

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>MCDERMOTT THRIFT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>04/01/1978</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>04/01/1978</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>04/01/1978</u>					
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>MCDERMOTT INVESTMENTS, LLC</u> <u>757 N. ELDRIDGE PARKWAY</u> <u>HOUSTON, TX 77079</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>74-1032246</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>281-870-5833</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>237990</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>74-1032246</u>	2c Sponsor's telephone number <u>281-870-5833</u>	2d Business code (see instructions) <u>237990</u>	
2b Employer Identification Number (EIN) <u>74-1032246</u>					
2c Sponsor's telephone number <u>281-870-5833</u>					
2d Business code (see instructions) <u>237990</u>					

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.	10/13/2012	GARY CARLSON
	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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") THRIFT PLAN COMMITTEE - MCDERMOTT INCORPORATED 757 N. ELDRIDGE PARKWAY HOUSTON, TX 77079	3b Administrator's EIN 72-0831725 3c Administrator's telephone number 281-870-5833
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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
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5 Total number of participants at the beginning of the plan year	5	8223
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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	1185
b Retired or separated participants receiving benefits.....	6b	101
c Other retired or separated participants entitled to future benefits.....	6c	6387
d Subtotal. Add lines 6a , 6b , and 6c	6d	7673
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	17
f Total. Add lines 6d and 6e	6f	7690
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	7676
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	42

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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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)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(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 MCDERMOTT THRIFT PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 MCDERMOTT INVESTMENTS, LLC	D Employer Identification Number (EIN) 74-1032246	

Part I	Service Provider Information (see instructions)
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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

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(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)

LJ MOSBY PC

84-1656069

(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	NONE	23000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE VANGUARD GROUP, INC.

23-1945930

(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 25 37 52	NONE	6955	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>MCDERMOTT THRIFT PLAN</u>	B Three-digit plan number (PN)	<u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>MCDERMOTT INVESTMENTS, LLC</u>	D Employer Identification Number (EIN) <u>74-1032246</u>	

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)
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a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD RETIREMENT SAVINGS TR II

b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY

c EIN-PN <u>23-2186884-023</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>86411246</u>
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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)
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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)
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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)
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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)
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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)
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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)
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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
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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
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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.	<small>OMB No. 1210-0110</small> 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>MCDERMOTT THRIFT PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MCDERMOTT INVESTMENTS, LLC</u>	D Employer Identification Number (EIN) <u>74-1032246</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	298885	285142
	(2) Participant contributions	1b(2)	394616	362314
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(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)	1903002	1788476
	(9) Value of interest in common/collective trusts.....	1c(9)	80904416	86411246
	(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)	122024428	125297678
	(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)	103687128	51556253
(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	309212475	265701109

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	109709	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	109709	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	309102766	265701109
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	6639369	
(B) Participants	2a(1)(B)	9889400	
(C) Others (including rollovers)	2a(1)(C)	270781	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		16799550

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	73985	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		73985

(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)	2543041	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2543041
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	11351729	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	11915659	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-563930

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	-40872999	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-40872999
(6) Net investment gain (loss) from common/collective trusts	2b(6)		2590833
(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)		-2829815
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-22259335

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	20967582	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)	134103	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		21101685
f Corrective distributions (see instructions)	2f		25359
g Certain deemed distributions of participant loans (see instructions).....	2g		-11647
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	26925	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		26925
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		21142322

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-43401657
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: LJ MOSBY, P.C.

(2) EIN: 84-1656069

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		10000000
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.		X	

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

A Name of plan <u>MCDERMOTT THRIFT PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MCDERMOTT INVESTMENTS, LLC</u>	D Employer Identification Number (EIN) <u>74-1032246</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>23-2186884</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		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
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
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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): _____

Report of Independent Auditors

To the Participants and Plan Committee of the
McDermott Thrift Plan

We were engaged to audit the accompanying financial statements and supplemental schedule of the McDermott Thrift Plan (the “Plan”) as of December 31, 2011 and 2010, and for the years ended December 31, 2011 and 2010, as listed in the accompanying index. These financial statements and supplemental schedule are the responsibility of the Plan’s management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Vanguard Fiduciary Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan’s investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010, and for the years ended December 31, 2011 and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Houston, Texas
October 11, 2012

MCDERMOTT THRIFT PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
December 31, 2011 and 2010

MCDERMOTT THRIFT PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

December 31, 2011 and 2010

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Report of Independent Auditors

To the Participants and Plan Committee of the
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Houston, Texas
October 11, 2012

MCDERMOTT THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	<u>2011</u>	<u>2010</u>
Assets:		
Investments at Fair Value (Notes 2, 4 and 5)	\$ 267,460,855	\$ 309,822,535
Receivables:		
Participant Notes Receivable	1,788,476	1,903,002
Participant Contributions	362,314	394,616
Employer Contributions	<u>285,142</u>	<u>298,885</u>
Total Assets at Fair Value	269,896,787	312,419,038
Liabilities	<u>-</u>	<u>-</u>
Net Assets Available for Benefits at Fair Value	269,896,787	312,419,038
Adjustment from Fair Value to Contract Value for Fully Benefit-Responsive Investment Contracts	<u>(4,195,677)</u>	<u>(3,316,272)</u>
Net Assets Available for Benefits	<u>\$ 265,701,110</u>	<u>\$ 309,102,766</u>

The accompanying notes are an integral part of the financial statements.

MCDERMOTT THRIFT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31,	
	<u>2011</u>	<u>2010</u>
Additions to net assets attributed to:		
Interest income from notes receivable – participant loans	\$ 73,985	\$ 305,547
Investment Income:		
Interest	2,590,833	5,669,667
Dividends	2,543,041	3,633,344
Net appreciation (depreciation) in fair value of investments	(44,266,743)	27,501,848
Other income	<u>45,606</u>	<u>-</u>
Total investment income (loss)	(39,087,263)	36,804,859
Contributions:		
Participant	10,160,181	29,970,128
Employer stock	-	6,234,581
Employer cash	<u>6,639,369</u>	<u>8,523,882</u>
Total contributions	16,799,550	44,728,591
Total additions	<u>(22,213,728)</u>	<u>81,838,997</u>
Deductions from net assets attributed to:		
Benefits paid to participants or beneficiaries	21,161,003	54,427,906
Administrative expenses	<u>26,925</u>	<u>30,034</u>
Total deductions	<u>21,187,928</u>	<u>54,457,940</u>
Net increase (decrease) prior to transfers with affiliated Plans	(43,401,656)	27,381,057
Transfers in from affiliated plans	-	47,378,560
Transfers out to affiliated plans	<u>-</u>	<u>(683,774,306)</u>
Net decrease	(43,401,656)	(609,014,689)
Net assets available for benefits:		
Beginning of year	<u>309,102,766</u>	<u>918,117,455</u>
End of year	<u>\$ 265,701,110</u>	<u>\$ 309,102,766</u>

The accompanying notes are an integral part of the financial statements.

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

NOTE 1 – DESCRIPTION OF PLAN

The following description of the McDermott Thrift Plan (the “Plan”) provides only general information. Participants should refer to the Summary Plan Description for more detailed information or to the official plan documents for complete information.

General

The Plan is a defined contribution plan administered by the Thrift Plan Committee as appointed by the governing body of McDermott Investments, LLC (f/k/a McDermott Incorporated) (the “Company”). Recordkeeping and investment management of the funds (as determined by the Thrift Plan Committee) is the responsibility of The Vanguard Group, Inc. (“Vanguard”) and Vanguard Fiduciary Trust Company (the “Trustee”), a wholly owned subsidiary of Vanguard. Effective May 27, 2008, a Master Trust was established with the Trustee in order to hold the commingled assets of the Marine Mechanical Corporation Hourly Employees’ Savings Plan (“MMC Hourly Plan”) trust, the Plan trust, and, effective January of 2010, the Nuclear Fuel Services, Inc. Savings Plan for Hourly Employees (“NFS Hourly Plan”) trust that were invested in the McDermott Interest Income Fund. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

In December 2009, our parent, McDermott International, Inc. (“MII”), announced plans to spin off its subsidiary, The Babcock & Wilcox Company (“B&W”), into an independent publicly traded company (the “Spin-Off”). In January of 2010, the Nuclear Fuel Services, Inc. Savings Plan, which provided benefits to salaried employees of Nuclear Fuel Services, Inc., was merged into the Plan (transferring approximately \$47 million to the Plan).

In relation to the Spin-Off, in June of 2010, Babcock & Wilcox Investment Company (“BWICO”), a subsidiary of B&W, established The Babcock & Wilcox Company Thrift Plan (“B&W Thrift Plan”) and related trust (“B&W Trust”) for its eligible workforce and engaged Vanguard as recordkeeper for such plan and Vanguard Fiduciary Trust Company as trustee of the B&W Trust. Effective June 18, 2010:

- (i) the account balances of current and former employees of B&W or its subsidiaries or affiliates, except any such amounts held in the McDermott Stock Fund, were transferred from the Plan to the B&W Thrift Plan;
- (ii) the name of the Plan was changed to “McDermott Thrift Plan”;
- (iii) the assets attributable to the MMC Hourly Plan and the NFS Hourly Plan were transferred out of the Plan trust; and
- (iv) the McDermott Interest Income Fund investment option under the Plan was replaced with the Vanguard Retirement Savings Trust II.

Following the Spin-Off, the Plan covers substantially all employees of the Company and participating subsidiary and affiliated companies (collectively referred to as the “Employer”), except non-resident alien employees who do not earn income in the United States.

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

In addition, on July 30, 2010 in connection with the issuance of shares of B&W common stock to all holders of MII stock upon consummation of the Spin-Off, a second transfer was made to the B&W Thrift Plan of all related shares of B&W common stock to participant accounts. Shares of MII stock related to the B&W workforce remain in the Plan until withdrawn by participants.

Contributions

Under the Plan, participants can elect to contribute, on a pre-tax or after-tax basis, up to 6% of their compensation in 1% increments as basic contributions and an additional 19% of their compensation in 1% increments as supplemental contributions. Contributions are funded into the Plan each pay period. Basic and supplemental participant-directed contributions may be invested in increments of 1% up to 100% of contributions into any or all of the options offered under the Plan. These investment options include Vanguard Retirement Savings Trust II and various other funds offered by Vanguard. The Vanguard funds include domestic and international stock funds, fixed income mutual funds and a series of target retirement funds. Target retirement funds invest in stocks, bonds and short-term reserves. The target retirement funds gradually and automatically shift to more conservative investments over time based on the time remaining to the target retirement date. New employees are automatically enrolled in the Plan at the 3% employee contribution level with an option to elect out of contributing to the Plan at any time. Included in participants' contributions in the Statement of Changes in Net Assets Available for Benefits are rollover contributions of \$270,781 and \$1,502,176 for the years ended December 31, 2011 and 2010, respectively.

Employer matching contributions are made in amounts equal to one-half of the participants' basic contributions. Effective June 2010, the Company began making employer matching contributions in cash, in lieu of MII common stock.

The Plan had been amended in 2003 to provide for unmatched Employer cash contributions equal to 3% of compensation (as defined in the Plan) ("Flat Cash Contributions") for employees of J. Ray McDermott, S.A. and its subsidiaries ("J. Ray") who were eligible to participate in the Plan, regardless of whether they made voluntary contributions to the Plan. If such participants made voluntary contributions, the Flat Cash Contributions were invested in the same manner as the participants' contributions, otherwise the Flat Cash Contributions were invested, at the participant's direction, in the investment options offered under the Plan. Effective April 1, 2006, the Plan was amended to provide Employer cash contributions to the Plan for certain salaried employees of the Company and certain B&W subsidiaries who hired on or after April 1, 2001, regardless of whether they made voluntary contributions to the Plan. Such cash contributions to the Plan were determined commensurate with years of service ("Service Base Contributions") and were invested in the same manner as the participant's contributions. Effective April 1, 2007, the Plan was amended for certain salaried employees of the Company, and certain B&W subsidiaries, to allow such employees with five to ten years of service as of April 1, 2006 to receive Service Based Contributions under the Plan in lieu of continuing to earn benefits under their respective defined benefit pension plans. The Plan was further amended in 2010, prior to the Spin-Off, to provide Service Based Contributions to certain salaried employees of Nuclear Fuels Service, Inc. Effective July 1, 2010, the Service Based Contributions were replaced with the Flat Cash Contributions.

The Plan was amended effective as of January 1, 2010, to provide for participants' Roth elective deferral contributions.

Participants in the Plan are entitled to transfer, in 1% increments and in unlimited number, subject to any restrictions set forth in the prospectus of the investment options, their accumulated participant and

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

Employer contributions and related fund earnings to other investment options, subject to the following restrictions: (a) contributions (and related fund earnings) other than Employer matching contributions cannot be transferred into the McDermott Stock Fund (although Employer matching contributions, plus gains and losses originally invested in the McDermott Stock Fund and transferred out of that fund may be transferred back into the McDermott Stock Fund); (b) participants cannot transfer into and out of the same fund effective on the same valuation date; and (c) participants cannot transfer into a fund unless at least 60 days has elapsed since the most recent transfer out of that fund.

Although it has not expressed any intent to do so, the Company has the right under the Plan to reduce or discontinue Employer contributions at any time.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of the (a) Employer's contribution and (b) Plan earnings. The benefits to which a participant is entitled is limited to the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in Employer contributions occurs at retirement, death, disability, involuntary termination for reasons other than cause or after three years of service regardless of years of participation in the Plan.

Forfeitures

Forfeited nonvested accounts are invested in the Vanguard Retirement Savings Trust II Fund, which is the designated forfeiture fund and may be used to reduce future Employer contributions under the Plan and to defray reasonable administrative expenses of the Plan. As of December 31, 2011 and 2010, there were unapplied forfeitures of \$208,589 and \$571,189, respectively. In the year ended December 31, 2011 and 2010, the Company applied forfeitures of \$20,801 and \$227,521 to reduce the Employer contribution due.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of (a) \$50,000, minus the highest outstanding loan balance, if any, the participant had during the one-year period prior to the date the new loan is made, or (b) 50% of his vested account balance. A single loan can be outstanding at any one time. Loan terms range from 1 to 5 years or up to 20 years, with a minimum of 6 years, for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a fixed rate over the life of the loan (except for maximum limits applicable to participants with outstanding loans during military leave of absence). Interest rates on new loans are determined monthly at 1% over a published prime rate. Principal and interest of the loans are repaid in pay period installments via payroll deductions or, in limited situations, by check, money order or automatic debit from the participant's personal bank account.

Withdrawals and Distributions

Participants may elect in-service withdrawals of all or part of the value of their after-tax contributions, related vested Employer contributions, and any earnings on those funds. Withdrawals may subject the participant to certain suspension periods during which contributions may not be made. Hardship

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NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

withdrawals may be requested on pre-tax contributions. The Plan also permits participants who have separated from service to make withdrawals twice a year, with no age restrictions.

Depending upon the type of separation from service, including severance from employment, death, disability, or retirement, a participant may elect to receive the vested value of his account as a lump-sum distribution, to roll over the funds to an IRA or other qualified plan, or to receive annual installments over a period of up to 30 years depending on life expectancy rules. Payments are paid in cash except MII common stock may be distributed in kind.

Income Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated June 15, 2012, that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Code. The Plan has been amended since that date to incorporate regulatory changes, but the Plan administrators believe the Plan's design and operations continue to be in accordance with the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require the Plan administrators to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrators have analyzed the tax positions taken by the Plan and have 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 administrators believe it is no longer subject to income tax examinations for years prior to 2008.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right to amend, terminate or otherwise modify the Plan at any time, subject to the provisions of ERISA, solely at the discretion of the governing body of the Company. In the event of Plan termination, participants will immediately become 100% vested in their accounts.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

The Plan administrator has reviewed and evaluated events subsequent to December 31, 2011 through October 11, 2012, the date the financial statements were available to be issued, for their impact on amounts recorded and related disclosures in these financial statements, and has incorporated the related effects as appropriate.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

amounts reported in the financial statements and accompanying notes. Such estimates include those regarding fair value. Actual results could differ from those estimates and those differences could be material.

Risks and Uncertainties

The Plan provides for various investment options. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

Investment Valuation and Income Recognition

The Plan's investments approximate fair value. Benefit-responsive investment contracts in the reported value of the Vanguard Retirement Savings Trust II fund are valued at fair value based on fair values supplied by contract issuers for the underlying contracts. Shares of registered investment companies are valued at quoted market prices which are based on the market values of underlying investments held. The McDermott Stock Fund is valued at its year-end unit closing price (comprised of year-end market price plus uninvested cash position).

Purchases and sales of investments are recorded on the trade dates. Interest income is accrued as earned; dividends are recorded as income on the ex-dividend date. Capital gain distributions are included in dividend income.

Accounting for Investment Contracts

As described in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") "Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined-Contribution Pension Plans" ("ASC 962"), certain 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 attributed to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transaction under the terms of the plan. The participants in the Plan invest in this type of investment contracts through the McDermott Interest Income Fund election (until June 18, 2010), which invests in a number of Guaranteed Investment Contracts and Synthetic Investment Contracts and through the Vanguard Retirement Savings Trust Fund election. Contract value for these investments represents contributions made under the contract, plus earnings, less Plan withdrawals and administrative expenses. Fair value for these investments is determined by the contract issuer based on an analysis of discounted cash flows for the contract in consideration of market interest rates at the date of the valuation. As required by ASC 962, the Statement of Net Assets Available for Benefits presents the fair value of the investment in the collective trust, as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis as proscribed by ASC 962.

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NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

Net Appreciation (Depreciation)

The Plan presents in the Statement of Changes in Net Assets Available for Benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments (except for fully benefit responsive investments).

Contributions

Employee contributions and Employer contributions are funded semi-monthly. Contributions receivable as of December 31 represent contributions withheld from employees and due from the employer that were not funded until shortly after December 31.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest and are excluded from investments in the fair value tables in Note 5 as proscribed by Accounting Standards Update 2010-25. Delinquent notes receivable are reclassified as benefits paid based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid and are based on the fair value of the respective funds at the effective date of the withdrawal. Benefits are paid in cash except that MII common stock may be distributed in kind if elected by the participant.

Administrative and Investment Expenses

Historically, annual recordkeeping fees were deducted from participant accounts. Beginning in 2007, the annual recordkeeping fees paid by participants were eliminated. Participants with outstanding plan loans are charged a loan origination fee of \$40.00 and an annual loan maintenance fee of \$25.00, each of which is deducted from the participant's account. The cost of annual discrimination testing is paid by the Company. All other administrative and investment expenses are paid by the Plan through the expense ratios charged by the Plan's investment funds and are, therefore, a component reducing the net appreciation in the fair value of investments.

Reclassifications

Certain 2010 financial statement amounts have been reclassified to conform to current year presentation.

NOTE 3 – RELATED PARTY TRANSACTIONS

Participants in the Plan invest in shares of mutual funds managed by an affiliate of the Trustee and may also invest in shares of Employer common stock. Notes receivable from participants also qualify as party-in-interest transactions. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. The Company provides certain administrative services on behalf of the Plan with no compensation or reimbursement from the Plan.

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NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

NOTE 4 – FINANCIAL INFORMATION CERTIFIED BY THE TRUSTEE (Unaudited)

Pursuant to the provisions of 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan's administrator elected that independent auditors not perform any auditing procedures with respect to the information certified by the Trustee, except for comparing such information to the related financial statements. All financial data included in the financial statements and supplemental schedule and their accompanying notes relating to investments, income from investments, and net appreciation in fair value of investments was obtained from the information certified by the Trustee and is unaudited.

The following is a summary of the Plan's financial information and data certified by the Trustee as complete and accurate.

	December 31,	
	2011	2010
Investments:		
Fair Value (based on quoted market values):		
Registered Investment Companies	\$ 123,910,961	\$ 120,837,298
McDermott International, Inc. Common Stock	51,556,253	103,577,419
Money Market Fund	1,386,717	1,187,130
Fair Value (determined otherwise):		
Common/Collective Trust – Vanguard Retirement Savings Trust II	90,606,924	84,220,688
Participant Loans	1,788,476	1,903,002
Total investments	<u>\$ 269,249,331</u>	<u>\$ 311,725,537</u>
	Year Ended December 31,	
	2011	2010
Interest income from notes receivable – participant loans	\$ 73,985	\$ 305,547
Investment Income:		
Interest	2,590,833	5,669,667
Dividends	2,543,041	3,633,344
Net appreciation (depreciation) in fair value of investments	(44,266,743)	27,501,848
Other income	45,606	-
Total investment income (loss)	<u>\$ (39,087,263)</u>	<u>\$ 36,804,859</u>

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

At December 31, 2011 the Plan held the following investments representing 5% or more of the Plan's net assets:

Registered Investment Companies:		
Vanguard 500 Index Fund	\$	27,421,743
Vanguard Small-Cap Index Fund	\$	15,187,952
Vanguard Total Bond Market Index Fund Investor Shares	\$	14,360,548
Vanguard Retirement Savings Trust Fund II	\$	90,606,924
McDermott Stock Fund:		
McDermott International, Inc. Common Stock	\$	51,556,253

At December 31, 2010 the Plan held the following investments representing 5% or more of the Plan's net assets:

Registered Investment Companies:		
Vanguard 500 Index Fund	\$	27,757,843
Vanguard Small-Cap Index Fund	\$	15,646,118
Vanguard Retirement Savings Trust Fund II	\$	84,220,688
McDermott Stock Fund:		
McDermott International, Inc. Common Stock	\$	103,577,419

During the years ended December 31, 2011 and 2010, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated as follows:

	Year Ended December 31,	
	2011	2010
Net appreciation (depreciation) in fair value of investments:		
Registered investment companies	\$ (2,829,814)	\$ 19,638,572
McDermott International, Inc. Common stock	<u>(41,436,929)</u>	<u>7,863,276</u>
Total net appreciation (depreciation) in fair value of investments	<u>\$ (44,266,743)</u>	<u>\$ 27,501,848</u>

Effective June 18, 2010, the McDermott Interest Income Fund ceased to be an available investment option and was replaced by the Vanguard Retirement Savings Trust II Fund, which seeks to provide stable value primarily by investing in lower risk investments with insurance companies, other financial institutions and in other short-term instruments. At December 31, 2011 and 2010 the average yield rate earned by the fund was 3.09% and 3.36%, respectively, and the average crediting yield rate paid was 2.68% and 3.01%, respectively. The crediting rates within the fund typically reset quarterly based on the performance of the underlying investment and discounted cash flow analysis of contracted rates in comparison to prevailing and expected future interest rates. Restrictions may be imposed on withdrawals in the event of certain Plan level actions such as changes in the qualified status of the Plan, offering similar investment options or substantial transfers out of this fund. These actions may provide the fund issuer with the right to terminate the contract, which may affect the ability of the holders to settle their investment at contract value.

The McDermott Interest Income Fund investment option provided stable value primarily through low risk investments with insurance companies and other approved financial institutions, and other short-term investments. The McDermott Interest Income Fund invested in guaranteed investment contracts

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

("GICs"), which are contracts between insurance companies and the Plan that provide for a guaranteed return on principal invested over a specified time period. It also invested in synthetic investment contracts ("SICs"), which represent individual assets or a portfolio of assets owned by the Plan and placed in a trust, with a third party issuing a wrapper contract to enable holders to execute transactions at contract value. Individual assets of the synthetic contracts are valued as determined by the individual contract issuers based on expected cash flows.

NOTE 5 – FAIR VALUE OF INVESTMENTS

The Plan adopted Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* on January 1, 2008. This topic defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The topic also expands the disclosure requirements around fair value and establishes a hierarchy for valuation inputs that emphasizes the use of observable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Categorization of instruments within the fair level hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under this topic are described below:

Level 1	Inputs are based on unadjusted quoted prices for identical instruments traded in active markets.
Level 2	Inputs are based on unadjusted quoted prices for similar instruments in active markets or identical instruments in inactive markets and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability.
Level 3	Inputs are generally unobservable and typically reflect estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are usually determined using model-based techniques that include option pricing models, discounted cash flow models and similar valuation techniques.

Following is a description of the primary valuation methodologies used to measure the fair value of each class of Plan assets at December 31, 2011 and 2010.

Registered investment companies: Valued at the net asset value ("NAV") of shares held by the plan at year end as evidenced on national trading exchanges.

Company stock fund: Valued based on the last quoted price on the listed exchange.

Money market funds: Valued at the notional monetary amount held by the plan.

Benefit-responsive investment contracts: The common collective trust fund is valued at fair value using the income method by discounting the related future cash flows based on contractual terms and credit worthiness of the issuer. Synthetic contracts valued based on market prices of the underlying assets held. Observable inputs for benefit-responsive contracts include interest rates and comparison of fair values for similar contracts.

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NOTES TO FINANCIAL STATEMENTS December 31, 2011 and 2010

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2011:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies:				
Large Cap Equity funds	\$ 44,316,777	\$ —	\$ —	\$ 44,316,777
Other Equity funds	30,225,394	—	—	30,225,394
Target date funds	33,718,016	—	—	33,718,016
Fixed income funds	15,650,774	—	—	15,650,774
Common/Collective Trust	—	90,606,924	—	90,606,924
Company stock fund	51,556,253	—	—	51,556,253
Money market funds	1,386,717	—	—	1,386,717
Total	\$ 176,853,931	\$ 90,606,924	\$ —	\$ 267,460,855

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 (equity funds presented in the prior year financial statements have been segregated in the table below to enhance comparability with the amounts presented for December 31, 2011):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies:				
Large Cap Equity funds	\$ 44,033,414	\$ —	\$ —	\$44,033,414
Other Equity funds	32,082,685	—	—	32,082,685
Target date funds	30,718,328	—	—	30,718,328
Fixed income funds	14,002,871	—	—	14,002,871
Common/Collective Trust	—	84,220,688	—	84,220,688
Company stock fund	103,577,419	—	—	103,577,419
Money market funds	1,187,130	—	—	1,187,130
Total	\$ 225,601,847	\$ 84,220,688	\$ —	\$ 309,822,535

Level 2 assets were measured using the income approach. There were no Level 3 assets held by the Plan during 2011 and 2010.

MCDERMOTT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

NOTE 6 – RECONCILIATION TO FORM 5500

Following is a reconciliation of amounts reported in these financial statements with the Plan's Form 5500:

Statement of Net Assets	<u>December 31, 2010</u>
Investments at fair value reported in these financial statements	\$ 309,822,535
Less – fair value in excess of contract value for stable value fund adjustment	(3,316,272)
Investment purchase liability accrued in Form 5500, not in financials	<u>109,709</u>
Investments reported in the Form 5500	<u>\$ 306,615,972</u>
	 <u>December 31, 2011</u>
Investments at fair value reported in these financial statements	\$ 267,460,855
Less – fair value in excess of contract value for stable value fund adjustment	(4,195,677)
Rounding	<u>(1)</u>
Investments reported in the Form 5500	<u>\$ 263,265,177</u>

MCDERMOTT THRIFT PLAN

Schedule H line 4i - Schedule of Assets (Held at End of Year) - December 31, 2011

EIN: 74-1032246, Plan 003

As of December 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Investment Type	Cost	Fair Value
* Vanguard 500 Index Investment		Registered Investment Company	<i>i</i>	\$ 27,421,743
* Vanguard Explorer Fund Investment		Registered Investment Company	<i>i</i>	3,784,777
* Vanguard Extend Market Index Investment		Registered Investment Company	<i>i</i>	4,717,989
* Vanguard Growth Index Investment		Registered Investment Company	<i>i</i>	2,633,385
* Vanguard Morgan Growth Investment		Registered Investment Company	<i>i</i>	6,285,368
* Vanguard Prime Money Market		Registered Investment Company	<i>i</i>	1,386,717
* Vanguard Small Cap Index Investment		Registered Investment Company	<i>i</i>	15,187,952
* Vanguard Target Retirement 2005		Registered Investment Company	<i>i</i>	2,541,753
* Vanguard Target Retirement 2010		Registered Investment Company	<i>i</i>	908,635
* Vanguard Target Retirement 2015		Registered Investment Company	<i>i</i>	8,427,464
* Vanguard Target Retirement 2020		Registered Investment Company	<i>i</i>	2,310,078
* Vanguard Target Retirement 2025		Registered Investment Company	<i>i</i>	7,097,300
* Vanguard Target Retirement 2030		Registered Investment Company	<i>i</i>	1,253,987
* Vanguard Target Retirement 2035		Registered Investment Company	<i>i</i>	4,750,647
* Vanguard Target Retirement 2040		Registered Investment Company	<i>i</i>	1,007,848
* Vanguard Target Retirement 2045		Registered Investment Company	<i>i</i>	4,241,608
* Vanguard Target Retirement 2050		Registered Investment Company	<i>i</i>	1,087,441
* Vanguard Target Retirement 2055		Registered Investment Company	<i>i</i>	91,255
* Vanguard Target Retirement Inc.		Registered Investment Company	<i>i</i>	1,290,226
* Vanguard Total Bond Market Index Inv		Registered Investment Company	<i>i</i>	14,360,548
* Vanguard Total Int'l Stock Index		Registered Investment Company	<i>i</i>	6,534,676
* Vanguard Windsor II Fund Inv		Registered Investment Company	<i>i</i>	7,976,281
* Vanguard Retirement Savings Trust II		Common/Collective Trust	<i>i</i>	90,606,924
* McDermott Stock Fund		Company Stock Fund	<i>i</i>	51,556,253
* Participant Loans		4.25% to 10%	-0-	1,841,525
Total assets held for investment purposes				\$ 269,302,380

* – A party-in-interest as defined by ERISA.

i – The cost of participant-directed investments is not required to be disclosed.

This schedule was prepared based upon data that was certified as complete and accurate, by the Plan's trustee, Vanguard.

See accompanying report of independent auditors.

MCDERMOTT THRIFT PLAN

Schedule H line 4i - Schedule of Assets (Held at End of Year) - December 31, 2011

EIN: 74-1032246, Plan 003

As of December 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Investment Type	Cost	Fair Value
* Vanguard 500 Index Investment		Registered Investment Company	<i>i</i>	\$ 27,421,743
* Vanguard Explorer Fund Investment		Registered Investment Company	<i>i</i>	3,784,777
* Vanguard Extend Market Index Investment		Registered Investment Company	<i>i</i>	4,717,989
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* Vanguard Target Retirement 2035		Registered Investment Company	<i>i</i>	4,750,647
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* Vanguard Retirement Savings Trust II		Common/Collective Trust	<i>i</i>	90,606,924
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* Participant Loans		4.25% to 10%	-0-	1,841,525
Total assets held for investment purposes				\$ 269,302,380

* – A party-in-interest as defined by ERISA.

i – The cost of participant-directed investments is not required to be disclosed.

This schedule was prepared based upon data that was certified as complete and accurate, by the Plan's trustee, Vanguard.

See accompanying report of independent auditors.