request the IRS to permit the Plan to deem the defaulted loans to be distributed to the affected participants in the year of correction rather than in the year of failure.

(5) Plan Termination

Although the Company has not expressed any intent to do so, it has the right under the Plan to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

(6) Concentration of Investment Risk

The following table presents participant-directed investments that represent 5% or more of the Plan's net assets at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Fidelity Management Trust Company:		
Common collective trust fund:		
Managed Income Portfolio II (Contract Value – \$150,715,236 and \$146,460,150, respectively)	\$ 154,468,301	147,920,767
Mutual funds:		
PIMCO Total Return Institutional	\$ 72,983,101	71,473,620
American Funds Growth Fund of America	60,282,729	65,401,489
Dreyfus/The Boston Company Small/Mid Cap Growth Fund	68,184,542	64,908,145
MFS Institutional Large Cap Value	51,209,500	52,276,823
Westwood SMidCap Institutional Fund	49,186,267	52,049,679
American Funds EuroPacific Growth	*	44,768,216
The Shaw Group Inc. common stock	\$ *	49,534,341

* Less than 5% of net assets available for benefits

(7) Tax Status

On March 31, 2010, the Company adopted a Volume Submitter Defined Contribution Plan (Volume Submitter Plan) which received a favorable opinion letter from the IRS dated March 31, 2008 which stated that the Volume Submitter Plan and the related trust are designed in accordance with the applicable sections of the Code.

In conjunction with the change of the Plan's trustee and third-party record keeper, the Company adopted an individually designed plan effective June 1, 2010. On March 4, 2011, the Company submitted the Plan, as amended, to the IRS for a determination letter in accordance with Revenue Procedure 2007-44. The determination letter was received in March 2012. The Company and Plan Administrator believe that the Plan, as designed and operated, is in compliance with the applicable provisions of the Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the taxing authorities. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2008.

As described in note 4 – Self-Correction and Voluntary Correction Program above, the Company is planning to file additional VCP requests under EPCRS in 2012 to correct several operational defects. The

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

Plan Administrator expects that the corrective measures taken to address the operational defects will not adversely affect the qualified status of the Plan.

(8) Party-in-Interest Transactions

Prior to June 1, 2010, certain Plan investments were held in a trust fund managed by Fidelity Management Trust Company. Since Fidelity Management Trust Company was the Plan's trustee prior to June 1, 2010, these transactions qualify as party-in-interest transactions.

Effective June 1, 2010, our Plan investments include a money market fund managed by Bank of America, N.A. Because the Plan pays certain fees to Bank of America, N.A., and Bank of America, N.A. is the Plan's trustee, these transactions qualify as party-in-interest transactions.

The Plan permits participants to make loans from the Plan. The Plan also invests in the common stock of The Shaw Group Inc. Additionally, the Company pays certain Plan administrative expenses on behalf of the Plan. These transactions also qualify as party-in-interest transactions which are exempt under ERISA.

(9) Reconciliation of Financial Statements to Schedule H of Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500 at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Net assets available for benefits per the financial statements	\$ 791,518,048	763,183,014
Adjustments from contract value to fair value for fully benefit-responsive investment contracts	3,753,065	1,460,617
Amounts allocated to withdrawing participants	<u>(509,710)</u>	<u>(791,049)</u>
Net assets available for benefits per Schedule H of Form 5500	<u>\$ 794,761,403</u>	<u>763,852,582</u>

The following is a reconciliation of total investments per the financial statements to Schedule H of Form 5500 at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Total investments per the financial statements	\$ 773,725,674	744,815,766
Notes receivable from participants	<u>19,886,849</u>	<u>18,132,420</u>
Total investments per Schedule H of Form 5500	<u>\$ 793,612,523</u>	<u>762,948,186</u>

THE SHAW GROUP INC. 401(k) PLAN

Notes to Financial Statements

December 31, 2011 and 2010

The following is a reconciliation of investment income per the financial statements to Schedule H of Form 5500 for the years ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Investment income (loss) per the financial statements	\$ (12,419,862)	82,354,433
Add interest income on notes receivable from participants	796,510	734,696
Add (less) adjustments from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2010 and 2009	(1,460,617)	1,795,932
Add (less) adjustments from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2011 and 2010	<u>3,753,065</u>	<u>1,460,617</u>
Investment income (loss) per Schedule H of Form 5500	<u>\$ (9,330,904)</u>	<u>86,345,678</u>

The following is a reconciliation of benefit payments per the financial statements to Schedule H of Form 5500 at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Total benefit payments per the financial statements	\$ 91,553,636	101,771,832
Less amounts allocated to withdrawing participants at December 31, 2010 and 2009	(791,049)	—
Add amounts allocated to withdrawing participants at December 31, 2011 and 2010	<u>509,710</u>	<u>791,049</u>
Benefit payments per Schedule H of Form 5500	<u>\$ 91,272,297</u>	<u>102,562,881</u>

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
SAME

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

4b EIN

4c PN

a Sponsor's name

5 Total number of participants at the beginning of the plan year

5 23986

6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).

a Active participants **6a** 20166

b Retired or separated participants receiving benefits **6b** 38

c Other retired or separated participants entitled to future benefits **6c** 4222

d Subtotal. Add lines **6a, 6b,** and **6c** **6d** 24426

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. **6e** 46

f Total. Add lines **6d** and **6e**. **6f** 24472

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) **6g** 22436

h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested **6h** 7085

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) **7**

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- (1) ☐ Insurance
 (2) ☐ Code section 412(e)(3) insurance contracts
 (3) ☒ Trust
 (4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
 (2) ☐ Code section 412(e)(3) insurance contracts
 (3) ☒ Trust
 (4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information - Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

THE SHAW GROUP INC. 401(k) PLAN

Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

EIN: 72-1106167 PN: 001

December 31, 2011

Identity of issue, borrower, or similar party	Description of investment	Cost ⁽¹⁾	Current value
Fidelity Management Trust Company Common collective trust fund: Managed Income Portfolio II	150,715,233.3797 units		\$ 154,468,301
Mutual funds:			
PIMCO Total Return Institutional	6,714,175.7309 units		72,983,101
Vanguard Institutional Index Fund	310,833.4032 units		35,758,275
Vanguard Inflation-Protected Securities Fund Investor Shares	599,460.0915 units		8,458,382
American Funds Growth Fund of America	2,098,980.8233 units		60,282,729
American Funds EuroPacific Growth	1,088,211.8944 units		38,228,884
Westwood SMidCap Institutional Fund	3,809,935.4970 units		49,186,267
*Retirement Bank Account	16,809,900.5001 units		16,809,901
JP Morgan Short Duration Bond Select	251,666.9919 units		2,755,754
MFS Institutional Large Cap Value	5,886,149.4803 units		51,209,500
Dreyfus/The Boston Company Small/Mid Cap Growth Fund	4,973,343.6950 units		68,184,542
Vanguard Extended Market Index Institutional Fund	357,799.9537 units		14,075,850
Vanguard Total Bond Market Fund	555,867.5216 units		6,114,543
Vanguard FTSE All-World ex-US Index Institutional	182,289.6544 units		14,169,375
Vanguard 2005 Target Retirement	298,678.3139 units		3,578,166
Vanguard 2010 Target Retirement	491,028.5027 units		11,013,769
Vanguard 2015 Target Retirement	2,316,968.9336 units		28,498,718
Vanguard 2020 Target Retirement	350,097.2177 units		7,593,609
Vanguard 2025 Target Retirement	3,145,525.9428 units		38,595,603
Vanguard 2030 Target Retirement	230,114.0148 units		4,813,985
Vanguard 2035 Target Retirement	1,711,943.9349 units		21,416,419
Vanguard 2040 Target Retirement	664,009.0249 units		13,612,185
Vanguard 2045 Target Retirement	328,198.7153 units		4,223,917
Vanguard 2050 Target Retirement	582,470.2768 units		11,888,218
Vanguard 2055 Target Retirement	12,034.8796 units		263,083
			583,714,775
*The Shaw Group Inc. common stock	1,321,286.1685 shares		35,542,598
			773,725,674
* Loans to participants	Maturities to October 2021, at interest rates ranging from 3.25% to 9.25%		19,886,849
Total investments			\$ 793,612,523

* Indicates party in interest to the Plan

⁽¹⁾ Not required as investments are participant directed.

See accompanying independent auditors' report.