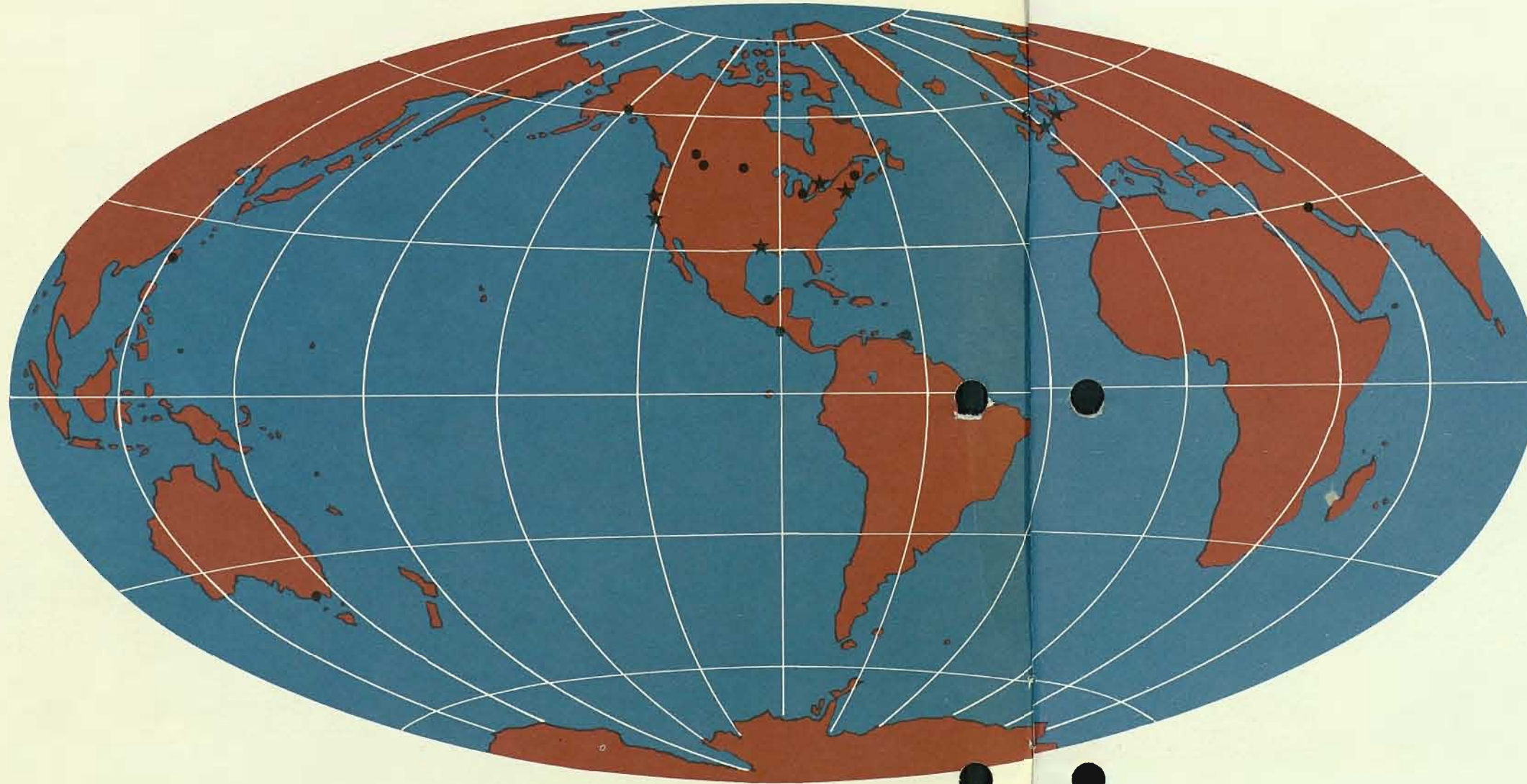


1960

THE FLUOR CORPORATION, LTD. ANNUAL REPORT

- Foreign projects underway in 1960.
- ★ Major offices and subsidiaries.



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THE FLUOR CORPORATION, LTD. ANNUAL REPORT

1960



Foreign projects were performed in many lands during 1960, including Australia, Mexico, Alaska, El Salvador, Scotland, and Iran.

HIGHLIGHTS OF THE YEAR

	1960	1959
Sales	\$84,875,242	\$109,906,020
Net Earnings (Loss)	785,617	(885,821)
Per Share99	—
As a per cent of shareholders' average equity	4.8%	—
Dividends		
Total	—	872,795
Cash per share	—	1.10
Income taxes	293,203	(427,928)
Net working capital	8,655,262	11,263,163
Shareholders' equity at year-end	16,604,538	15,818,921
Per share	20.92	19.93
Shares outstanding at year-end	793,777	793,777
Number of shareholders	5,339	4,883
Backlog, October 31	98,000,000	56,000,000

REPORT FROM THE PRESIDENT

One year ago we reported that manufacturing losses and substantial nonrecurring writeoffs had offset reasonably good profit performance in our engineering-construction work in 1959. The result was an unprofitable year for the Corporation.

Twelve months later, it is a genuine pleasure to review our results for 1960. The fiscal year ended October 31, 1960 was one of transition. We overcame most of our difficulties, returned to a profitable level and closed out the year with a healthy backlog and a favorable outlook for the ensuing year.

Operating results were encouraging. Although our losses continued through the first two quarters, we moved vigorously into the profit column in the final six months. Our year-end profit actually was slightly better than forecast at the beginning of the year.

The third and fourth quarters were noteworthy for the substantial gains we achieved in sales, earnings, new orders, and backlog. Sales returned to a normal level, after a slow start in the first six months. New business received in 1960 amounted to \$136,000,000, which is nearly double the \$70,000,000 received the previous year.

The most significant development affecting Fluor's future is the increasingly important part that foreign engineering-construction work is playing in the Corporation's overall operations. During the past three years, major steps were taken to prepare for obtaining an important share of the promising foreign market. These measures began

to take effect in fiscal 1960. Several new contract awards for refinery construction in overseas locations indicated that the Corporation is truly becoming an international organization.

Capital spending plans for new facilities to be constructed outside the continental United States in 1961 already exceed the \$2.4 billion spent in 1960. The trend toward "do-it-yourself" processing by countries in the Free World is stimulating increased construction activity among overseas operating units of U. S. constructors.

For example, approximately 80 new refineries are planned for construction overseas within the next three years. Expenditures for new capacity should total about \$3.5 billion. Most countries will call upon international engineers and constructors such as Fluor to supply all or part of the technical and construction supervision to build these new projects.

We are now in an excellent position, through our English and Dutch subsidiaries, to perform our services on a worldwide basis, as foreign construction programs develop in the coming months.

The progress we made in the past year gives every indication that 1961 should be a successful and prosperous year for Fluor.

We are sincerely grateful to our shareholders, employees, customers, and suppliers for their fine support during the past year.

J. S. Fluor
J. S. Fluor

December 12, 1960



Fluor's international organization has major offices and subsidiaries in London, Canada, New York City, Holland, Los Angeles, and Houston

OPERATING RESULTS

Consolidated net sales for the fiscal year ended October 31, 1960 amounted to \$84,875,242, compared with \$109,906,020 in 1959. Net earnings were \$785,617, equivalent to 99 cents a share on the 793,777 shares of capital stock outstanding. This compares with a net loss of \$885,821 for the previous year.

New orders received in fiscal 1960 totaled \$136,000,000, as against the \$70,000,000 reported for the prior year. Fluor's backlog of uncompleted work at October 31 was approximately \$98,000,000, compared with \$56,000,000 a year earlier.

Cash dividends were discontinued during fiscal 1960, while the aggregate cash pay-out in 1959 amounted to \$872,795, equivalent to \$1.10 a share. This represented the first cessation of quarterly dividend payments since 1946. The Board of Directors believes that it would be unwise to resume dividend payments until the company once again is operating at a satisfactory earnings level.

Federal and foreign income taxes for 1960 were \$293,203. Payroll, state, local and other taxes were \$1,335,638. Total taxes of \$1,628,841 were equal to \$2.05 per share of capital stock.

Property, plant and equipment expenditures

amounted to \$1,231,350 during 1960, compared with \$844,873 in 1959. Shareholders' equity at October 31, 1960 was \$16,604,538, as against \$15,818,921 one year previously. Book value of each share of capital stock was \$20.92, compared with \$19.93 a share at the close of the prior fiscal year.

Our 1960 cost-reduction program will result in an annual decrease in overhead expenses of approximately \$1,500,000.

Major steps taken to bring overhead costs into line with the level of business activity were the temporary suspension of all space advertising and the elimination of our central research facility. These two measures effected a decrease of more than \$500,000 a year.

Other reductions in overhead costs affected every department of the company. The results of this program should lead to greater efficiency and higher earnings in the future.

ENGINEERING - CONSTRUCTION DIVISION

Operations of the Engineering-Construction Division continued on a profitable basis. Work

was completed on 14 projects in 1960, and sales billed during the year amounted to \$50,534,678, compared with \$74,681,338 in 1959.

Approximately one half of the division's sales were for the petroleum refining and natural gas industries. The chemical industry accounted for almost one fifth of the billings. The remainder was about evenly divided between government projects and the electric power industry.

New orders received by the division totaled about \$95,000,000. Largest of the new contracts awarded during the year was a polyethylene plant to be designed, engineered and constructed for Rexall Chemical Company at Odessa, Texas.

Another significant contract award involved more than \$15,000,000 of work for the Convair-Astronautics Division of General Dynamics Corporation to install and maintain ground support equipment which will activate Atlas missile launching pads at various U.S. Air Force bases.

During the year, the Atomic Energy Commission authorized Fluor to perform architect-engineering services for the Experimental Organic Cooled Reactor at the National Reactor Testing Station near Idaho Falls, Idaho.

A 44,000-kilowatt steam-electric generating plant was completed in May for Public Service Company of Colorado at Grand Junction, Colorado. The \$7,000,000 plant tripled the power generating capacity of the Cameo Steam Electric Station.

Other major projects completed by the division included a \$6,000,000 gasoline plant at Rayne, Louisiana, for Texas Natural Gasoline Corporation, and a variety of chemical facilities totaling about \$5,500,000 for Food Machinery and Chemical Corporation at Baltimore, Maryland, and South Charleston, West Virginia.

In order to strengthen the Company's ability to serve the electric utility industry, a new Power

Division has been established. The division will concentrate on steam-electric power plants, nuclear power plants and nuclear process steam plants, gas turbine power plants, diesel electric power plants, process steam plants, substations, transmission lines, and other related facilities.

FLUOR PRODUCTS COMPANY

Sales for Fluor Products Company, the Corporation's manufacturing division, were \$11,782,822, slightly less than the \$11,979,936 recorded the previous year. However, depressed prices and generally reduced spending for industrial plant and equipment resulted in a substantial loss for this division.

A prominent management consulting firm conducted a comprehensive study of the division during 1960. As a result, changes have been made in management organization and the elimination of unprofitable product lines.

In September, Robert W. Kerr, formerly president of Fairbanks, Morse & Co., was appointed president of Fluor Products Company. He also was elected vice president and a director of the Corporation.

At mid-year, the Santa Fe wood tank and pipe operations were curtailed and the utility pole cross-arm line was discontinued. This action was prompted by the poor profit showing and limited market potential for these products.

A modest capital expenditure was approved for the roof structures manufacturing facility at Santa Rosa, California. Additional space and new equipment will be provided in order to reduce production costs and to meet new code requirements.

The demand for laminated wood roof structures used in commercial and school construction in 1961 is expected to exceed the 1960 volume by 10 per cent. The division can reasonably expect to share in this additional business. The long-term

outlook for roof structures is most promising.

Steps also were taken to assure the division of a greater share of the cooling tower market in the expanding air conditioning field. The Series Three cooling tower, sold primarily in this market, was completely redesigned to increase customer acceptance.

The division continued to obtain a reasonable share of the business available in the industrial cooling tower market. Several improvements were made in the design of these cooling towers, which should result in increased sales.

Due to the expanded and improved facilities, cost reductions and internal reorganization accomplished during the past year, Fluor Products Company expects to return to the profit column in 1961.

RESEARCH & DEVELOPMENT

The Corporation conducted an active program of experimental and pilot plant work in 1960. We worked with specific clients to solve their processing problems through the use of their own or leased laboratory and pilot plant facilities. We also employed contract research facilities to provide experimental data in support of Fluor's engineering-construction activities.

In the gas treating field, Fluor designed, built and operated a pilot plant facility to develop design and operating data on the hot potassium carbonate process. Also, a paper manufacturer engaged us to participate in a pilot plant research program to select the optimum process and provide design data for a plant to clean up their Kraft mill waste gases.

In the field of chemicals and plastics, a customer now developing a process to manufacture a novel synthetic resin assigned Fluor the task of planning and supervising an important segment of their laboratory program. This unusual approach will insure the availability of the data

we need as we move into our primary task of designing their commercial plant. We also are building a pilot plant in which a manufacturing firm will develop a new plastic coating material.

In connection with a proposal for a major oil company, we leased the petroleum pilot plant at the University of Tulsa to run coking tests and develop complete design criteria.

Our Engineering Development program continued to improve our basic standards and to provide new, more competitive design techniques. We developed some interesting applications of our Electronic Computer Facility to solve recurring problems in chemical, mechanical and civil engineering.

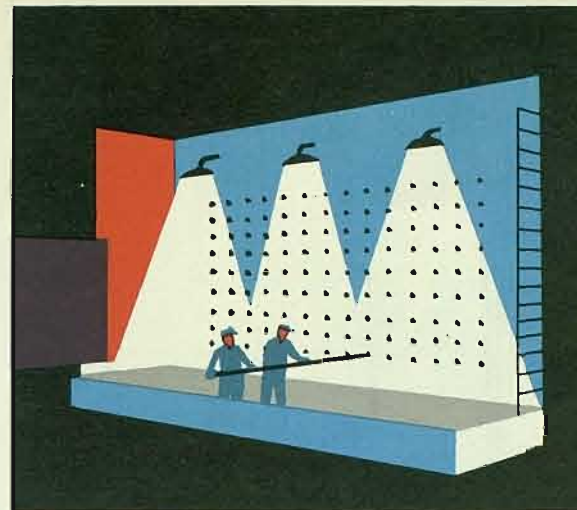
Our Process Development program concentrated on furnishing improved gas treating processes that will be useful to a number of the industries we serve, and on developing a highly competitive design for large hydrogen manufacturing plants.

AFFILIATED COMPANIES

The Fluor Corporation of Canada, Ltd., recorded sales of \$7,257,290 in fiscal 1960, a 25 per cent



Fluor was selected to install and maintain ground support equipment for Atlas missile launching pads at various U.S. Air Force bases.



The Atomic Energy Commission authorized Fluor to perform architect-engineering services for the Experimental Organic Cooled Reactor at the National Reactor Testing Station

decline from the \$9,781,000 reported for the previous year.

Because natural gas export-import restrictions have been eased between the United States and Canada, prospects for this subsidiary in 1961 and beyond are promising. The gas producing companies can now be expected to build major processing facilities in Western Canada. Our Canadian organization should share in this increased activity.

Three major projects were completed during the year, including a naphtha hydrosulfurization unit for British American Oil Company, Ltd. at Calgary, Alberta, a gas treating plant for Canadian Superior Oil Company near Calgary, and a chemical plant for Dow Chemical Corporation of Canada at Sarnia, Ontario.

Near the end of the year, negotiations were concluded for the sale of Fluor of Canada's 60 per cent interest in H. G. Acres & Company, Ltd. to Consec, Ltd., a holding company formed by 21 senior members of the Acres organization. This resulted in a nonrecurring profit of \$335,021.

Majority control of Acres was purchased in 1953 to establish a refinery and petrochemical engineering staff in Canada. However, most Canadian work performed by Fluor for the past two years

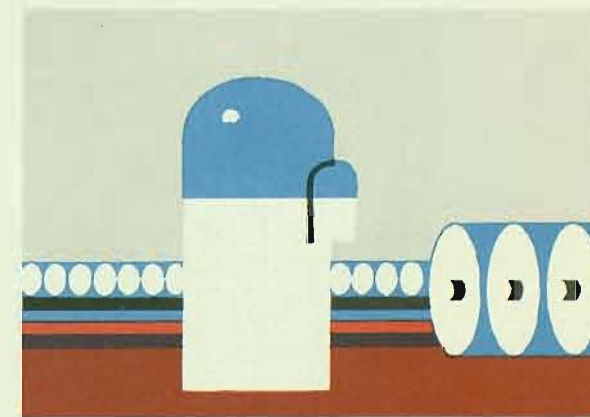
has been engineered at Los Angeles.

Should conditions arise that require a project to be engineered in Canada, we have an agreement with H.G. Acres & Company to utilize their facilities and personnel. James G. Bounds, president of Fluor of Canada, remains as a member of the Acres board of directors.

Singmaster & Breyer, Inc., the New York division of Fluor, concluded in 1960 one of the most successful years it has experienced since the affiliation. Sales amounted to \$8,111,630, about double the \$3,916,863 recorded in 1959, and the division closed the year with a backlog of nearly \$10,000,000. The staff increased from a low of 142 to a year-end peak of 300.

Largest contract awarded during the year was for the design, procurement and construction of a tetraethyl lead plant for Houston Chemical Company. Other new work included Phases 1 and 2 for the Atomic Energy Commission's high flux isotope reactor at Oak Ridge, Tennessee.

Singmaster & Breyer will move to new leased quarters about May 1, occupying 35,000 square



The Company did the design and engineering work on a demonstration plant to be built at Pt. Loma, California, using the multistage flash evaporation process for salt water conversion.

feet of floor space at 100 Park Avenue.

In line with the growing importance of Fluor's overseas operations, Fluor Engineering and Construction Company, Ltd., our United Kingdom subsidiary, increased its work volume considerably during fiscal 1960.

Accordingly, the size of its staff more than doubled during the year to a total of more than 200 employees in London. Office space increased also, and the British organization now occupies six floors and approximately 37,000 square feet of floor space at Finwell House, 26 Finsbury Square.

New work awarded during the year included a 15,000 tons-per-year butadiene extraction plant for British Hydrocarbon Chemicals, Ltd. at Grangemouth, Scotland, and a 20,000 barrels-per-day

unifiner-platformer for Iranian Oil Refining Company at Abadan, Iran.

Fluor-Schuytplot N.V., our new Dutch affiliate in Haarlem, Holland, plans to move into its new office building next September. The quarters will permit the organization to expand to a complement of 450 specialists in process and mechanical design for the chemical and petroleum industries.

The Dutch firm was awarded a contract by Shell International for the engineering, purchasing and construction of a 10,000 barrels-per-day refinery, the first to be located in El Salvador, Central America. This is the largest single contract ever processed by Fluor-Schuytplot, and indicates that this firm will play an important part in the Corporation's expansion overseas.

SOURCE AND DISPOSITION OF THE FLUOR REVENUE DOLLAR

SOURCE	Amount (in thousands)		Per Cent	
	1960	1959	1960	1959
Petroleum and Natural Gas Industries	\$ 37,482	\$ 56,436	43.6%	51.1%
Chemical Industry	19,914	21,572	23.2	19.6
Power Industry	8,397	12,923	9.8	11.7
	65,793	90,931	76.6	82.4
Manufactured Products	12,072	12,576	14.0	11.4
Miscellaneous	8,084	6,891	9.4	6.2
	\$ 85,949	\$110,398	100.0%	100.0%
DISPOSITION				
Purchased materials and services	\$ 51,408	\$ 66,752	59.8%	60.5%
Wages, salaries and contributions to employees' benefit trust funds	29,753	40,951	34.6	37.1
Depreciation and maintenance	1,860	2,001	2.2	1.8
Taxes	1,629	1,137	1.9	1.0
Cash dividends	—	873	—	0.8
Minority interests and miscellaneous	513	443	0.6	0.4
Reinvested earnings	786	(1,759)	0.9	(1.6)
	\$ 85,949	\$110,398	100.0%	100.0%

THE FLUOR CORPORATION, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

	Years ended October 31, 1960 and 1959	
	1960	1959
REVENUE		
Engineering and construction revenue—including unbilled charges on incompletd contracts	\$72,803,333	\$97,330,148
Product sales	12,071,909	12,575,872
Gain on sale of investment in H. G. Acres & Company, Limited	335,021	—
Royalties, discounts and other	738,438	492,203
	<u>85,948,701</u>	<u>110,398,223</u>
COSTS AND EXPENSES		
Cost of engineering and construction revenue	67,373,520	91,859,788
Cost of product sales	11,620,610	12,132,882
Selling, research and administrative expenses	4,954,715	6,733,386
Interest on indebtedness	400,072	374,854
Other expenses	407,847	543,154
	<u>84,756,764</u>	<u>111,644,064</u>
Earnings (loss)—before income taxes and minority interests	1,191,937	(1,245,841)
FEDERAL AND FOREIGN INCOME TAXES		
Federal normal tax and surtax	167,200	59,367
Refundable Federal income taxes arising from carry-back of operating losses.	(1,076)	(877,776)
Foreign governments' income taxes—net	127,079	390,481
	<u>293,203</u>	<u>(427,028)</u>
	898,734	(817,913)
MINORITY INTEREST IN NET EARNINGS OF SUBSIDIARIES	113,117	67,908
NET EARNINGS (LOSS)	785,617	(885,821)
RETAINED EARNINGS—BEGINNING OF YEAR	6,902,080	8,660,696
	<u>7,687,697</u>	<u>7,774,875</u>
DIVIDENDS PAID		
1959—\$1.10 a share	—	872,795
RETAINED EARNINGS—END OF YEAR	<u>\$ 7,687,697</u>	<u>\$ 6,902,080</u>
Included above in costs and expenses		
Depreciation and amortization	\$ 1,007,273	\$ 1,163,150
Contribution to employees' benefit trust funds	107,175	81,002

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

THE FLUOR CORPORATION, LTD. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET

OCTOBER 31, 1960 AND 1959

ASSETS

CURRENT ASSETS

	1960	1959
Cash	\$ 2,681,691	\$ 1,059,443
Investments—at cost plus accrued interest	—	99,226
Notes receivable	1,154,068	438,368
Accounts receivable	9,478,799	10,609,050
Refundable taxes on income	159,494	962,602
Unbilled charges on incompletd contracts	3,590,376	3,026,464
Inventories—at the lower of cost (determined by the average method) or market		
Raw materials, purchased parts and supplies	1,560,104	2,192,214
Finished goods and work in process	1,318,282	1,891,057
Prepaid insurance, taxes and deposits	297,282	447,725
Total current assets	20,240,096	20,726,149

PROPERTY, PLANT AND EQUIPMENT—AT COST

Land	158,501	183,732
Buildings and land improvements	4,444,308	5,596,902
Machinery and equipment	7,334,054	7,779,539
Construction in process	666,924	91,486
	12,603,787	13,651,659
Less accumulated depreciation and amortization	6,617,100	6,440,911
	5,986,687	7,210,748

OTHER ASSETS

Notes and accounts receivable	6,025,586	2,797,143
Investments	576,097	576,097
Patents, taxes and sundry	600,197	430,646
	7,201,880	3,803,886
	33,428,663	31,740,783

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

LIABILITIES

CURRENT LIABILITIES

	1960	1959
Notes payable	\$ 2,800,000	\$ 1,630,000
Accounts payable	5,047,965	4,987,223
Customers' deposits and advance payments	1,603,524	1,063,226
Taxes on income	318,614	228,670
Accrued liabilities	1,814,731	1,553,867
Total current liabilities	11,584,834	9,462,986

NONCURRENT LIABILITIES

Notes payable—noncurrent portion	4,151,316	4,530,000
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DEFERRED INCOME

Unearned fees on engineering and construction contracts	350,018	380,948
Gain on installment sale of property	167,687	194,033
	517,705	574,981

MINORITY INTERESTS IN SUBSIDIARIES

	570,270	1,353,895
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CAPITAL

Contributed capital		
Capital stock—authorized 2,000,000 shares of \$2.50 par value; issued and outstanding—793,777 shares	1,984,443	1,984,443
Capital contributed in excess of par value of capital stock	6,932,398	6,932,398
Retained earnings	7,687,697	6,902,080
	16,604,538	15,818,921
	33,428,663	31,740,783

CHICAGO
NEW YORK
LOS ANGELES
—
OTHER
PRINCIPAL
CITIES

ALEXANDER GRANT & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

548 SOUTH SPRING STREET

LOS ANGELES 13, CALIFORNIA

Board of Directors and Shareholders
The Fluor Corporation, Ltd.

We have examined the consolidated balance sheets of THE FLUOR CORPORATION, LTD. (a California corporation) and its subsidiaries as of October 31, 1960 and 1959, and the related consolidated statements of earnings and retained earnings for the years then ended. Our examination, which did not include the accounts of the Canadian, English and Dutch subsidiaries, was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The accounts of foreign subsidiaries which have not been examined by us are included in the accompanying consolidated statements on the basis of reports prepared by other accountants.

In our opinion, based upon our examination and the reports of other accountants, the accompanying consolidated balance sheets and consolidated statements of earnings and retained earnings present fairly the consolidated financial position of The Fluor Corporation, Ltd. and its subsidiaries at October 31, 1960 and 1959, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Alexander Grant Company

Los Angeles, California
December 15, 1960

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 1960 AND 1959

PRINCIPLES OF CONSOLIDATION The consolidated financial statements include the accounts of The Fluor Corporation, Ltd. and its subsidiaries. All the subsidiaries are wholly-owned except Singmaster & Breyer, Inc., and Fluor-Schuytplot N.V., which are owned 58.76% and 75%, respectively, by The Fluor Corporation, Ltd.

Intercompany items and transactions have been eliminated in consolidation. The excess of the company's equity in the net assets of the subsidiaries over its investment therein has been included in consolidated retained earnings with the exception that an excess of the company's investment over its equity in the net assets of the following companies has been included in "Other Assets" in the consolidated balance sheets:

	1960	1959
Fluor-Schuytplot N.V.	\$151,812	\$151,812
Singmaster & Breyer, Inc.	22,019	—
	<u>173,831</u>	<u>151,812</u>

The Fluor Corporation of Canada, Ltd. sold its interest in H. G. Acres & Company, Limited in August, 1960. The operations of H. G. Acres & Company, Limited to July 31, 1960, are included in the consolidated financial statements.

NET ASSETS OF FOREIGN SUBSIDIARIES The accounts of The Fluor Corporation of Canada, Ltd., and its subsidiary, H. G. Acres & Company, Limited, have been included in the accompanying financial statements in Canadian dollars.

The net assets of the foreign subsidiaries at October 31, 1960 and 1959 are presented below:

	1960	1959
The Fluor Corporation of Canada, Ltd.	\$1,609,394	\$ 806,212
H. G. Acres & Company, Limited	—	2,054,242
Middle-East Fluor, S.A.	1,096,860	740,681
Fluor International, S.A.	583,692	460,092
Fluor Engineering & Construction Co., Ltd.	105,802	(93,257)
Fluor-Schuytplot N.V.	424,267	380,047
Fluor Venezuela, S.A.	900	900
Fabricantes de Equipos de Enfriamiento, S.A. de C.V.	(1,265)	—

ACCOUNTING TREATMENT OF ENGINEERING AND CONSTRUCTION CONTRACTS The company follows the general principle of recognizing income on engineering and construction contracts on the percentage of completion method in the proportion that aggregate costs incurred bear to total estimated cost of the work being performed under the contract. Fees billed in advance to customers under the terms of the contracts are considered to be deferred income and are not recognized as income until earned.

TAXES ON INCOME The company and its subsidiaries have made full provision for all known liabilities in respect of U. S. and foreign income taxes to which they are subject.

However no provision has been made for theoretical tax liability which would have been incurred had the company received in dividends its share of the retained earnings of foreign subsidiaries. No such tax liability has been incurred, may never be incurred; and the amount, if ever incurred, is presently indeterminable, being dependent upon income tax rates in effect at the time of transfer.

NONCURRENT LIABILITIES In October 1958, the company negotiated 5½% notes in the amount of \$2,000,000 with a bank, and 5¾% notes in the amount of \$3,000,000 with two insurance companies. The notes were issued in accordance with a common note agreement, and are payable in semi-annual installments of \$200,000 plus interest, commencing May 1, 1959, and extending to May 1, 1971, subject to contingent and optional prepayment provisions.

Under the terms of the note agreement, as amended, the company is required to maintain net current assets of \$5,000,000 and the current assets must not be less than 150% of the current liabilities. The company is restricted from paying cash dividends in excess of net earnings (as defined) after October 31, 1959, increased by \$630,000. As of October 31, 1960 retained earnings of \$639,000 were free of restrictions.

In June 1960 Fluor-Schuytplot N.V. negotiated a 5% mortgage loan to finance the construction of a new building. At October 31, 1960 the company had been advanced \$151,316 against a total commitment of approximately \$526,400. The loan is payable in annual installments of \$32,900, plus interest, beginning June 1, 1962 for a period of 16 years, subject to contingent and optional prepayment provisions.

RENEGOTIATION Sales subject to renegotiation for the year ended October 31, 1960 are estimated at \$6,950,000. Reports of renegotiable sales for all years through October 31, 1959 have been reviewed and cleared by government agencies, and no refunds requested. It is the opinion of management that a current provision for renegotiation is not required.

RESTRICTED STOCK OPTION PLAN The company has a restricted stock option plan under which options may be granted to key management employees to purchase a maximum of 50,000 shares of common stock. During the year options were granted to purchase 2,700 shares and no options were exercised. At October 31, 1960 there were options outstanding for 42,400 shares at prices ranging from \$12.25 to \$21.00 a share and there were 2,200 shares unoptioned. Options to purchase 1,200 shares were exercised in prior years and options to purchase 4,200 shares previously granted have expired by their terms and are not subject to reissue at the present time.

COMMITMENT The Fluor Corporation, Ltd. is committed to purchase the shares of Singmaster & Breyer, Inc. not presently held by the company. As of October 31, 1960, the purchase of all such outstanding shares would involve a payment of approximately \$724,000.

15-YEAR FINANCIAL SUMMARY

(Dollar amounts are in thousands, except per share amounts.)

OPERATING RESULTS

	Revenues	Wages and Salaries	Purchased Materials and Services	Depreciation and Amortization	Main-tenance and Repairs	Contributions to Employees' Benefit Trust Funds	Interest on Indebtedness	State, Local and Miscellaneous Taxes	Earnings Before Income Taxes	U.S. and Foreign Income Taxes	Minority Interests	Net Earnings	Net Earnings Per Share*	Dividends Paid	Reinvested Earnings	
1960	\$ 85,949	\$29,646	\$52,452	\$1,007	\$853	\$ 107	\$400	\$292	\$ 1,192	\$ 293	\$113	\$ 786	\$.99	—	\$ 786	1960
1959	110,398	40,870	67,971	1,163	838	81	375	346	(1,246)	(428)	68	(886)	(1.12)	\$873	(1,759)	1959
1958	120,767	44,363	68,387	1,299	906	965	162	373	4,312	2,188	215	1,909	2.41	912	997	1958
1957	152,709	51,822	91,252	1,200	821	1,227	159	288	5,940	2,969	338	2,633	3.46	768	1,865	1957
1956	121,268	39,079	77,945	946	501	298	181	300	2,018	1,022	259	737	1.03	720	17	1956
1955	106,479	36,136	65,388	911	532	500	146	236	2,630	1,258	138	1,234	1.72	720	514	1955
1954	93,672	34,905	53,839	945	616	541	138	243	2,445	1,203	64	1,178	1.63	720	458	1954
1953	105,901	37,528	62,076	717	437	691	129	272	4,051	1,949	42	2,060	3.43	600	1,460	1953
1952	80,906	29,516	45,970	422	353	814	108	216	3,507	1,766	—	1,741	3.63	420	1,321	1952
1951	52,269	17,978	30,621	311	334	570	78	114	2,263	1,127	—	1,136	2.37	320	816	1951
1950	26,577	10,660	14,165	229	326	264	1	158	774	295	—	479	1.00	198	281	1950
1949	33,565	11,701	19,034	224	305	435	14	114	1,738	661	—	1,077	2.33	199	878	1949
1948	33,197	11,086	17,790	182	290	752	17	74	3,006	1,143	—	1,863	4.83	192	1,671	1948
1947	22,402	6,678	13,232	138	217	416	22	36	1,663	633	—	1,030	2.67	129	901	1947
1946	12,375	5,598	6,066	302	175	37	23	26	148	50	—	98	.25	32	66	1946

FINANCIAL POSITION

	Current Assets	Current Liabilities	Working Capital	Property, Plant and Equipment		Other Assets	Total Capitalization
				Gross	Net		
1960	\$20,240	\$11,585	\$ 8,655	\$12,604	\$5,987	\$7,202	\$21,844
1959	20,726	9,463	11,263	13,652	7,211	3,804	22,278
1958	29,492	15,560	13,932	14,430	8,358	2,783	25,073
1957	27,320	18,251	9,069	13,441	8,303	2,772	20,144
1956	24,597	17,666	6,931	12,053	7,670	1,968	16,569
1955	19,261	10,338	8,923	9,366	5,821	1,076	15,820
1954	22,464	12,328	10,136	8,331	5,386	183	15,705
1953	22,011	12,669	9,342	7,071	4,683	99	14,124
1952	17,568	10,840	6,728	5,034	3,280	79	10,087
1951	15,049	9,638	5,411	4,381	2,902	67	8,380
1950	7,935	4,011	3,924	3,246	2,034	64	5,022
1949	7,955	4,033	3,922	2,767	1,705	129	5,756
1948	8,571	5,585	2,986	2,427	1,534	175	4,695
1947	5,450	3,226	2,224	1,981	1,230	145	3,599
1946	2,849	1,863	986	1,692	1,023	115	2,124

EQUITY, DIVIDENDS & SHAREHOLDERS

	Shareholders' Equity			Dividends		Number of Shareholders
	Aggregate	Per Share*	% Net Earnings to average equity	Per Share*	% of Net Earnings	
1960	\$16,605	\$20.92	4.8%	—	—	5,339
1959	15,819	19.93	—	\$1.10	—	4,883
1958	17,558	22.15	11.4	1.20	47.8%	4,501
1957	15,861	20.86	18.2	1.05	29.2	4,010
1956	13,098	18.19	5.6	1.00	97.7	3,709
1955	13,081	18.17	9.6	1.00	58.3	3,389
1954	12,567	17.46	10.0	1.00	61.1	3,376
1953	11,089	18.03	21.4	1.00	29.1	2,235
1952	8,176	17.03	23.2	.88	24.1	1,227
1951	6,838	14.27	17.7	.67	28.2	1,115
1950	6,022	12.54	8.3	.42	41.3	867
1949	5,474	11.84	22.2	.50	19.9	355
1948	4,240	10.99	54.6	.50	10.3	304
1947	2,586	6.70	47.8	.33	12.5	294
1946	1,721	4.46	5.7	.08	32.7	159

*Adjusted for ten-for-one stock split in 1950 and 20% stock dividend in 1957.

DIRECTORS

J. SIMON FLUOR	JAMES P. WISEMAN
DONALD W. DARNELL	MELVIN A. ELLSWORTH
J. ROBERT FLUOR	FRANCIS E. FISCHER
	ROBERT W. KERR
FRANK G. BREYER	<i>Senior Partner, Singmaster & Breyer, Inc. (1955)</i>
JAN OOSTERMEYER	<i>Chemical Consultant, former President, Shell Chemical Corporation (1953)</i>
DONALD ROYCE	<i>Partner, William R. Staats & Co. (1951)</i>
FRANKLIN S. WADE	<i>Chairman of the Board, Southern California Gas Company (1952)</i>

OFFICERS

J. SIMON FLUOR	<i>President (1921)</i>
DONALD W. DARNELL	<i>Chairman of the Board (1925)</i>
J. ROBERT FLUOR	<i>Executive Vice President (1946)</i>
FRANCIS E. FISCHER	<i>Secretary-Treasurer (1924)</i>
JAMES D. HARRIS	<i>Vice President, Legal (1950)</i>
MELVIN A. ELLSWORTH	<i>Vice President and General Manager, Engineering-Construction Division (1940)</i>
EDMUND C. AUSTIN	<i>Vice President, Procurement (1958)</i>
GEORGE H. DIETER	<i>Vice President, International Sales (1940)</i>
W. P. DOWNEY	<i>Vice President, Construction (1930)</i>
JOHN G. MARSHALL	<i>Vice President, General Engineering (1946)</i>
ERNEST MONCRIEF	<i>Vice President, Coordinator of Subsidiaries and Affiliates (1937)</i>
DAVID S. TAPPAN	<i>Vice President, Domestic Sales (1952)</i>
LEE VAN HORN	<i>Vice President, Process Engineering and Development (1948)</i>
JAMES P. WISEMAN	<i>Vice President, Mid-Continent Division (1942)</i>
ROBERT W. KERR	<i>Vice President, also President, Fluor Products Company (1960)</i>
NORMAN L. BAILIFF	<i>Vice President, Manufacturing, Fluor Products Company (1952)</i>
JOHN W. HUBENTHAL	<i>Vice President, Engineering, Fluor Products Company (1946)</i>
DANIEL H. WHITE	<i>Vice President, Sales, Fluor Products Company (1946)</i>

NOTE: Figures in parentheses indicate the year each officer joined the Company, or each outside director joined the Board.

AFFILIATES

The Fluor Corporation of Canada, Ltd., Toronto, Ontario
Singmaster & Breyer, Inc., New York City
Fluor Maintenance, Inc., Los Angeles
Fluor Engineering & Construction Co., Limited, London
Fluor-Schuytplot N.V., Haarlem, Holland
Fluor International, S.A., Panama, R. P.

ANNUAL MEETING

The Annual Meeting of The Fluor Corporation, Ltd.
will be held at 10 a.m. (PST) Monday, March 13, 1961
at the main office.

AUDITORS

Alexander Grant & Company, Los Angeles

GENERAL COUNSEL

Voegelin, Barton, Harris & Callister, Los Angeles

STOCK REGISTRARS

California Bank, Los Angeles
The Chase Manhattan Bank, New York

TRANSFER AGENTS

The Security First National Bank, Los Angeles
The First National City Bank of New York

MAIN OFFICE

2500 South Atlantic Boulevard, Los Angeles 22, California

The Fluor Corporation, Ltd., 2500 South Atlantic Boulevard, Los Angeles 22, California