IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
Combustion Engineering, Inc.,	)	**Case No. 03-10495 (MFW)**
	)	
Debtor.	)	

NOTICE OF FILING OF ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2014

(For the Period January 1, 2014 to December 31, 2014)

PLEASE TAKE NOTICE that, on April 30, 2015, the Trustees of the Combustion Engineering 524(g) Asbestos PI Trust (the "Trust") filed the Annual Report, Financial Statements and Results of Operations of the Trust for Fiscal Year Ended December 31, 2014 (the "Annual Report") and its audited financial statements for the same period (the "Audited Financial Statements"). The Annual Report and the Audited Financial Statements are attached hereto as Exhibits "A" and "A-1," respectively

Dated: April 30, 2015

Respectfully submitted,

HOGAN♦McDANIEL

By: *Daniel K. Hogan*
Daniel K. Hogan (DE Bar No. 2814)

1311 Delaware Avenue
Wilmington, Delaware 19806
Telephone: (302) 656-7540
Facsimile: (302) 656-7599
dkhogan@dkhogan.com

-and-

STUTZMAN, BROMBERG
ESSERMAN & PLIFKA
A Professional Corporation
Sander L. Esserman (Texas Bar No. 06671500)
Steven A. Felsenthal (Texas Bar No. 06889900)
2323 Bryan Street, Suite 2200
Dallas, Texas 85201-2689
Telephone: (214) 969-4900
Facsimile: (214) 969-4999
esserman@sbep-law.com
felsenthal@sbep-law.com

ATTORNEYS FOR THE COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST

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EXHIBIT A

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
Combustion Engineering, Inc.,	)	**Case No. 03-10495 (MFW)**
	)	
Debtor.	)	

ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2014

The Honorable Ken Kawaichi, Ret., Ellen S. Pryor and the Honorable Richard Neville, Ret., Trustees of the Combustion Engineering 524(g) Asbestos PI Trust (the "Trust"), created pursuant to Combustion Engineering, Inc.'s Plan of Reorganization, as Modified through October 7, 2005 (the "Plan"), submit this Annual Report, Financial Statements and Results of Operations of the Combustion Engineering 524(g) Asbestos PI Trust for Fiscal Year Ended December 31, 2014.

I. General

Combustion Engineering, Inc. ("Combustion Engineering") filed a voluntary petition for relief under Chapter 11, title 11 of the United States Code (the "Bankruptcy Code") on February 17, 2003. The United States Bankruptcy Court for the District of Delaware entered the Order Confirming (and Recommending Affirmance by the U.S. District Court) Debtor's Plan of Reorganization as Modified Through October 7, 2005 and Setting Bar Dates to File Certain Claims in Paragraphs 50, 51, 52, 53 and 73 on December 19, 2005 (the "Confirmation Order"). On March 1, 2006, the United States District Court for the District of Delaware entered its order affirming the Confirmation Order and Issuing Injunctions. The Effective Date of the Plan occurred on April 21, 2006. Pursuant to the Plan, Steven Kazan, Russell W. Budd, Brent Coon,

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John D. Cooney and Matthew P. Bergman are the members of the Trust Advisory Committee ("TAC"). Roger Frankel is the Future Claimants' Representative ("FCR").

The Combustion Engineering 524(g) Asbestos PI Trust Agreement ("Trust Agreement") and the Combustion Engineering 524(g) Asbestos PI Trust Bylaws (the "Bylaws") require the Trustees to meet with the TAC and the FCR at least two times each calendar year, at regular or special meetings. In 2014, the Trust held regular meetings on February 26, 2014, May 21, 2014, September 17, 2014, and November 12, 2014. The Trust held special meetings on March 5, 2014 and March 14, 2014.

The Trustees generally held weekly Trustees' meetings throughout the year, usually by telephone.

Effective September 25, 2013, the Trustees named Hon. Ken Kawaichi, Ret., Managing Trustee for a one year term. The Trustees extended Trustee Kawaichi's term as Managing Trustee to December 31, 2014.

The principal office of the Trust is located at 1105 North Market Street, Suite 1300, P.O. Box 8985, Wilmington, Delaware 19899. The Trust's administrative office is located at 400 N. Saint Paul Street, Suite 600, Dallas, Texas 75201.

In 2014, the Trust entered and/or continued service agreements with: Stutzman, Bromberg, Esserman & Plifka, a Professional Corporation (general counsel); Lain Faulkner & Co. P.C. (accountant and administrator); Verus Claims Services LLC (TDP Claims processing facility and claims administrator); Gilbert LLP (insurance counsel); BDO USA, LLP (auditor); Wilshire Associates (financial consultant); State Street Bank & Trust (custodian); Alliance Bernstein LP (money manager); Northern Trust Investments, N.A. (money manager); Standish Mellon Asset Management Company LLC (money manager); State Street Global Advisors

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(money manager); Allianz Global Investors Capital (money manager); Richmond Capital Management, Inc. (money manager); Legal Analysis Systems (claims forecasting); and AON Risk Services Central, Inc. (insurance agent). The Trust retained local counsel as needed.

The Trust maintained liability insurance for the Trustees, the members of the TAC and the FCR.

II. Asbestos PI Claims

The Combustion Engineering 524(g) Asbestos PI Trust First Amended and Restated Asbestos PI Trust Distribution Procedures (effective September 16, 2009) (the "TDP"), the Combustion Engineering 524(g) Asbestos PI Trust Revised and Restated Procedures for Reviewing and Liquidating TDP Claims, the Combustion Engineering 524(g) Asbestos PI Trust Claim Form, and other claims-related forms and instructions are available at www.cetrust.org.

A. Payment Percentage, Maximum Annual Payment and Claims Payment Ratio

Pursuant to TDP Section 4.3, the Payment Percentage applied to claims paid by the Trust in 2014 was 33%.

The Maximum Annual Payment for 2014 was $113,300,000.

Under the TDP, Claims Payment Ratios are 87% for Category A Claims (malignancy claims and severe asbestosis) and 13% for Category B Claims (other non-malignancy claims).

The Maximum Annual Payment and Claims Payment Ratios were applied as follows:

For 2014, 87% of the Maximum Annual Payment of $113,300,000 was allocated to Category A Claims and 13% was allocated to Category B Claims, with payments as follows:

Category A Claims 87% =	$ 98,571,000
Paid in 2014 (net of refunds) =	$ 98,567,967
Category B Claims 13% =	$ 14,729,000

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Paid in 2014 (net of refunds) =	$ 14,728,244

A total of 1,537 liquidated Category A Claims and 11,361 liquidated Category B Claims remained in the FIFO Payment Queue (as that term is defined in the TDP) as of December 31, 2014.

B. Claims Statistics for the Fiscal Year Ending December 31, 2014

From inception of the Trust through the period ending December 31, 2014, the Trust has received a total of 356,130 claims. As of December 31, 2014, the Trust has paid a total of 107,954 claims. The Trust received 20,176 claims in 2014. In 2014, the Trust liquidated and paid 24,396 claims for a total of $113,296,211. Below is further detail with respect to the claims received and paid by the Trust in 2014.

Total claims received in 2014:

Total Category A Claims received in 2014 =		7,400
Category A Claims submitted for Expedited Review	4,626	
Category A Claims submitted for Individual Review	2,774	
Total Category B Claims received in 2014 =		12,776
Category B Claims submitted for Expedited Review	12,034	
Category B Claims submitted for Individual Review	742	
Total claims received in 2014 =		20,176

Total claims paid in 2014:

Total Category A Claims paid in 2014 =		7,146
Category A Claims paid pursuant to Expedited Review	4,427	
Category A Claims paid pursuant to Individual Review	2,719	
Total Category B Claims paid in 2014 =		17,250

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Category B Claims paid pursuant to Expedited Review	15,450
Category B Claims paid pursuant to Individual Review	1,800
Total claims paid in 2014 =	24,396

Since inception of the Trust, the Trust has not approved 217,750 claims, including rejected claims, claims with un-cured deficiencies, and withdrawn and deferred claims. The number of claims in the FIFO Processing Queue (as that term is defined in the TDP) on December 31, 2014, totaled 8,657, of which 3,115 are Category A Claims and 5,542 are Category B Claims.

III. Compensation and Expenses of Trustees

Under Section 5.5(c) of the Trust Agreement, the Trust reports to the Court the amount of compensation and expenses paid to the Trustees. The Trust refers the Court to the Supplementary Information to the audited special-purpose financial statements, attached hereto. The Trust pays the Delaware Trustee a fee of $2,500, which is included in administrative costs in the Supplementary Information.

IV. Plan Reserve Blocked Account

Under the Excess Funds Agreement entered as of April 20, 2006, by and among the Trust, Combustion Engineering, Inc., ABB Inc. and ABB Holdings Inc., a Plan Reserve Blocked Account was established and funded to pay certain administrative expenses of the Combustion Engineering Chapter 11 case and certain unsecured creditor claims filed against the Combustion Engineering bankruptcy estate, all if and as allowed under the Plan. To the extent that funds remain in the Plan Reserve Blocked Account after the payment of the allowed administrative expenses and unsecured claims, the funds become the property of the Trust pursuant to the Plan. If the allowed administrative expenses and unsecured claims exceed the amount of the funds in

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the Plan Reserve Blocked Account, the Trust has no liability for the payment of the remaining portion of the allowed administrative expenses and unsecured claims. By agreement with Combustion Engineering, Inc. entered on November 6, 2006, one half of certain legal fees incurred and accrued by Combustion Engineering, Inc. after April 21, 2006 will be paid from the Plan Reserve Blocked Account.

Pursuant to the Excess Funds Agreement, on April 23, 2015, Combustion Engineering, Inc. reported to the Trust regarding the status of the Plan Reserve Blocked Account. As of April 23, 2015, the balance of the Plan Reserve Blocked Account totaled approximately $9.5 million.

V. Financial Statements

A copy of the Trust's audited financial statements for the year ending December 31, 2014, is attached here as Exhibit "A-1." The attached financial statements include supplemental schedules with the Trust's operating expenses and income taxes for the years ended December 31, 2014 and 2013.

Dated: April 30, 2015

HOGAN♦McDANIEL

By: *Daniel K. Hogan*
Daniel K. Hogan (DE Bar No. 2814)

1311 Delaware Avenue
Wilmington, Delaware 19806
Telephone: (302) 656-7540
Facsimile: (302) 656-7599
dkhogan@dkhogan.com

-and-

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STUTZMAN, BROMBERG
ESSERMAN & PLIFKA
A Professional Corporation
Sander L. Esserman (Texas Bar No. 06671500)
Steven A. Felsenthal (Texas Bar No. 06889900)
2323 Bryan Street, Suite 2200
Dallas, Texas 85201-2689
Telephone: (214) 969-4900
Facsimile: (214) 969-4999
esserman@sbep-law.com
felsenthal@sbep-law.com

ATTORNEYS FOR THE COMBUSTION ENGINEERING 524(g) ASBESTOS PI TRUST

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EXHIBIT A-1

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Combustion Engineering 524(g) Asbestos PI Trust

Audited Special-Purpose Financial Statements with Supplementary Information

Years Ended December 31, 2014 and 2013

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Combustion Engineering 524(g) Asbestos PI Trust

Audited Special-Purpose Financial Statements with Supplementary Information

Years Ended December 31, 2014 and 2013

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Combustion Engineering 524(g) Asbestos PI Trust

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Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8405 Greensboro Drive
Suite 700
McLean, VA 22102

Independent Auditor's Report

Trustees
Combustion Engineering 524(g) Asbestos PI Trust
Dallas, Texas

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of Combustion Engineering 524(g) Asbestos PI Trust (the Trust) which comprise the special-purpose statements of assets, liabilities and net claimants' equity as of December 31, 2014 and 2013, and the related special-purpose statements of changes in net claimants' equity and special-purpose statements of cash flows for the years then ended and the related notes to the special-purpose financial statements.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the special-purpose basis of accounting described in Note 2 to the special-purpose financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the Combustion Engineering 524(g) Asbestos PI Trust as of December 31, 2014 and 2013, and the changes in net claimants' equity and cash flows for the years then ended in accordance with the special-purpose basis of accounting described in Note 2 to the special-purpose financial statements.

Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. As described in Note 2, these special-purpose financial statements were prepared on a special-purpose basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter. The special-purpose basis of accounting has been used in order to communicate the amount of net equity presently available to fund current and future claimants.

Restriction of Use

Our report is intended solely for the information and use of the Trust, the Trustees, the beneficiaries of the Trust, and the United States Bankruptcy Court for the District of Delaware, and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report which, upon filing with the United States Bankruptcy Court for the District of Delaware, is a matter of public record.

BDO USA, LLP

McLean, Virginia
April 20, 2015

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Special-Purpose Financial Statements

Combustion Engineering 524(g) Asbestos PI Trust

Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity

December 31,	2014	2013
Assets		
Cash, cash equivalents and investment securities	$ 811,016,622	$ 892,151,778
Accrued interest and dividends receivable	8,921,603	10,054,730
Other assets	113,624	76,803
Total assets	820,051,849	902,283,311
Liabilities		
Accrued claims, accrued expenses and accounts payable	33,889,471	37,082,614
Net claimants' equity	$ 786,162,378	$ 865,200,697

See accompanying notes to the special-purpose financial statements.

Combustion Engineering 524(g) Asbestos PI Trust

Special-Purpose Statements of Changes in Net Claimants' Equity

Years Ended December 31,	2014	2013
Additions		
Investment income	$ 35,266,287	$ 36,513,409
Net realized gain on investment securities	10,646,247	12,808,748
Total additions	45,912,534	49,322,157
Deductions		
Operating expenses and income taxes	5,669,086	4,635,074
Direct investment expenses	1,713,152	2,020,720
Net change in unrealized gain/loss on investment securities	7,851,139	24,416,198
Total deductions	15,233,377	31,071,992
Increase in net claimants' equity	30,679,157	18,250,165
Net claimants' equity		
Beginning of the year	865,200,697	951,001,195
Additions to net claimants' equity	478,999	1,125,000
Distributions from net claimants' equity	(110,196,475)	(105,175,663)
End of the year	$ 786,162,378	$ 865,200,697

See accompanying notes to the special-purpose financial statements.

Combustion Engineering 524(g) Asbestos PI Trust

Special-Purpose Statements of Cash Flows

Years Ended December 31,	2014	2013
Cash inflows:		
Investment income receipts	$ 37,479,627	$ 37,035,319
Net realized gain on sale of investment securities	10,646,247	12,808,748
Proceeds from other refunds	478,999	1,125,000
Total cash inflows	48,604,873	50,969,067
Cash outflows:		
Distributions to claimants	113,297,815	89,891,296
Trust operating expenses and income taxes	5,744,876	4,550,302
Direct investment expenses	1,765,986	1,945,940
Total cash outflows	120,808,677	96,387,538
Net cash outflows	(72,203,804)	(45,418,471)
Non-cash changes:		
Net change in unrealized gain/loss on investment securities	(7,851,139)	(24,416,198)
Amortization of bond premium	(1,080,213)	(1,153,052)
Total non-cash changes	(8,931,352)	(25,569,250)
Net decrease in cash, cash equivalents and investment securities	(81,135,156)	(70,987,721)
Cash, cash equivalents and investment securities, at the beginning of year	892,151,778	963,139,499
Cash, cash equivalents and investment securities, at the end of year	$ 811,016,622	$ 892,151,778

See accompanying notes to the special-purpose financial statements.

Combustion Engineering 524(g) Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

1. Description of the Trust

The Combustion Engineering 524(g) Asbestos PI Trust (the Trust), organized pursuant to the laws of the State of Delaware, was established pursuant to Combustion Engineering, Inc.'s (CE) plan of reorganization, as modified through October 7, 2005 (the Plan) and became effective on April 20, 2006. The Trust was formed to assume all Asbestos PI Trust Claims (whether now existing or arising at any time hereafter) and to use the Trust assets to pay holders of claims in accordance with the Asbestos PI Trust Agreement. The Trust's funding is dedicated solely to the settlement of asbestos personal injury claims and the related costs thereto, as defined in the Plan. The Trust's principal office is in Wilmington, Delaware and its administrative office is located in Dallas, Texas. Defined terms have the meanings assigned to them in the Plan.

The Trust was initially funded with ABB, Ltd. stock, ABB promissory note, CE contribution agreement, CE convertible secured note, and insurance settlement rights. Any additional insurance rights or proceeds determined subsequent to the inception date will be credited directly to net claimants' equity. Since its creation, the Trust has divested itself of all ABB, Ltd. holdings.

2. Significant Accounting Policies

Basis of Presentation

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustees, which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net claimants' equity and related operating expenses of the Trust. Since the accompanying financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

a. Insurance recoveries are recorded when the related policies are settled and collectability is assured from the insurance carriers. These recoveries come from various insurance settlements, which were obtained by CE and related entities and assigned to the Trust or were negotiated by the Trust. All known non-speculative insurance recoveries have been received.

b. Investment securities are recorded at fair market value. All interest and dividend income, net of investment expenses, are included in investment income in the accompanying special-purpose statements of changes in net claimants' equity. Realized and unrealized gains and losses on investment securities are recorded as additions or deductions in the special-purpose statements of changes in net claimants' equity. Under GAAP, unrealized gains and losses of available-for-sale securities are excluded from earnings and recorded as other comprehensive income or loss with the accumulated balance shown as a separate component of stockholders' equity.

c. Taxable corporate fixed income securities are stated at amortized cost, with amortization and accretion of bond premiums or discounts included in investment income. Nontaxable fixed income securities are stated at historical cost, with amortization of bond premiums or accretion of bond discounts included in unrealized gains and losses. Under GAAP, all fixed income securities would be stated at amortized cost with amortization and accretion recorded in investment income.

d. Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.

e. The claim distributions are treated as a reduction to net claimants' equity in the period in which the settled claims are approved for payment. A settled claim is a claim that has been accepted by the claimant with an executed release submitted to the Trust, and approved by the Trustees. An unpaid settled claim is a claim that cannot be paid due to annual cap limitations or has been authorized for payment by the Trustees but not yet paid. The liability for unpaid claims that is a result of annual cap limitations is recorded when settled. This liability is the product of the liquidated value of the unpaid claims times the Payment Percentage in effect at year-end. The actual amount paid to an unpaid claimant maybe more or less depending on the Payment Percentage in effect at the time of payment. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

f. Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

g. Payments for property and equipment are expensed as incurred. Under GAAP, payments for property and equipment are capitalized and depreciated over the useful lives of the assets. To date, the Trust has incurred no expense related to purchases of property and equipment.

h. Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Income tax refunds are recorded when cash is received by the Trust. Under GAAP, the provision for income taxes is calculated based upon book income reported for financial statement purposes, the current federal and state income tax rates, and changes in deferred taxes due to the permanent and timing differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes also include a provision for taxes attributable to changes in unrealized gains and losses on investments.

Use of Estimates

The preparation of special-purpose financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity.

Cash Equivalents and Investment Securities

The Trust considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

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Investment securities are stated at fair market value with changes in unrealized gains and losses recorded in the current period. Investment income is recognized when earned. Any unearned interest and dividend income are recorded as accrued interest and dividends receivable. Realized gains and losses on sales are determined using the specific identification method.

Accrued Claims, Accrued Expenses and Accounts Payable

Accrued claims consist of certain claims that are settled but unpaid at December 31, 2014 and 2013. A settled claim is a claim that has been accepted by the claimant with an executed release submitted to the Trust, and approved by the Trustees. An unpaid settled claim is a claim that cannot be paid due to annual cap limitations or has been authorized by the Trustees but not yet paid. The liability for unpaid claims that is a result of annual cap limitations is recorded when settled. This liability is the product of the liquidated value of the unpaid claims times the Payment Percentage in effect at year-end. The actual amount paid to an unpaid claimant maybe more or less depending on the Payment Percentage in effect at the time of payment.

Accrued expenses and accounts payable consist of outstanding invoices associated with managing the Trust.

Operating Expenses

Operating expenses of the Trust are recorded as deductions on the special-purpose statements of changes in net claimants' equity in the period in which the invoices are accrued.

Income Taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). The Trust is subject to federal income taxes based on modified gross income, as defined by the Code. In the opinion of the Trustee and advisors, the Trust is not subject to state income taxes and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes.

Income tax expense is estimated and includes amounts payable or receivable under current federal income taxes.

The Trust records income tax expense (or benefit) associated with amounts payable (or receivable) under current federal income taxes.

Concentrations of Credit Risk

The Trust's assets that are exposed to credit risk consist of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at December 31, 2014 approximate $44 million.

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Combustion Engineering 524(g) Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

3. Cash, Cash Equivalents and Investment Securities

Cash, cash equivalents and investment securities consist of the following at December 31, 2014:

	2014		
	Cost	Fair Value	Unrealized Gain/(Loss)
Cash and cash equivalents	$ 43,746,480	$ 43,746,480	$ -
Equities	98,658,794	105,172,926	6,514,132
Bonds	664,031,672	662,097,216	(1,934,456)
Total cash, cash equivalents and investments	$ 806,436,946	$ 811,016,622	$ 4,579,676

Cash, cash equivalents and investment securities consist of the following at December 31, 2013:

	2013		
	Cost	Fair Value	Unrealized Gains/(Loss)
Cash and cash equivalents	$ 78,358,109	$ 78,358,109	$ -
Equities	98,966,947	121,308,547	22,341,600
Bonds	702,395,907	692,485,122	(9,910,785)
Total cash, cash equivalents and investments	$ 879,720,963	$ 892,151,778	$ 12,430,815

The maturities of the Trust's investments in bonds are as follows as of December 31, 2014:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	$ 48,379,557	$ 160,513,949	$ 360,079,868	$ 93,123,842	$ 662,097,216

The maturities of the Trust's investments in bonds are as follows as of December 31, 2013:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	$ 32,764,249	$ 192,971,129	$ 380,573,643	$ 86,176,101	$ 692,485,122

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4. Fair Value Measurements

The Trust's investments are recorded at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the Trust would use valuation models.

The Trust's assets recorded at fair value on a recurring basis are categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- **Level 1** - Inputs that are based upon quoted prices for identical instruments traded in active markets.
- **Level 2** - Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on 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 investment.
- **Level 3** - Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following section describes the valuation methodologies the Trust uses to measure its financial assets at fair value:

Level 1: Equities are valued at the closing price reported on the active market on which the individual securities are traded.

Level 2: Bonds are valued using a metrics system provided by the pricing vendors.

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Notes to the Special-Purpose Financial Statements

Investments measured at fair value on a recurring basis are summarized below:

	As of December 31, 2014			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 43,746,480	$ 43,746,480	$ -	$ -
Equities:				
Common stock	91,773,304	91,748,645	24,659	-
Mutual funds	10,532,470	10,532,470	-	-
Other	2,867,152	2,790,142	77,010	-
Total equities	105,172,926	105,071,257	101,669	-
Bonds:				
Government	14,213,262	-	14,213,262	-
Corporate	89,617,588	-	89,617,588	-
Municipal	558,266,366	-	558,266,366	-
Total bonds	662,097,216	-	662,097,216	-
Total assets at fair value	$ 811,016,622	$ 148,817,737	$ 662,198,885	$ -

	As of December 31, 2013			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 78,358,109	$ 78,358,109	$ -	$ -
Equities:				
Common stock	105,753,068	105,753,068	-	-
Mutual funds	12,628,742	12,628,742	-	-
Other	2,926,737	2,926,737	-	-
Total equities	121,308,547	121,308,547	-	-
Bonds:				
Government	14,073,457	-	14,073,457	-
Corporate	112,873,777	-	112,873,777	-
Municipal	565,537,888	-	565,537,888	-
Total bonds	692,485,122	-	692,485,122	-
Total assets at fair value	$ 892,151,778	$ 199,666,656	$ 692,485,122	$ -

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Notes to the Special-Purpose Financial Statements

5. Income Taxes

For federal income tax purposes, CE has elected for the qualified assets of the Trust to be taxed as a Designated Settlement Fund (DSF). For 2014 and 2013, the statutory income tax rate for the DSF is 39.6%. The following is a summary of the estimated net taxable operating income for the years ended December 31:

	2014	2013
Increase in net claimants' equity before income taxes	$ 30,679,157	$ 18,250,165
Less: municipal bond interest	(25,396,042)	(27,528,536)
Less: realized gains on investment securities	(10,646,247)	(12,808,748)
Plus: change in net unrealized gains on investment securities	7,851,139	24,416,198
Plus: expenses allocable to municipal bond interest	889,890	1,261,613
Plus: income taxes paid and accrued	2,213,220	1,228,191
Net taxable operating income	5,591,117	4,818,883
Less: application of net operating loss carryforward	-	(1,721,004)
Net taxable income after application of net operating loss carryforward	5,591,117	3,097,879
Statutory tax rate	39.6%	39.6%
Provision for current income taxes	$ 2,214,082	$ 1,226,760

During the years ended December 31, 2014 and 2013, the Trust generated realized gains of $10,646,247 and $12,808,748, respectively. These gains were offset by capital losses carried forward from prior years. At December 31, 2014, the Trust has cumulative capital losses of $2,137,644 available to carry forward and will expire on December 31, 2015.

6. Net Claimants' Equity

The additions to net claimants' equity for the years ended December 31, 2014 and 2013 are comprised of insurance settlement rights, foreign scheme payments, and miscellaneous refunds. Pursuant to the Plan, the Trust was assigned certain settled and unsettled insurance rights. All unsettled insurance rights have now been settled. Additionally, the Trust has negotiated certain insurance settlements directly. Any future rights or proceeds for which there is no receivable recorded will be recorded directly as an increase to net claimants' equity when received.

During the years ended December 31, 2014 and 2013, the Trust recorded $478,999 and $1,125,000, respectively, in foreign scheme payments, tax refunds and other miscellaneous refunds directly as additions to net claimants' equity.

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Notes to the Special-Purpose Financial Statements

7. Distributions from Net Claimants' Equity

For the years ended December 31, 2014 and 2013, the Trust settled 37,296 and 33,554 claims totaling $110,196,475 and $105,175,663, respectively. For the years ended December 31, 2014 and 2013, the Trust received 20,176 and 25,229 new claim filings, respectively.

The following is a reconciliation of distributions from claimants' equity to total claims (and related expenses) paid for the years ended December 31:

	2014	2013
Claim settlements	$ 110,196,475	$ 105,175,663
Change in accrued claims and related expenses	3,101,340	(15,284,367)
Total cash paid for distributions to claimants	$ 113,297,815	$ 89,891,296

8. Contingent Liabilities

The Plan Documents (as defined in the Plan) subject the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust.

The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material.

9. Liability for Asbestos Claims

Personal injury claims that were settled, but unpaid as of December 31, 2014 and 2013, have been accrued and included in accrued claims, accrued expenses and accounts payable. These amounts have been included in distributions from net claimants' equity in the accompanying special-purpose statements of changes in net claimants' equity for the payment of claims for the years ended December 31, 2014 and 2013.

The ultimate number of Asbestos PI Trust Claims to be filed and the liability for all such claims are not determinable at this time. The net claimants' equity at December 31, 2014 and 2013 represents funding available for all Asbestos PI Trust Claims for which no fixed liability has yet been established.

10. Subsequent Events

The Trust has evaluated its December 31, 2014 special-purpose financial statements for subsequent events through April 20, 2015, the date the special-purpose financial statements were available to be issued. The Trust is not aware of any subsequent events which would require recognition or disclosure in the special-purpose financial statements.

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Supplementary Information
Years Ended December 31, 2014 and 2013

BDO

Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8405 Greensboro Drive
Suite 700
McLean, VA 22102

Independent Auditor's Report on Supplementary Information

Trustees
Combustion Engineering 524(g) Asbestos PI Trust
Dallas, Texas

Our audits of the special-purpose financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those special-purpose statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of those special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

BDO USA, LLP

April 20, 2015

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Combustion Engineering 524(g) Asbestos PI Trust

Schedules of Investment Income

Years ending December 31,	2014	2013
Investment income		
Interest on bonds	$ 31,891,714	$ 33,331,386
Other dividends	3,280,423	3,177,982
Interest on short term investments	94,150	4,041
Total investment income	$ 35,266,287	$ 36,513,409

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Schedules of Operating Expenses, Income Taxes and Direct Investment Expenses

Years ending December 31,	2014	2013
Operating expenses and income taxes		
Federal income taxes	$ 2,213,220	$ 1,226,760
Legal fees	1,007,409	1,024,630
Consulting	845,126	796,142
Claims processing services	567,599	575,211
Trustee disbursements	545,318	476,614
Accounting and audit	360,184	418,925
Insurance	105,600	105,600
Administrative costs	24,630	11,192
Total operating expenses and income taxes	$ 5,669,086	$ 4,635,074
Direct investment expenses		
Investment advisory fees	$ 1,461,739	$ 1,762,636
Custodial fees	121,953	124,743
Foreign taxes	129,460	133,341
Total direct investment expenses	$ 1,713,152	$ 2,020,720

See independent auditors report on supplementary information.

CERTIFICATE OF SERVICE

I, Daniel K. Hogan, certify that on April 30, 2015, a true and correct copy of the foregoing was served on the parties listed below via first class mail and all other parties registered for electronic service via CM/ECF.

/s/ Daniel K. Hogan

Counsel for the Reorganized Debtor
K&L Gates LLP
Attn: Richard Miller
599 Lexington Avenue
New York, New York 10022

Rich Michaelson Magaliff Moser, LLP
Attn: Jeff Rich
340 Madison Avenue, 19th Floor
New York, New York 10173

and

Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C.
Attn: Laura Davis Jones
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899-8705

Counsel for the Future Claimants' Representative
Frankel Wyron LLP
Attn: Richard H. Wyron
2101 L Street, NW, Suite 800
Washington, D.C. 20037

Counsel for the Trust Advisory Committee to the Asbestos PI Trust
Frank/Gecker LLP
Attn: Joseph Frank
325 North LaSalle Street, Suite 625
Chicago, IL 60610

United States Trustee
The Office of the United States Trustee
Attn: Richard Schepacarter
844 N. King Street, Suite 2207
Lock Box 35
Wilmington, Delaware 19801