

FOR IMMEDIATE RELEASE

BLUE HARBOUR GROUP COMMENTS ON BABCOCK & WILCOX SPINOFF DECISION

Greenwich, CT, November 6, 2014 – Blue Harbour Group, L.P., a lead shareholder of Babcock & Wilcox owning approximately 6.8% of its common shares, today issued the following comment in support of the decision by Babcock & Wilcox' Board of Directors to pursue a tax-free spin-off of the Company's Power Generation business to the Company's shareholders.

Robb A. LeMasters, a Blue Harbour Managing Director, stated, "We applaud the decision by the management and board of Babcock & Wilcox to continue their efforts at enhancing and unlocking shareholder value by separating the Power Generation business and the Government & Nuclear Operations businesses into two independent publicly-traded companies. In particular, we share the Board's and management's view that creating two independent companies will enable each to establish an optimal capital structure, pursue an expanded range of strategic initiatives, and reduce the public market discount that we believe affects Babcock & Wilcox in its current form.

"We believe today's announcement - combined with the Company's progress in reducing near-term investment in its mPower business and in more aggressively using its balance sheet capacity - reflects the leadership team's active and open-minded approach to delivering on its commitments to shareholders. We also believe the Company has the scope to take further actions to create shareholder value in the future, and we look forward to continuing our active and collaborative engagement with Babcock & Wilcox going forward," Mr. LeMasters concluded.

Blue Harbour Group was formed in 2004 to pursue an Active Ownership investment strategy by acting as a lead minority shareholder primarily in U.S. publicly traded companies, and working collaboratively with managements and boards to identify initiatives to create and unlock shareholder value.

Blue Harbour manages more than \$3 billion in capital on behalf of pension funds, endowments, sovereign wealth funds and other institutional investors.

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