



The Resurrection of Foster Wheeler



Raymond J. Milchovich
Chairman, President & CEO, Foster Wheeler Ltd.

Rice Global E&C Forum – Monthly Roundtable
June 9, 2006

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This presentation contains forward-looking statements that are based on management's assumptions, expectations and projections about the Company and the various industries within which the Company operates. These include statements regarding the Company's expectations regarding revenues (including as expressed by its backlog), liquidity, the outcome of litigation and legal proceedings and recoveries from customers for claims, and the costs of current and future asbestos claims, and the amount and timing of related insurance recoveries. Such forward-looking statements by their nature involve a degree of risk and uncertainty. The Company cautions that a variety of factors, including but not limited to the factors described under the heading "Business—Risk Factors of the Business" in the Company's most recent annual report on Form 10-K and the following, could cause the Company's business conditions and results to differ materially from what is contained in forward-looking statements: changes in the rate of economic growth in the United States and other major international economies, changes in investment by the power, oil and gas, pharmaceutical, chemical/petrochemical and environmental industries, changes in the financial condition of customers, changes in regulatory environment, changes in project design or schedules, contract cancellations, changes in estimates made by the Company of costs to complete projects, changes in trade, monetary and fiscal policies worldwide, currency fluctuations, war and/or terrorist attacks on facilities either owned or where equipment or services are or may be provided, outcomes of pending and future litigation, including litigation regarding our liability for damages and insurance coverage for asbestos exposure, protection and validity of patents and other intellectual property rights, increasing competition by foreign and domestic companies, compliance with debt covenants, recoverability of claims against customers and others, changes in estimates used in critical accounting policies. Other factors and assumptions not identified above were also involved in the formation of these forward-looking statements and the failure of such other assumptions to be realized, as well as other factors, may also cause actual results to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond the Company's control. You should consider the areas of risk described above in connection with any forward-looking statements that may be made by the Company. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any additional disclosures the Company makes in proxy statements, quarterly reports on Form 10-Q, annual reports on Form 10-K and current reports on Form 8-K filed with the Securities and Exchange Commission.

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Agenda

- About Foster Wheeler
- What happened?
- Actions taken
- Accomplishments
- Lessons learned
- 2006 priorities

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Foster Wheeler – in a nutshell

- A leading international engineering, construction and project management contractor and power equipment supplier
- In business for more than 100 years
- Operations in 26 countries
- Two business groups:
 - Global Engineering & Construction (E & C) Group
 - Global Power Group



About Foster Wheeler



The Foster Wheeler brand - cost-competitive quality

- A reputation for safe, on-time, on-budget delivery of high-quality, technically advanced facilities and equipment, which start up as planned and perform reliably
- A large technical resource pool - highly regarded for professionalism, integrity, expertise and experience
- Proven track record of executing world-scale, technically complex projects in challenging locations

About Foster Wheeler



What we do - Global E & C Group

- Front-end design, engineering, procurement, construction and project management for:
 - Upstream oil & gas
 - LNG & gas-to-liquids
 - Oil refining
 - Chemicals & petrochemicals
 - Pharmaceuticals, biotechnology & healthcare
 - Power project development & EPC
 - Environmental remediation

Delivering projects from concept to commissioning

About Foster Wheeler

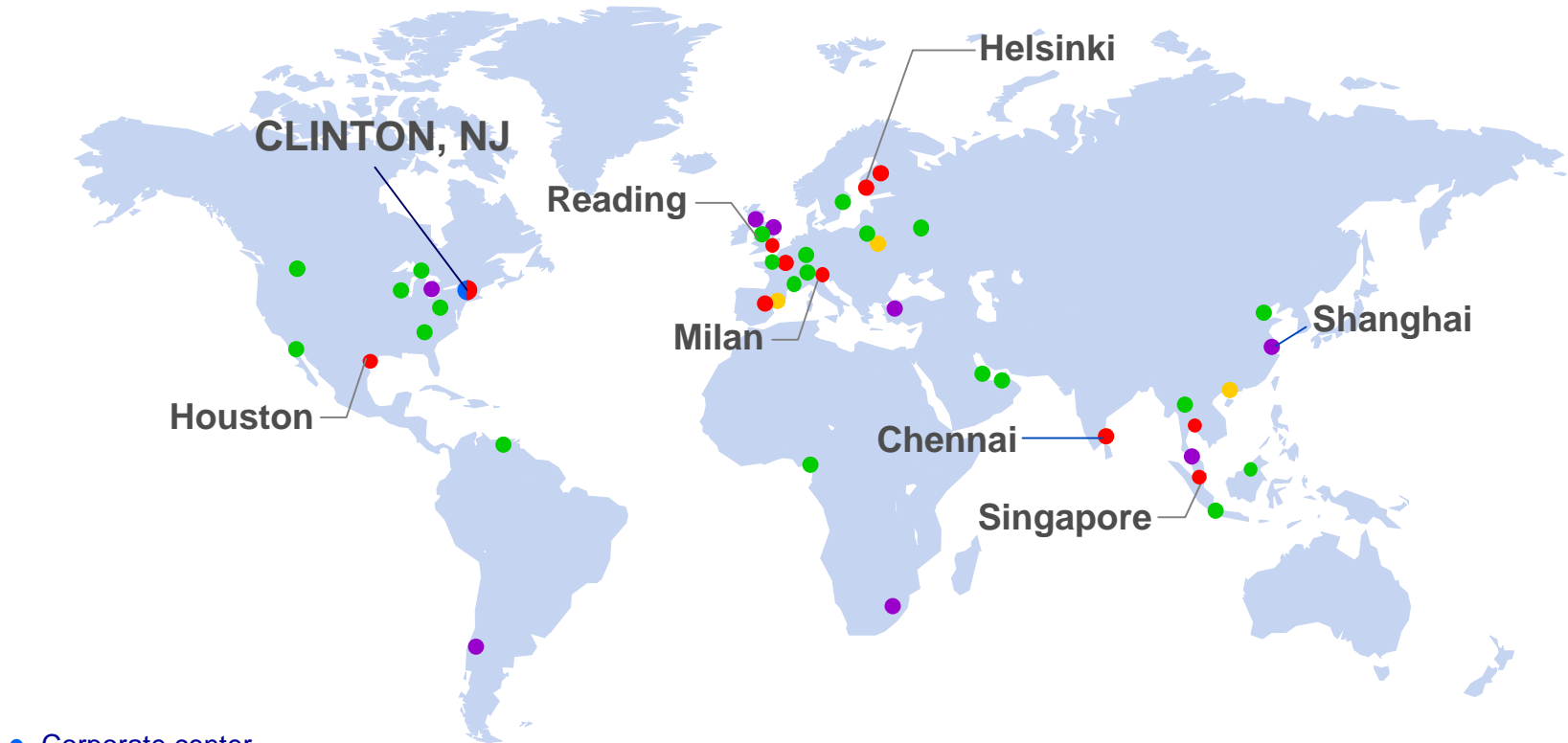


What we do - Global Power Group

- Design, manufacture and erect steam generating and auxiliary equipment for electric power generation
 - Full range of fluidized-bed and conventional boilers firing coal, oil, gas, biomass, municipal solid waste
 - Market leader in circulating fluidized bed (CFB) technology – sold over 250 units
 - Strong position in emission control products: low NOx burners, SCR's
 - Replacement parts and services

Delivering leading-edge technology solutions and services

Global resources: around 9,000 highly skilled people



- Corporate center
- Operating Unit HQs and/or main engineering centers
- Regional engineering centers
- Sales/local service offices
- Manufacturing centers

We have intelligently and cost-effectively increased our Global E&C Group's capacity by over 30% during the last 12 months

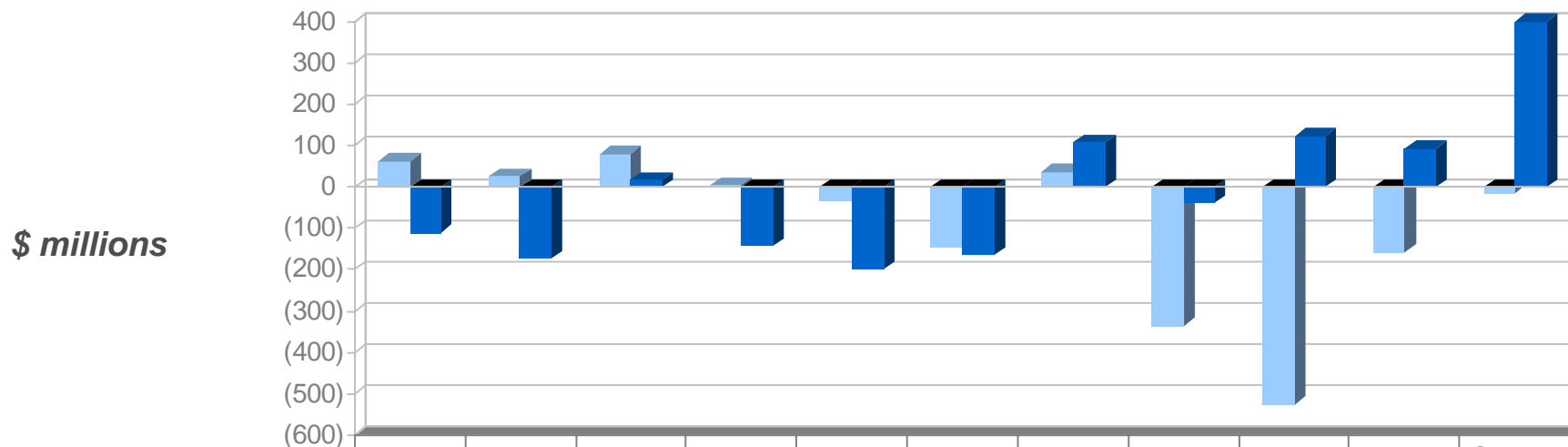
The Resurrection of Foster Wheeler

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What happened?

Net earnings and net debt change: 1994 – September 2004



Net earnings/(loss)	63	26	80	3	(34)	(146)	37	(336)	(525)	(157)	(15) ²
Net debt ¹ (increase)/decrease	(111)	(174)	17	(143)	(200)	(165)	107	(39)	123	92	398

■ Net earnings/(loss)
■ Net debt¹ (increase)/decrease

Net earnings 1994 – 2000: \$29 million

Net debt¹ (increase)/decrease 1994 – 2000: (\$669) million

Net loss 2001 – 2004: (\$1,033) million

Net debt¹ (increase)/decrease 2001 – 2004: \$574 million

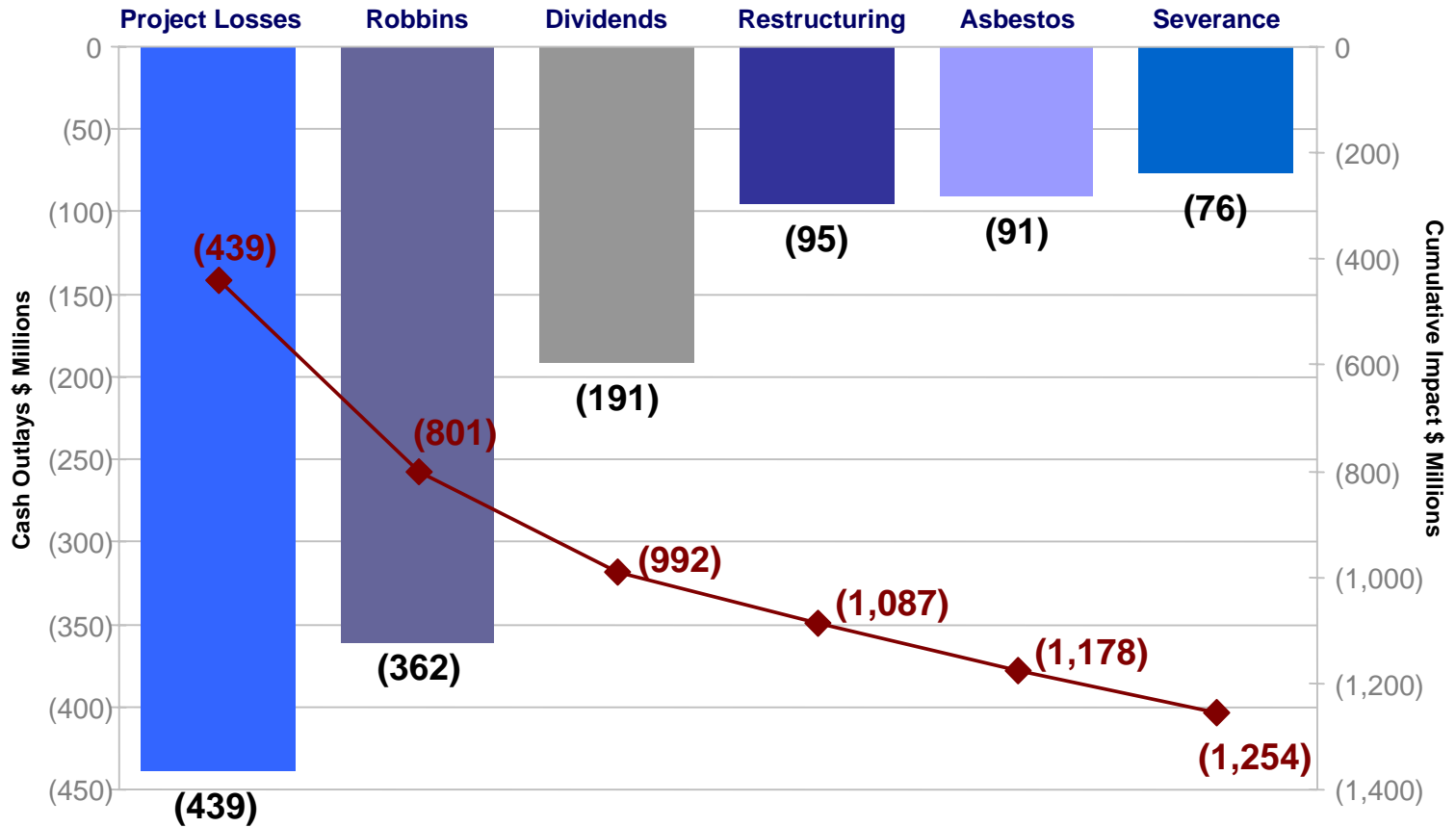
¹ Net debt equals total debt less cash and short-term investments

² September 2004 net earnings excludes \$175.1m loss on equity for debt exchange

What happened?

Major drains on liquidity: 1994 – September 2004

Liquidity impact totalling \$1.3 billion



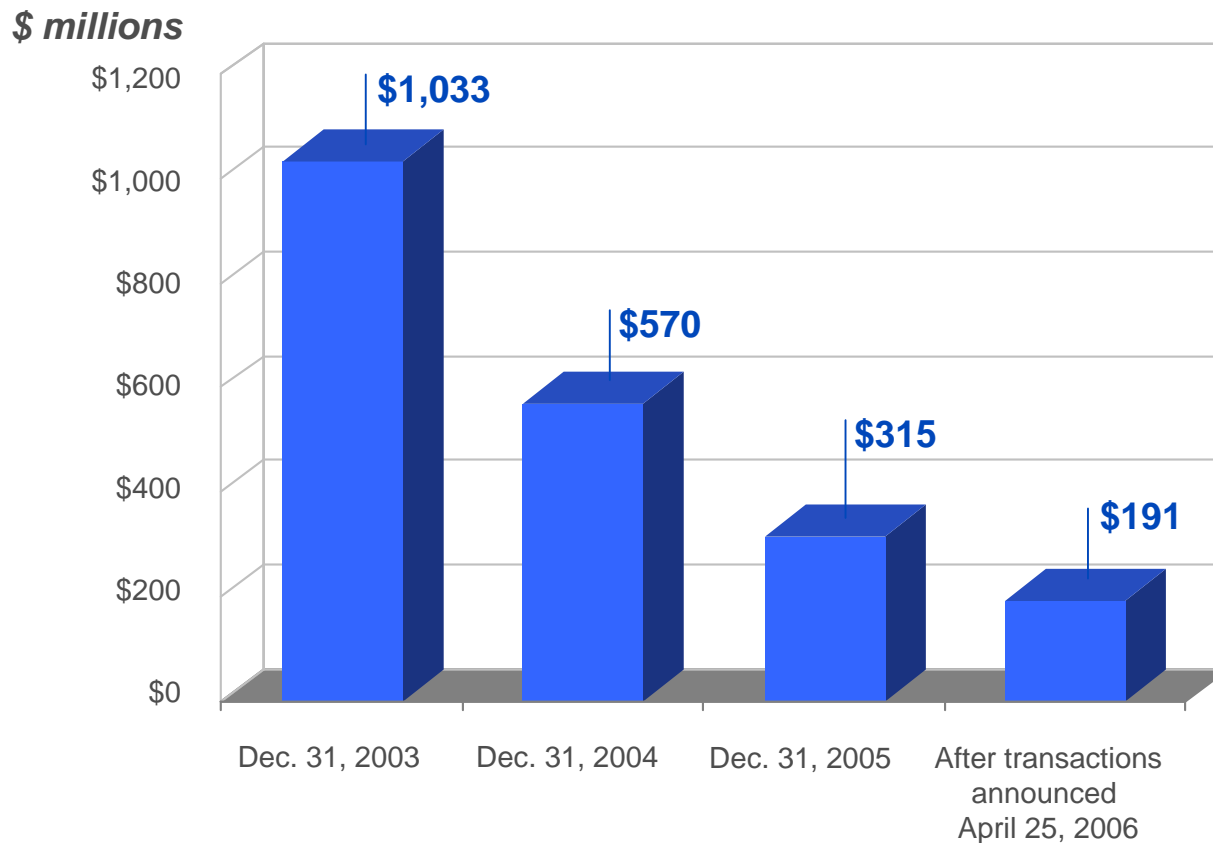
The Resurrection of Foster Wheeler

Agenda

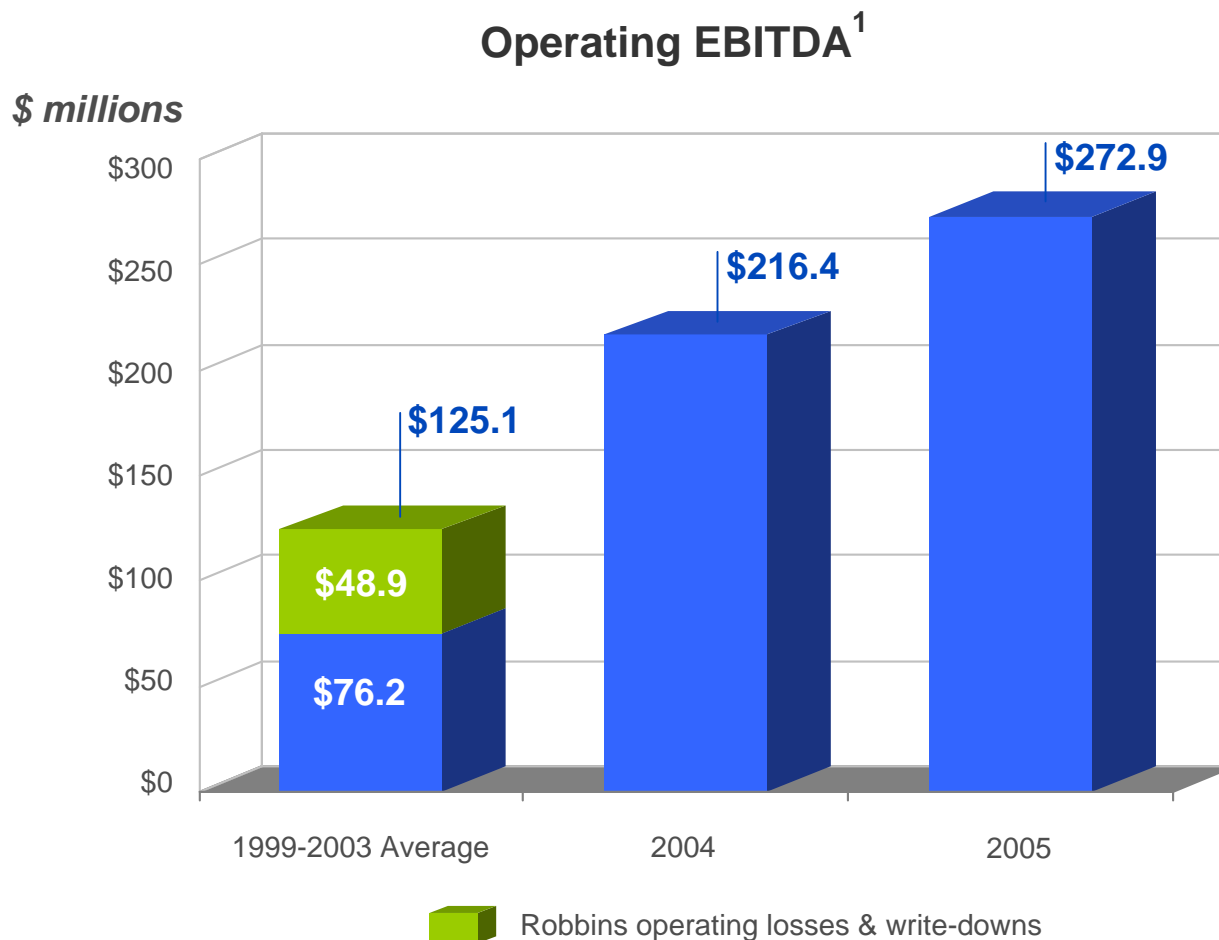
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Reduced total debt by \$842 million since 2003

Leverage now comparable with our competitors



Transformed operational performance



¹ Operating EBITDA excludes Corporate & Financial Services expense and inter-company eliminations. Such amounts were \$102.8, \$321.2, and \$264.2 for the 1999-2003 average, 2004, and 2005, respectively. Consolidated EBITDA equals Operating EBITDA less the Corporate and Financial Services expense and inter-company eliminations.

Excellent bookings and backlog performance

New Orders Booked



Backlog at Year-End



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Accomplishments

A focused team with clear priorities

- Transformed our capital structure
- Operations performing strongly and consistently
- Embedded a clear strategic focus with sustainable differentiators
- Delivered very strong bookings and rebuilt backlog
- Significantly broadened our client base



Woodside LNG, Australia:

Foster Wheeler is leading the EPC JV which is adding a fifth LNG liquefaction train

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Five key critical success factors

- Company must have potential sources of competitive advantage
- Find the people who “get it”
- Focus on the basics and embed very high standards of excellence
- Lead by example
- Have the courage to take systemic action

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A focused team with clear priorities

- Maintain adequate corporate liquidity and ensure robust corporate cash flow
- Optimize strategic and tactical performance of our two business groups: Global E&C Group and Global Power Group
- Achieve optimized capital structure
- Demonstrate performance sustainability
- Achieve material earnings growth



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General contact: fw@fwc.com

Media:

Maureen Bingert 908 730 4444 Maureen_Bingert@fwc.com

Investor Relations:

Kevin Hagan 908 713 2034 Kevin_Hagan@fwc.com