

**FLUOR CORPORATION**  
**CONSOLIDATED STATEMENT OF EARNINGS**

(in thousands, except per share amounts)	Year Ended December 31,		
	2017	2016	2015
<b>TOTAL REVENUE</b>	\$19,520,970	\$19,036,525	\$18,114,048
<b>TOTAL COST OF REVENUE</b>	18,902,480	18,246,209	17,019,352
<b>OTHER (INCOME) AND EXPENSES</b>			
Gain related to a partial sale of a subsidiary	—	—	(68,162)
Pension settlement charge	—	—	239,896
Corporate general and administrative expense	192,187	191,073	168,329
Interest expense	67,638	69,689	44,770
Interest income	(27,776)	(17,046)	(16,689)
Total cost and expenses	19,134,529	18,489,925	17,387,496
<b>EARNINGS FROM CONTINUING OPERATIONS BEFORE TAXES</b>	386,441	546,600	726,552
<b>INCOME TAX EXPENSE</b>	121,972	219,151	245,888
<b>EARNINGS FROM CONTINUING OPERATIONS</b>	264,469	327,449	480,664
<b>LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX</b>	—	—	(5,658)
<b>NET EARNINGS</b>	264,469	327,449	475,006
<b>LESS: NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>	73,092	46,048	62,494
<b>NET EARNINGS ATTRIBUTABLE TO FLUOR CORPORATION</b>	\$ 191,377	\$ 281,401	\$ 412,512
<b>AMOUNTS ATTRIBUTABLE TO FLUOR CORPORATION</b>			
Earnings from continuing operations	\$ 191,377	\$ 281,401	\$ 418,170
Loss from discontinued operations, net of tax	—	—	(5,658)
Net earnings	\$ 191,377	\$ 281,401	\$ 412,512
<b>BASIC EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO FLUOR CORPORATION</b>			
Earnings from continuing operations	\$ 1.37	\$ 2.02	\$ 2.89
Loss from discontinued operations, net of tax	—	—	(0.04)
Net earnings	\$ 1.37	\$ 2.02	\$ 2.85
<b>DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO FLUOR CORPORATION</b>			
Earnings from continuing operations	\$ 1.36	\$ 2.00	\$ 2.85
Loss from discontinued operations, net of tax	—	—	(0.04)
Net earnings	\$ 1.36	\$ 2.00	\$ 2.81
<b>SHARES USED TO CALCULATE EARNINGS PER SHARE</b>			
Basic	139,761	139,171	144,805
Diluted	140,893	140,912	146,722
<b>DIVIDENDS DECLARED PER SHARE</b>	\$ 0.84	\$ 0.84	\$ 0.84

See Notes to Consolidated Financial Statements.

**FLUOR CORPORATION**  
**CONSOLIDATED BALANCE SHEET**

(in thousands, except share and per share amounts)	December 31, 2017	December 31, 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (\$516,046 and \$439,942 related to variable interest entities ("VIEs"))	\$1,804,075	\$1,850,436
Marketable securities, current (\$91,295 and \$48,155 related to VIEs)	161,134	111,037
Accounts and notes receivable, net (\$327,652 and \$232,242 related to VIEs)	1,602,751	1,700,224
Contract work in progress (\$132,500 and \$124,677 related to VIEs)	1,458,533	1,537,289
Other current assets (\$9,229 and \$24,017 related to VIEs)	574,764	411,284
Total current assets	5,601,257	5,610,270
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	82,794	77,985
Buildings and improvements	493,704	490,047
Machinery and equipment	1,501,452	1,364,231
Furniture and fixtures	155,423	157,104
Construction in progress	62,237	50,047
	2,295,610	2,139,414
Less accumulated depreciation	1,201,929	1,122,191
Net property, plant and equipment (\$44,004 and \$53,728 related to VIEs)	1,093,681	1,017,223
<b>OTHER ASSETS</b>		
Marketable securities, noncurrent	113,622	143,553
Goodwill	564,683	532,239
Investments	878,863	740,385
Deferred taxes	316,472	454,109
Deferred compensation trusts	381,826	348,487
Other (\$27,631 and \$24,248 related to VIEs)	377,288	370,151
Total other assets	2,632,754	2,588,924
<b>TOTAL ASSETS</b>	<b>\$9,327,692</b>	<b>\$9,216,417</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trade accounts payable (\$258,592 and \$221,601 related to VIEs)	\$1,512,740	\$1,590,506
Revolving credit facility and other borrowings	27,361	82,243
Advance billings on contracts (\$361,701 and \$263,393 related to VIEs)	874,036	763,774
Accrued salaries, wages and benefits (\$32,678 and \$35,573 related to VIEs)	706,520	734,649
Other accrued liabilities (\$44,211 and \$32,015 related to VIEs)	453,513	644,857
Total current liabilities	3,574,170	3,816,029
<b>LONG-TERM DEBT DUE AFTER ONE YEAR</b>	1,591,598	1,517,949
<b>NONCURRENT LIABILITIES</b>	669,525	639,608
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>EQUITY</b>		
Shareholders' equity		
Capital stock		
Preferred — authorized 20,000,000 shares (\$0.01 par value), none issued	—	—
Common — authorized 375,000,000 shares (\$0.01 par value); issued and outstanding — 139,918,324 and 139,258,483 shares in 2017 and 2016, respectively	1,399	1,393
Additional paid-in capital	88,222	38,317
Accumulated other comprehensive loss	(402,242)	(496,669)
Retained earnings	3,654,931	3,582,150
Total shareholders' equity	3,342,310	3,125,191
Noncontrolling interests	150,089	117,640
Total equity	3,492,399	3,242,831
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$9,327,692</b>	<b>\$9,216,417</b>

See Notes to Consolidated Financial Statements.

**FLUOR CORPORATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(in thousands)	Year Ended December 31,		
	2017	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net earnings	\$ 264,469	\$ 327,449	\$ 475,006
Adjustments to reconcile net earnings to cash provided (utilized) by operating activities:			
Loss from discontinued operations, net of taxes	—	—	5,658
Pension settlement charge	—	—	239,896
Depreciation of fixed assets	206,113	211,095	188,700
Amortization of intangibles	19,156	14,818	1,038
(Earnings) loss from equity method investments, net of distributions	2,849	12,180	(1,597)
Gain related to a partial sale of a subsidiary	—	—	(68,162)
Gain on sale of property, plant and equipment	(22,746)	(21,604)	(31,272)
Amortization of stock-based awards	40,669	40,086	61,053
Deferred compensation trust	(49,539)	(22,332)	44,298
Deferred compensation obligation	52,615	29,323	(6,854)
Statute expirations and tax settlements	—	(13,280)	(7,827)
Deferred taxes	100,286	(7,912)	4,675
Net retirement plan accrual (contributions)	(8,846)	(1,756)	(37,805)
Changes in operating assets and liabilities	(11,899)	135,393	303,896
Cash outflows from discontinued operations	—	—	(316,195)
Other items	8,844	2,459	(5,376)
Cash provided by operating activities	601,971	705,919	849,132
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of marketable securities	(237,360)	(359,986)	(386,021)
Proceeds from the sales and maturities of marketable securities	216,436	522,094	411,380
Capital expenditures	(283,107)	(235,904)	(240,220)
Proceeds from disposal of property, plant and equipment	96,102	81,162	94,323
Proceeds from sale of buildings	—	—	82,082
Proceeds from a partial sale of a subsidiary	—	—	45,566
Investments in partnerships and joint ventures	(273,117)	(518,220)	(91,078)
Acquisitions, net of cash acquired	—	(240,740)	—
Other items	(3,232)	10,243	17,461
Cash utilized by investing activities	(484,278)	(741,351)	(66,507)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repurchase of common stock	—	(9,718)	(509,658)
Dividends paid	(117,995)	(117,995)	(125,204)
Proceeds from issuance of 1.75% Senior Notes	—	552,958	—
Debt and credit facility issuance costs	—	(3,513)	—
Repayment of Stork Notes, convertible debt and other borrowings	—	(333,654)	(28,425)
Borrowings under revolving lines of credit	—	882,142	—
Repayment of borrowings under revolving lines of credit	(53,455)	(917,027)	—
Distributions paid to noncontrolling interests	(47,215)	(57,904)	(58,986)
Capital contributions by noncontrolling interests	6,397	9,072	5,254
Taxes paid on vested restricted stock	(6,186)	(7,007)	(8,400)
Stock options exercised	9,380	3,658	1,780
Other items	(6,428)	(11,362)	(4,591)
Cash utilized by financing activities	(215,502)	(10,350)	(728,230)
Effect of exchange rate changes on cash	51,448	(53,668)	(97,634)
Decrease in cash and cash equivalents	(46,361)	(99,450)	(43,239)
Cash and cash equivalents at beginning of year	1,850,436	1,949,886	1,993,125
Cash and cash equivalents at end of year	\$1,804,075	\$1,850,436	\$1,949,886

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