

BWXT Provides Tax Basis Allocation Methodology Following Power Generation Spin-Off

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LYNCHBURG, Va.--(BUSINESS WIRE)--Jul. 6, 2015-- BWX Technologies, Inc. (BWXT or the “Company”) (NYSE:BWXT) today provided information relating to tax basis allocation methodology for shareholders of BWXT following the Company’s spin-off distribution of the common stock of Babcock & Wilcox Enterprises, Inc. (B&W) (NYSE:BW). As previously announced, the Company changed its name to BWX Technologies, Inc. and changed its ticker symbol from BWC to BWXT at the time of spin-off.

Tax Basis Allocation Methodology

In the spin-off, each shareholder received one share of B&W common stock for every two shares of the Company held as of June 18, 2015. As a consequence of the spin-off, a shareholder must allocate the tax basis in the shares of BWC common stock immediately before the spin-off among its shares of BWXT common stock and its newly received shares of B&W common stock (including any fractional share for which the shareholder received cash). The allocation of tax basis among shares of BWXT common stock and the shares of B&W common stock that a shareholder received in the spin-off (including any fractional share for which the shareholder received cash) is based on the relative fair market values of the BWXT stock and B&W stock on the date of distribution.

U.S. federal income tax law does not specify how to determine these relative fair market values. Fair market value generally is the price at which property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. For this purpose, the trading prices of BWXT common stock and B&W common stock on the New York Stock Exchange (NYSE) will be used, but it is uncertain which trading prices should be used for this purpose. The following are several alternative trading prices for determining the fair market value of the BWXT common stock and the B&W common stock, although other trading prices might be used:

- The closing trading prices of the BWXT and B&W “when-issued” common stock as quoted on the NYSE on June 30, 2015, the last day of “when-issued” trading before the spin-off;
- The opening trading prices of BWXT and B&W common stock as quoted on the NYSE on July 1, 2015, the first day of “regular way” trading for common stock after the spin-off;
- The closing trading prices of BWXT and B&W common stock as quoted on the NYSE on July 1, 2015, the first day of “regular way” trading for common stock after the spin-off; and
- The average of the high and low trading prices of BWXT and B&W common stock as quoted on the NYSE on July 1, 2015, the first day of “regular way” trading for common stock after the spin-off.

A comparison of these alternatives is in the following tables, with an indicative example.

Trading Prices

	June 30	July 1	July 1	July 1
Common Stock	When-Issued Closing Price	Opening Price	Closing Price	Avg. of High & Low Price
BWXT	\$ 23.45	\$28.00	\$24.45	\$ 25.96
BW	\$ 18.66	\$19.50	\$19.90	\$ 19.37

Tax Basis Allocation Percentages (1)

	June 30	July 1	July 1	July 1
Common Stock	When-Issued Closing Price	Opening Price	Closing Price	Avg. of High & Low Price

BWXT	71.54 %	74.17%	71.08%	72.83 %
BW	28.46 %	25.83%	28.92%	27.17 %

(1) Determined by computing the ratio of (a) the per share trading price of BWXT or 1/2 of the per share trading price of B&W stock, as applicable, in the Trading Prices table above and (b) the sum of the per share trading price of BWXT stock and 1/2 of the per share trading price of B&W stock.

Indicative Example

Assumptions

Shares of BWC owned before the B&W spin-off	1,000
Shares of BWXT (formerly BWC) owned immediately after the B&W spin-off	1,000
Per share tax basis in BWC shares owned before the B&W spin-off	\$10
Aggregate tax basis of BWC shares before the B&W spin-off	\$ 10,000
Shares of BW received in the B&W spin-off	500

Aggregate Tax Basis (2)

	June 30	July 1	July 1	July 1
Common Stock	When-Issued Closing Price	Opening Price	Closing Price	Avg. of High & Low Price
BWXT	\$ 7,153.75	\$ 7,417.22	\$ 7,107.56	\$ 7,282.55
B&W	\$ 2,846.25	\$ 2,582.78	\$ 2,892.44	\$ 2,717.45

(2) Determined by multiplying \$10,000 by the applicable percentage from the Tax Basis Allocation

Percentages table above.

Per Share Tax Basis (3)

	June 30	July 1	July 1	July 1
Common Stock	When-Issued Closing Price	Opening Price	Closing Price	Avg. of High & Low Price
BWXT	\$ 7.154	\$ 7.417	\$ 7.108	\$ 7.283
B&W	\$ 5.692	\$ 5.166	\$ 5.785	\$ 5.435

(3) Determined, in the case of the BWXT stock, by dividing the aggregate tax basis allocable to the BWXT shares in the table above by 1,000 (the number of BWC shares owned before the spin-off) and, in the case of the B&W stock, by dividing the aggregate tax basis allocable to the B&W shares in the table above by 500 (the number of BW shares received in the spin-off).

This information is not a complete analysis of all of the potential U.S. federal income tax consequences relating to the spin-off of B&W or each shareholder's particular circumstances. Shareholders are encouraged to consult their own tax advisors regarding the tax consequences of the spin-off in light of their specific circumstances.

This information does not apply to BWXT shareholders (i) who did not receive their B&W common stock in the spin-off on June 30, 2015, (ii) who were not record holders of BWXT common stock as of the close of business on June 18, 2015, (iii) who did not continuously hold their shares from the record date through the time of the spin-off, or (iv) who acquired blocks of BWXT common stock at different times and prices.

About BWXT

Headquartered in Lynchburg, Va., BWX Technologies, Inc. (BWXT) is a leading supplier of nuclear components and fuel to the U.S. government; provides technical, management and site services to support governments in the operation of complex facilities and environmental remediation activities; and supplies precision manufactured components and services for the commercial nuclear power industry. BWXT has more than 5,200 employees and significant operations in Lynchburg, Va.; Erwin, Tenn.; Mount Vernon, Ind.; Euclid, Ohio; Barberton, Ohio; and Cambridge, Ontario, as well as more than a dozen U.S. Department of Energy sites around the

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