



Fluor Corporation

Global Growth Meeting the Challenge

2005 ANNUAL REPORT



Fluor Corporation (NYSE: FLR) is one of the world's largest publicly owned engineering, procurement, construction, maintenance and project management companies. Over the past century, Fluor, through its operating subsidiaries, has become a trusted global leader in providing exceptional services and technical knowledge.

Clients rely on Fluor to deliver world-class solutions that optimize their assets, improve their competitive position, and increase their long-term business success. Consistently rated as one of the world's safest contractors, Fluor's primary objective is to develop, execute, and maintain projects on schedule, within budget, and with excellence.

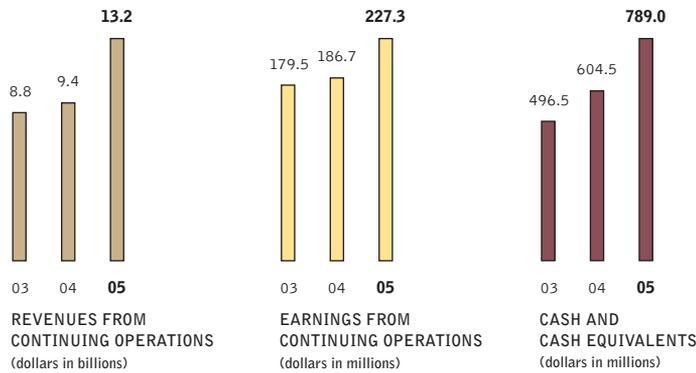
Fluor is a FORTUNE 500 company with 35,000 employees in more than 25 countries across six continents.

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FORWARD-LOOKING STATEMENTS

The information contained in this annual report contains forward-looking statements, including projected earning levels for the calendar year 2006, market outlook, new awards, backlog levels, competition, the adequacy of funds to service debt and the implementation of strategic initiatives and organizational changes. These forward-looking statements reflect the company's current analysis of existing information as of the date of this annual report, and are subject to various risks and uncertainties. As a result, caution must be exercised in relying on forward-looking statements. Due to known and unknown risks, the company's actual results may differ materially from our expectations or projections. Additional information concerning factors that may influence the company's results can be found in the company's Form 10-K that follows this annual report under the heading "Item 1A—Risk Factors."



DEAR VALUED SHAREHOLDERS

I am pleased to report that 2005 was a very successful year on a number of fronts, and the company has never been better positioned to capitalize on its position as the preeminent global provider of engineering, procurement, construction and maintenance (EPCM) services. Building on substantial new awards in 2004, earnings grew for the fifth consecutive year with the company posting record earnings on a substantial increase in revenues.

Global Growth

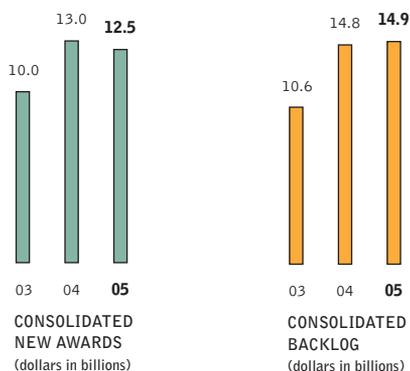
I am particularly encouraged by our continued success in winning new projects. With an unprecedented level of capital investment in many of the industries we serve, the entire Fluor team is focused on successfully meeting the challenge of delivering growth and value to our customers and shareholders.

2005 OPERATING PERFORMANCE

With a substantial pick-up in project activity, Fluor posted strong double-digit improvements in revenue, earnings and earnings per share during 2005. Revenues grew 40 percent to \$13.2 billion while net earnings increased 22 percent to \$227 million, or \$2.62 per share. This compares with net earnings of \$187 million, or \$2.25 per share, in 2004.

We are very encouraged by these results, with strong operating performance from four of our five business segments. Operating profits from Oil & Gas rose 50 percent, reflecting outstanding performance in a robust global marketplace driven by escalating world energy demand. Global Services posted a double-digit increase in a strong market for construction and maintenance services, while our Government unit enjoyed another positive year with significant contributions from the Department of Energy (DOE), reconstruction work in Iraq and disaster recovery work for the Federal Emergency Management Agency (FEMA). The Power business produced profits on par with 2004, positioning itself for an upturn in coal-fired power plants and environmentally driven scrubber programs. The performance of our Industrial and Infrastructure (I&I) group resulted in a loss in that unit for the year, and as a result we have strengthened the management team and refined the business model, which we believe will substantially improve their results going forward.

We also continued to win very high levels of new project awards across our diversified portfolio of businesses, booking \$12.5 billion – slightly below last year’s company record of \$13.0 billion. All segments made significant contributions with Oil & Gas leading with over \$4 billion of new bookings, I&I, Global Services and Government each with more than \$2 billion, and Power with over \$1 billion. Fluor’s backlog of business grew for the third straight year, to \$14.9 billion, with a number of large prospects in the pipeline for 2006.



Earnings were helped by the resolution of the longstanding claims on the Hamaca crude upgrader project in Venezuela, but hurt by the settlement of a legal dispute involving a hotel project in the Caribbean and provisions for losses on several projects in I&I and Government. We believe that our strategy of selectivity, combined with our rigorous risk management processes, continue to serve us well. However, we must remain diligent in executing all of our projects well, and will move forward with an ever-sharpened focus on our clients, execution, and the fundamentals of our business.

I am also proud to note that our world class safety performance continues to lead the industry. Our commitment to the health and safety of our employees and subcontractors is our number one priority each and every day.

BUSINESS STRATEGY AND OUTLOOK

Fluor’s strategy is to maintain and grow a diverse portfolio of global businesses focused on the EPCM marketplace and capitalizing on the company’s industry and geographic strengths. Many of our markets are cyclical by nature, yet our challenge is to grow the overall business on a consistent basis. We have achieved consistent growth by maintaining industry-leading positions across a combination of stable non-cyclical markets, such as government and operations and maintenance, as well as traditionally cyclical markets like oil, gas, petrochemicals and power. We are extremely well positioned globally, which enables us to capitalize on developing growth markets.

The outlook for the majority of Fluor’s markets remains positive, with exciting prospects in the oil, gas, petrochemicals, power, mining, transportation and government markets. We continue to expand globally, with about two-thirds of our new awards and backlog coming from projects outside of the United States and nearly a quarter of new business coming from the Middle East.

Driven by strong economic and market supply/demand fundamentals, our Oil & Gas business is up significantly. Opportunities across the full spectrum of upstream and downstream processing industries are plentiful, with major

activity in the Middle East, Europe, Asia, Canada and the United States. Our clients plan to invest billions of dollars in expanding gas supplies, including new liquefied natural gas (LNG) capacity, and for the first time in decades, in new oil refinery facilities to meet ever-increasing global demand. The market for petrochemicals is also extremely active, with demand stimulating a large wave of investment.

The market for new coal-fired power generation continues to progress. While lead times are long and permitting is a key issue, we were released to begin construction on one coal-fired plant during 2005 and are pursuing several additional major prospects. Demand for the environmental remediation of pollutants from existing coal-fired facilities is another growth area with great potential.

The I&I segment, serving a wide range of industrial and infrastructure markets, has a number of opportunities going forward. During 2005, the unit made good progress on the major copper mining projects that were booked in 2004 and on iron ore work won during 2005. We continue to track a number of major new prospects to expand copper, iron ore, nickel and gold production capacity worldwide. Fluor is a leader in this market, and we expect to continue to capture profitable market share.

Large infrastructure opportunities are progressing in the United States and Europe and Fluor’s strategy of pursuing complex, privatized design/build projects represents a strong growth area.

We continue to make measurable strides in our strategy to grow our share of less-cyclical markets thereby establishing a significant base of continuing business. We view the U.S. Government as a key market where Fluor can profitably grow over the long term. Our work for the DOE’s nuclear remediation programs is progressing with superior results, and we are very proud to report that after 13 years at Fernald, Fluor will successfully close the site in 2006, years ahead of schedule and substantially under budget. Leveraging our experience and outstanding reputation, we plan to pursue several new contracts which the DOE is expected to re-compete in 2006. In Iraq, our team has earned high marks on our reconstruction work while maintaining an outstanding safety record in this very challenging location. We are also proud to have been selected by FEMA, a long-term Fluor client, to support their disaster recovery efforts following hurricanes Katrina and Rita.

Our most stable business, Global Services, comprised of our operations and maintenance, procurement and construction services, equipment and tool leasing, and temporary employee businesses, has established itself as a strong growth contributor.

The unit is winning long-term contracts with major industrial clients, and will also grow as a result of serving Fluor's overall EPCM business groups.

With most of our markets in an upturn, we continue to be very encouraged by the outlook for significant ongoing client spending across our portfolio. Continuing strength in new awards and a strong backlog are expected to drive growth in 2006.

FINANCIAL STRENGTH

Fluor's financial condition was further strengthened during this past year. Our balance sheet was materially improved with the resolution of the Hamaca claims, eliminating this major uncertainty and converting tied-up working capital to cash. Bolstered by positive contributions from operations, our cash position grew from \$605 to \$789 million during a period in which we paid off our commercial paper borrowings and reduced our debt-to-capital ratio to 21 percent, from just over 26 percent a year ago. We are positioned to use our ample resources to support both future organic growth initiatives and potential acquisitions.

FIGHT AGAINST CORRUPTION

For the past three years, Fluor, along with Newmont Mining and Petronas, has led the World Economic Forum's Partnering Against Corruption Initiative (PACI). This set of business principles is intended to combat corruption and bribery has been signed by nearly 100 global companies representing over \$500 billion of annual revenue. By signing, the leaders of each company commit to a no-bribe policy and also commit to installing preventative systems and procedures to guard against corruption.

FLUOR MOVES

In May of 2005, we announced that we will be moving our corporate headquarters from Aliso Viejo, California to the metroplex of Dallas, Texas. This move was prompted by the improvements in operating efficiency that can be gained from a central time zone with better travel access and communications with our business constituents. Our new facility in the Dallas suburb of Las Colinas is under construction and will be occupied in late April, 2006. Fluor will continue to have a significant engineering presence in Southern California.

ACKNOWLEDGEMENTS AND APPRECIATION

Fluor employees are doing an outstanding job during this period of unprecedented growth. Their dedication to delivering quality services to our valued clients will continue to be the cornerstone of our success and world-class reputation in the industry.

Our Board of Directors continues to provide valuable guidance and insight, and I am very pleased with their wealth of knowledge and their individual and collective strengths. In April 2005, we announced the election of Peter S. Watson to Fluor's Board. Peter recently served as chairman, president and CEO of the U.S. Overseas Private Investment Corporation.

At year-end, Dr. David Gardner, one of our longest-tenured directors, retired from the Board. With a passion for education and depth of experience as the former president of both the University of California System and the University of Utah, David made many invaluable contributions, particularly around the development of people resources. As chair of the Governance committee, he has also helped Fluor during a period of rapidly evolving corporate regulations. We thank David for his distinguished service to Fluor's shareholders since 1988.

MEETING THE CHALLENGE

In closing, the demand for quality EPCM services is growing at a very rapid pace, and most of that growth is occurring outside of the United States. Our capabilities and diversity are unmatched globally, which is why I believe that our prospects and potential have never been better. Fluor had a very good year in 2005, and I am excited about the considerable opportunities in 2006. With the talent and dedication of our people and the trust of our clients, there is no doubt that we will successfully meet the challenges that lie ahead and continue to serve you, our valued shareholders.



Alan L. Boeckmann
Chairman and Chief Executive Officer
March 1, 2006



FLUOR CORPORATION is one of the world's largest engineering and construction companies that provide services on a global basis in the fields of engineering, procurement, construction, operations, maintenance and project management. The company's five strategic units combined to create revenues of \$13.2 billion in 2005.

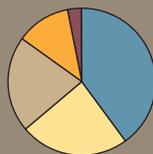
Fluor has created a world class **HEALTH, SAFETY, AND ENVIRONMENTAL (HSE)** culture and a work environment that values diversity in thought and experience, teamwork, ethical behavior, corporate responsibility, and performance excellence. The robust Fluor HSE Management System provides the vision and framework to sustain this culture and these values. Fluor HSE statistics continually reflect industry leadership in setting the standard for sustaining the well-being of people, communities and the environment.

Over 60% of Fluor's Consolidated Backlog is for international projects located outside of the United States.

Operating globally through a network of offices in **25 countries** across six continents, with **35,000 employees** worldwide.

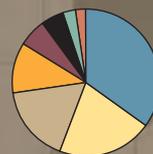
REVENUE BY SEGMENT

- Oil & Gas 40%
- Industrial & Infrastructure 24%
- Government 21%
- Global Services 12%
- Power 3%



CONSOLIDATED BACKLOG BY REGION

- United States 35%
- Middle East 21%
- Europe 17%
- Latin America 11%
- Canada 6%
- Australia 5%
- Asia Pacific 3%
- Africa 2%





OIL & GAS Fluor has an extensive history of providing a full range of services on a worldwide basis to the oil and gas production and processing industries. Fluor performs projects of all sizes, but is one of the few companies with the global scope, experience and program management capabilities to handle the largest, most complex projects in challenging geographic locations. Global supply and demand fundamentals are continuing to drive a major cycle of capital investment in upstream, downstream, and petrochemical projects.

GOVERNMENT Fluor's Government business is focused on expanding and diversifying its participation in the substantial, long-term and growing needs of U.S. Government agencies. Fluor has longstanding experience serving the Department of Energy, and is performing work for the Departments of Defense, State, and Homeland Security. Fluor has been very active in the reconstruction efforts in Iraq, and is proud of its continued support of FEMA's efforts during national disasters.

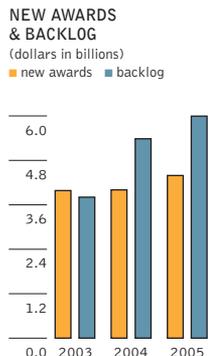
POWER Fluor is an industry leader in the design and construction of power generation facilities. While completing several gas-fired plants, the group is focused on opportunities for new coal-fired facilities. Fluor is very experienced in plant betterment projects, enabling the reduction and cleanup of multiple pollutants from the emissions of existing generating facilities.

INDUSTRIAL & INFRASTRUCTURE Fluor serves a broad range of industrial and infrastructure markets, including life sciences, mining, transportation, telecommunications, commercial and institutional, and general manufacturing. Continuing global economic expansion is driving strong demand for raw materials, consumer products and infrastructure programs.

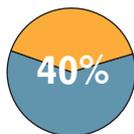
GLOBAL SERVICES The Global Services segment is primarily comprised of our operations and maintenance business and other core competencies that are complementary to Fluor's EPCM operations globally. These include our site-based construction equipment services and industrial fleet management businesses, which support both Fluor and third-party contractors on construction and maintenance activities.



As an industry leader, Fluor has an extensive history of providing a full range of EPC services on a worldwide basis to the oil and gas production and hydrocarbon processing industries. Fluor performs projects of all sizes, yet is one of the few companies with the global scope, experience and program management capabilities to handle the largest, most complex projects anywhere in the world. Depletion of oil and gas reserves, combined with limited capacity additions and growing demand for hydrocarbon-based products, is driving a major cycle of capital investment in upstream, downstream and petrochemical projects.



REVENUE BY SEGMENT
Oil & Gas



(right) ICA Fluor in Mexico is providing engineering, procurement and construction services for this LNG receiving, storage and regasification terminal, including the marine berth. This facility will receive shipments of LNG and will gasify the LNG and place it into the natural gas pipelines, helping to increase the amount of natural gas available in Mexico.

(top left and far right) A Fluor joint venture is performing this world class project that has a total installed cost of approximately \$4.9 billion. This sour-gas injection project in Kazakhstan will increase oil production at Tengizchevroil’s project to 550,000 barrels of oil per day beginning in 2007.

(bottom left) Fluor managed the design, procurement and construction of this \$2.6 billion integrated petrochemicals site in Nanjing, the People’s Republic of China, for BASF-YPC Company Ltd. It is among the largest Sino-foreign petrochemical enterprises in China and became fully functional in 2005.



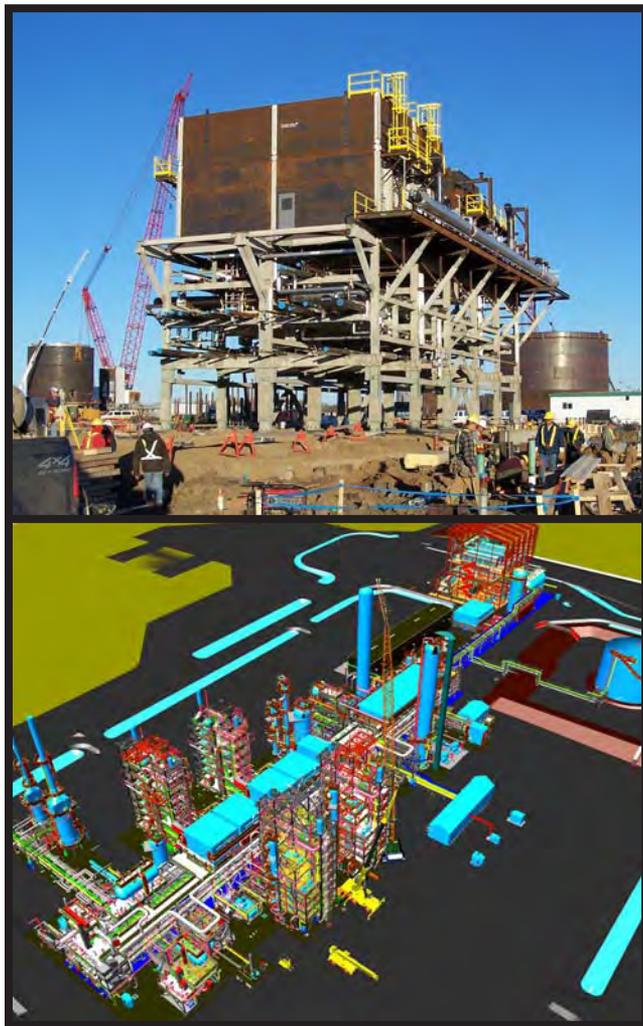
national oil and gas companies provide further evidence of a continued and accelerated ramp-up in capital investment.

Fluor’s strong program management skills and global experience make the company particularly well suited to perform the role of overall program manager. In addition, Fluor often secures the full engineering, procurement and construction (EPC) responsibility for certain process units and the infrastructure work, or offsites and utilities, that are critical to tying the entire project together. The company is also leveraging its strengths in key technologies, including gas processing and sulfur removal in the upstream market, and clean fuels and oil sands in the downstream market.

The Long Lake Upgrader Project is Canada's first oil sands project to integrate the steam-assisted gravity drainage (SAGD) bitumen extraction with on-site bitumen upgrading. A joint venture of OPTI Canada Inc. and Nexen Canada Ltd., is employing this new integrated approach that produces a premium synthetic crude oil at an anticipated lower cost per barrel. Fluor provided detailed engineering, procurement and construction management for major portions of this 70,000 barrel per day bitumen upgrader located near Ft. McMurray, Alberta, Canada. A portion of the plant's 3D CAD model is shown here.

Spending on development of new upstream oil and gas resources is strong due to growing demand, the need to replace depleting resources, and high prices. Fluor is working on the development of major new fields in the Caspian Sea region, Russia, Kazakhstan and China. During 2005, substantial progress was made on the very large Sakhalin I and Tengizchevroil projects. These multi-billion dollar programs are developed in phases over a number of years and typically involve multiple contractors. Fluor is often involved in the front-end engineering on many of these projects, which positions the company for major EPC follow-on work once the projects are released.

Fluor is tracking a significant number of major upstream oil and gas prospects in widely diverse geographic locations, including the Middle East, China, West Africa, Russia and Alaska. These opportunities encompass a wide range of projects, including production, processing, and transport of oil and gas resources. Increasing demand for natural gas, particularly in the United States, coupled with inexpensive and plentiful resources in the Middle East, is driving significant investment in liquefied natural gas (LNG) projects. Fluor is working on a number of gas-related projects and is particularly focused on LNG regasification and receiving terminal projects. Fluor also anticipates increased activity on gas-to-liquids (GTL) projects in 2006, as clients move forward with their development plans.



During 2005, major upstream awards included the EPC of a \$1 billion project to expand the Habshan gas complex in Abu Dhabi, construction of onshore facilities for Agip KCO for the Kashagan oil field in the North Caspian Sea, and initial design and construction services for facilities required to support six new world-scale LNG trains for processing natural gas from the North Field of Qatar.

There are also a number of active areas on the downstream side, as demand for refined products has continued to grow and prices have steadily escalated. Significant opportunities include refinery modifications, upgrades and capacity expansions in North America and Mexico, new refineries in the Middle East, and upgrading/processing of heavy oil from the Canadian oil sands. U.S. refiners are making significant investments that will enable the processing of heavier, less-expensive crude oils from Canada and Venezuela. Strained supplies and high prices are also driving programs to expand gasoline and jet fuel production capacity in the United States and globally. For the first time in many years, major new refineries in Saudi Arabia and Kuwait are in the development stages, with others being considered in Russia, China, Europe and South America. Fluor is performing the front-end engineering for a new 450,000 barrel per day Kuwait refinery, and is performing numerous refinery modernization projects around the world. During 2005, significant progress was made on projects related to the implementation of clean fuel technologies that reduce the sulfur content in on-road diesel by the EPA's 2006 deadline. Fluor is also very active in South

Africa, managing Sasol's major clean fuels initiative. In Canada, the company has a leading role in the current wave of investment in oil sands, with work progressing on two major crude oil upgrader projects. Looking ahead, the market for future oil sands projects are expected to further expand with billions of dollars of additional investment anticipated over the next several years.

Significant downstream project awards received during 2005 included a contract to provide detailed engineering, procurement and construction management services of upgrader process units for a major oil sands project in Canada. On the refining side, Fluor was selected to provide the Front-End Engineering and Design (FEED) services for a proposed \$2.2 billion expansion at Marathon's Garyville, Louisiana refinery. The company received numerous awards for refinery modifications in the United States, Canada, Mexico, South Africa, Europe and the Caribbean.

The market for petrochemicals expanded considerably during 2005, with a significant upturn in capital spending focused on increasing ethylene production capacity. The majority of projects in development are located in the Middle East, close to low-cost gas feedstock, or in China where the demand for chemical products is the greatest. Both regions represent areas of significant strength and experience for Fluor. During the year, the company completed two major integrated petrochemical projects in China, and a number of petrochemical projects in the Middle East that were in the preliminary stages a year ago have progressed, with Fluor's scope moving from front-end engineering to full program management responsibility.

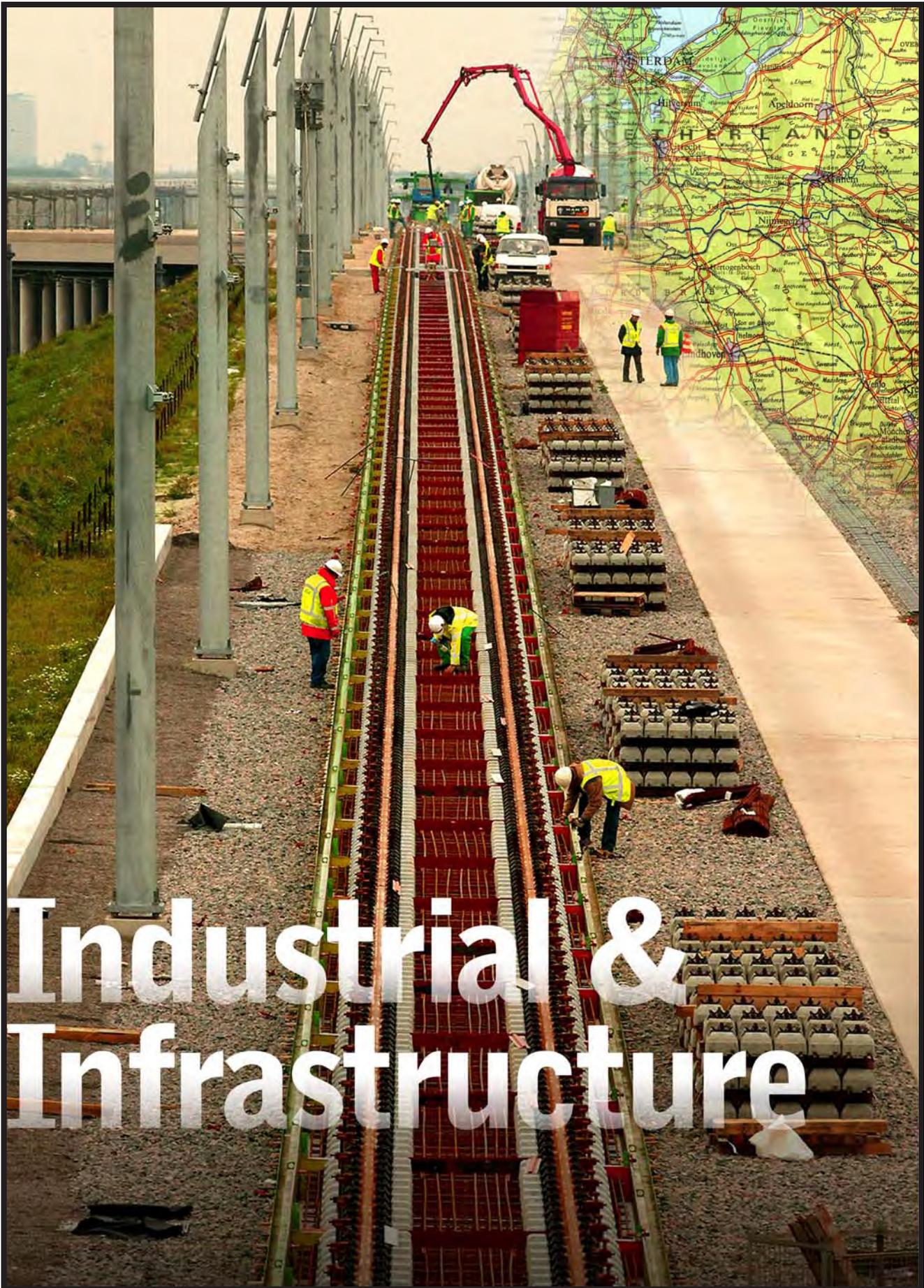
Major new awards in 2005 included engineering, procurement and construction management of the utilities and infrastructure portion of an olefins complex for Dow/Petrochemical Industries Company in Kuwait, offsites and utilities for a major ethylene complex for SABIC Industries in Saudi Arabia, and front-end engineering, design and project management consultancy services for a large petrochemical development for a client consortium in Saudi Arabia. Fluor also received chemicals awards in Europe, Oman, the U.S. and Mexico.

Fluor continues to perform a substantial amount of FEED, which could lead to substantial follow-on awards, indicating a strong pipeline of new project opportunities for Oil & Gas in 2006.

Fluor served as the program management contractor for a major olefins-based petrochemical project in Saudi Arabia. Fluor managed the interface between the various process unit contractors and had complete engineering, procurement and construction management responsibilities for the utilities and offsites.



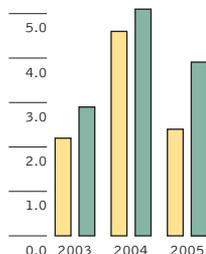
Fluor is the managing contractor for Shell's Ultra Low Sulphur Diesel Project, which reduces the sulphur content in their diesel fuel. The project consists of two grass-roots diesel hydrotreater units at Shell's Montreal East refinery and Shell's Scotford refinery in Fort Saskatchewan, Canada.



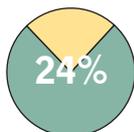
Industrial & Infrastructure

Fluor’s Industrial & Infrastructure (I&I) business segment serves a broad range of diversified markets, including life sciences, mining, general manufacturing, transportation, commercial & institutional, telecommunications and microelectronics. Continuing global economic expansion is driving strong demand for raw materials, consumer products and infrastructure programs.

NEW AWARDS & BACKLOG
(dollars in billions)
■ new awards ■ backlog



REVENUE BY SEGMENT
Industrial & Infrastructure



(left) The Fluor-led Infrasppeed consortium was assembled to design, build and maintain the HSL-Zuid high speed rail connection between Amsterdam and the Belgian border. With a top speed of 185 miles per hour, the train will revolutionize public transport and be a key element in the European Rail Network.

(far right) A Fluor-led consortium, Zumbro River Constructors, is responsible for the design and reconstruction of a highway in Rochester, Minnesota. The ROC 52 highway utilizes a Single Point Urban Interchange designed to move traffic through the intersection in one movement, thereby accommodating heavier traffic loads than a traditional intersection.

(near right) Fluor Chile S.A. is providing EPCM and commissioning assistance services for new heap leach, solvent, extraction, electrowinning and infrastructure facilities at the Escondida minesite located in the Atacama desert of northern Chile. The production capacity of the new facility is 180,000 tons per annum of copper cathode. This is the latest large-scale project performed by Fluor at Escondida since executing the original facilities in the late 1980's.

I&I overall had some significant challenges during the year, with loss provisions on several projects more than offsetting profits from the rest of the unit's operations. As a result, the segment reported an operating loss of \$17 million in 2005, down substantially from an operating profit of \$62 million last year. Fluor has taken steps to improve unit performance going forward, including strengthening the management team. New awards for the year were \$2.3 billion, driven primarily by strength in mining and infrastructure. Backlog declined 24 percent, to \$3.9 billion, as work performed outpaced new awards during the year.

Life sciences continues to be an important market and an area of significant opportunity for Fluor, but the market softened during 2005, and expectations for near-term growth are tempered. There are some early signs of a recovery in the biologics area, including vaccines and large-scale cell culture manufacturing projects, in particular. Fluor's regulatory compliance, commissioning, and validation services business, which provides a key step in bringing new facilities into production as well as keeping existing facilities operating and FDA-compliant, continues to be



important. Fluor's ability to provide full-scope design/build/validation services, along with cost and schedule certainty, is a key market differentiator that is unmatched in the industry.

During 2005, the I&I segment performed a substantial amount of mining work, resulting from very strong new awards in 2004. The global mining market has substantially improved after many years of under-investment. Driven by strong global demand and commodity prices, Fluor is working on three significant copper projects in South America. Toward the end of 2005, a Fluor 50/50 joint venture was awarded a contract to provide EPCM services on a major iron ore project in Australia

for BHP Billiton. This project will increase iron production capacity and expand BHP Billiton's rail and port facilities. The mining market is anticipated to remain strong over the next few years, with additional opportunities in copper and iron ore, as well as precious metals and diamonds. As one of only a few major global competitors in this market, Fluor is exceptionally well positioned to capitalize on this renewed cycle of investment.

Economic growth has also stimulated investment in certain general heavy manufacturing facilities, particularly outside of the United States. During 2005, Fluor made substantial progress on the construction of a \$500 million flat-panel glass manufacturing plant in Taiwan for Corning. We also see significant opportunity for major projects in the metals market around the world, including aluminum. Fluor is well positioned to capitalize on the potential that this market holds, in terms of strong client relationships and experience with large, complex projects in geographically remote regions, where much of the future investment is anticipated.

The infrastructure/transportation market represents a strong growth area. Fluor is building on the success of its business model which focuses primarily on large design/build and public/private

partnership opportunities, leveraging the company's strength in managing large infrastructure programs. Budget constraints continue to drive increased use of privatization as a solution to state and federal transportation infrastructure needs. Fluor is working on a number of major road and rail projects in the United States and Europe, and anticipates continued growth. Privatized infrastructure projects typically have long development phases, and during 2005 Fluor made substantial progress on several large opportunities. Two significant projects for the Virginia Department of Transportation (VDOT) progressed toward becoming eventual Fluor EPC awards. First, Fluor and its partners signed an agreement to develop a project to design, construct, finance and operate four new high-occupancy toll lanes along a 14-mile segment of the Capital Beltway (I-495).

Depending on the timing of environmental approvals, this project could be booked during 2006. On a second project, a Fluor team was selected to further negotiate, develop, design, construct and operate toll lanes along VDOT's I-95/I-395 with financial closing possible in late 2007. Fluor is also pursuing major public works programs, and a Fluor-led joint venture was recently selected as the construction manager and general contractor for the \$1 billion World Trade Center Transportation Hub project in New York City.

Fluor continues to make significant progress on its ongoing road and rail projects in the United States and Europe, including the SH-130 highway in Austin, Texas. Ahead of schedule, this \$1 billion project is the largest active infrastructure project in the United States. In Europe, the High Speed Rail Line that a Fluor consortium is constructing in The Netherlands has entered the testing phase and is on track for successful completion during 2006, at which time a long-term maintenance contract will commence. In late 2005, a Fluor-led consortium successfully completed construction of A59, The Netherlands' first public/private road project.

Fluor recently provided EPCM services, including the use of equipment modules, to a leading pharmaceutical company in Puerto Rico to deliver this life sciences project under budget and ahead of schedule.



Fluor's telecommunications backlog improved during the year with the award of a \$500 million contract from the U.K. Highways Agency to provide design and construction services for the upgrade and maintenance of telecommunications systems throughout England's highway system. This ten-year project with a major new client offers significant long-term potential.

To capitalize on the current and growing boom in the healthcare construction market, Fluor is beginning pursuit of healthcare capital projects worldwide. Fluor is well positioned to leverage its vast experience in siting, facilities programming, project management, engineering, procurement, construction, financing, operations, and maintenance to add value in this marketplace. Fluor plans to pursue project and program management roles with for-profit and not-for-profit healthcare facilities as well as university medical centers.



The Cerro Verde Primary Sulfide Project is located in an arid, mountainous region of southern Peru. Fluor is providing EPCM services for a new 108,000 tons per day copper concentrator and associated facilities. Fluor designed the original plant in the 1970's, and is the largest EPCM contractor in the Peruvian mining business.

Fluor Constructors International

Fluor Constructors International, Inc.SM (FCII) is the union craft arm of Fluor Corporation, providing construction management and direct-hire construction expertise in support of Fluor's operating businesses in North America. Additionally, FCII supports the staffing of international construction projects and has employees working around the world.

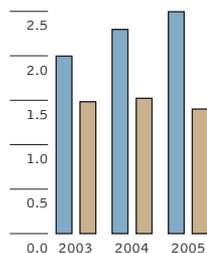
FCII has executed projects in virtually every business sector, performing stand-alone construction and providing maintenance services to clients in the United States and Canada. The company has served a diverse range of government agencies as well. FCII is one of only a few construction and maintenance contractors that executes work in accordance with a Quality Management System that meets ISO Standard 9001:2000.



Fluor's Government business segment has a long-standing track record of outstanding performance working for the U.S. Government, particularly the Department of Energy (DOE). With a strong strategic focus to expand and diversify its participation across several agencies, Fluor also performs substantial work for the Departments of Defense, State and Homeland Security. Fluor has been very active in the reconstruction efforts in Iraq, and is proud of its continued support of FEMA's efforts during national disasters. The U.S. Federal Government represents a large, sustainable, long-term market, offering substantial growth opportunities for Fluor.

(top left) The last major project before completing the Fernald cleanup is treating, packaging and shipping approximately 4,000 containers of radium-bearing waste from the site. Fluor Fernald shipped as many as 15 trucks a day carrying two, 20,000-pound canisters on specially designed flat-bed trailers. Radiation technicians monitor the outside of a container to ensure it meets Department of Transportation standards for low-level radioactive waste shipping.

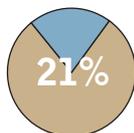
NEW AWARDS & BACKLOG
(dollars in billions)
■ new awards ■ backlog



The segment had another very strong year, with operating profits of \$84 million, on par with a year ago. Strong growth and profit contributions from DOE projects, reconstruction work in Iraq, and disaster relief work for FEMA were partially offset by losses on several fixed price embassy projects with the Department of State. Fluor is reassessing the viability of the embassy business going forward. New awards of \$2.5 billion, grew 12 percent over 2004, but backlog at year-end was down six percent to \$1.4 billion, due to declining work levels in Iraq.

Fluor continued to make excellent progress on its two principal DOE contracts for environmental remediation at former nuclear weapons complex sites at Hanford, Washington, and Fernald, Ohio. Fluor has been working at the Fernald site since 1992 and is on track to bring the site to closure in 2006, years ahead of schedule and at a savings of approximately \$2 billion. At the Hanford site, once used to process plutonium for weapons production, ongoing deactivation and decommissioning work continues very successfully. Leveraging its nuclear facility and accelerated cleanup experience at the Hanford and Fernald sites, Fluor is pursuing additional opportunities with DOE's Environmental Management division and the National Nuclear Security Administration. During 2006, the DOE is expected to initiate the re-competition of several large contracts, including the Savannah River complex, which Fluor plans to pursue. In addition to opportunities in

REVENUE BY SEGMENT
Government



(bottom left) Fluor Hanford finished the year with its lowest rate for OSHA recordable injuries, an 87 percent reduction since Fluor took over the cleanup contract at Hanford in 1996. Improvements in safety performance were achieved even as work at the DOE site shifted from nuclear operations to closing and demolishing plutonium production facilities, activities that presented new chemical and radiological hazards.

(right) The Khor Al Zubair Power Plant, being built by FluorAMEC LLC, is the largest U.S. Government power plant construction effort under way in Iraq. This facility will provide generation capacity for approximately 100,000 homes. The project has achieved a world class safety record. In addition to providing EPC and commissioning services, FluorAMEC teams are training Iraqi Ministry of Electricity employees to operate and maintain this facility.



the United States, the United Kingdom is in the initial stages of developing a decommissioning program for that country's nuclear production facility sites. Fluor is leveraging its long-standing presence and experience in the U.K. to establish an early position for this substantial long-term capital program.

Fluor continues to provide contingency response operations for the U.S. military, supporting the mission of military deployments around the world. Fluor was very active throughout 2005 on Iraq reconstruction projects, involving power restoration and water infrastructure improvements.

Building on its long-term relationship supporting FEMA, Fluor provided immediate response to requests for emergency assistance following Hurricanes Katrina, Rita and several other natural disasters. With responsibility to establish temporary housing for displaced Louisiana residents, Fluor quickly mobilized more than 500 personnel, and trained and hired thousands of local workers to undertake this important work which is expected to continue into 2006.

Fluor is also a key provider of military base operations and maintenance services for the Department of Defense, primarily through its Del-Jen unit.



Fluor's Global Services segment provides integrated

solutions to clients by leveraging its broad range of core competencies and service capabilities, including operations and maintenance (O&M), equipment, tool and asset management services, temporary staffing, construction and global procurement. In addition to the value provided directly to clients, Global Services resources are an integral part of Fluor's overall engineering, procurement, construction, operations, and maintenance business.

Operating profit for Global Services in 2005 was \$114 million, up 14 percent from last year. Financial results reflect solid performance across the entire segment. New awards for the year increased 42 percent to \$2.2 billion, growing the O&M backlog nine percent to \$2.5 billion. Global economic growth should continue to increase business opportunities for Global Services.

Fluor's O&M business provides ongoing plant and facilities services to industrial and commercial clients, including oil, gas, chemicals, power, mining and manufacturing. O&M's proprietary asset performance improvement tools, including UpFRONTSM, help clients reduce new plant launch times, decrease capital project costs, improve equipment reliability, reduce maintenance costs and maximize plant productivity. During 2005, the group expanded its international presence, adding several new clients and project sites in Europe and Asia.

Fluor's O&M business also includes Plant Performance Services (P2SSM) and TRS[®] Staffing Solutions. P2S is a U.S. specialty rapid response contractor performing fabrication, electrical and instrumentation, specialty welding, mechanical, demolition, turnaround and small capital construction services. TRS provides contract, direct-hire, and technical staffing services to meet the variable resource demands of its clients. During 2005, TRS continued to expand its operations outside of the United States.

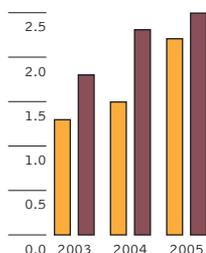
The AMECO[®] unit is a full-service construction and industrial equipment business, operating globally. AMECO provides integrated equipment and tool solutions through its Fleet OutsourcingSM

and Site ServicesSM business lines. Fleet Outsourcing serves industrial clients by customizing fleet and tool programs to reduce costs, increase availability and redirect client capital and personnel to core business objectives. Site Services provides construction equipment, tools and indirects to capital projects. Its turnkey approach increases craft productivity, reduces costs and standardizes maintenance and safety programs. AMECO has actively supported reconstruction projects for both Fluor and third-party contractors in Iraq throughout the year.

Fluor's Construction unit focuses on resource solutions which deliver cost, schedule and performance certainty on all company projects. The Construction group leverages the company's network of global expertise and construction technologies, to deliver world-class projects to Fluor's clients. The Procurement

organization is recognized for its unique global sourcing capabilities and delivery of "end-to-end" capital project supply chain solutions. Leveraging Fluor's global goods and services purchasing power has proven to be a differentiator.

NEW AWARDS & BACKLOG
(dollars in billions)
■ new awards ■ backlog



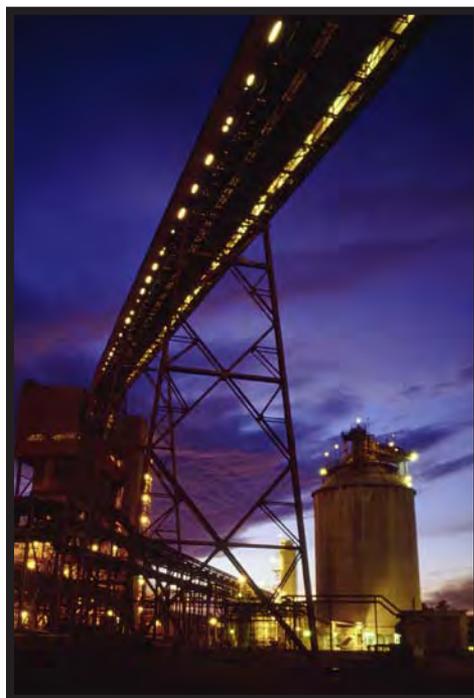
REVENUE BY SEGMENT
Global Services

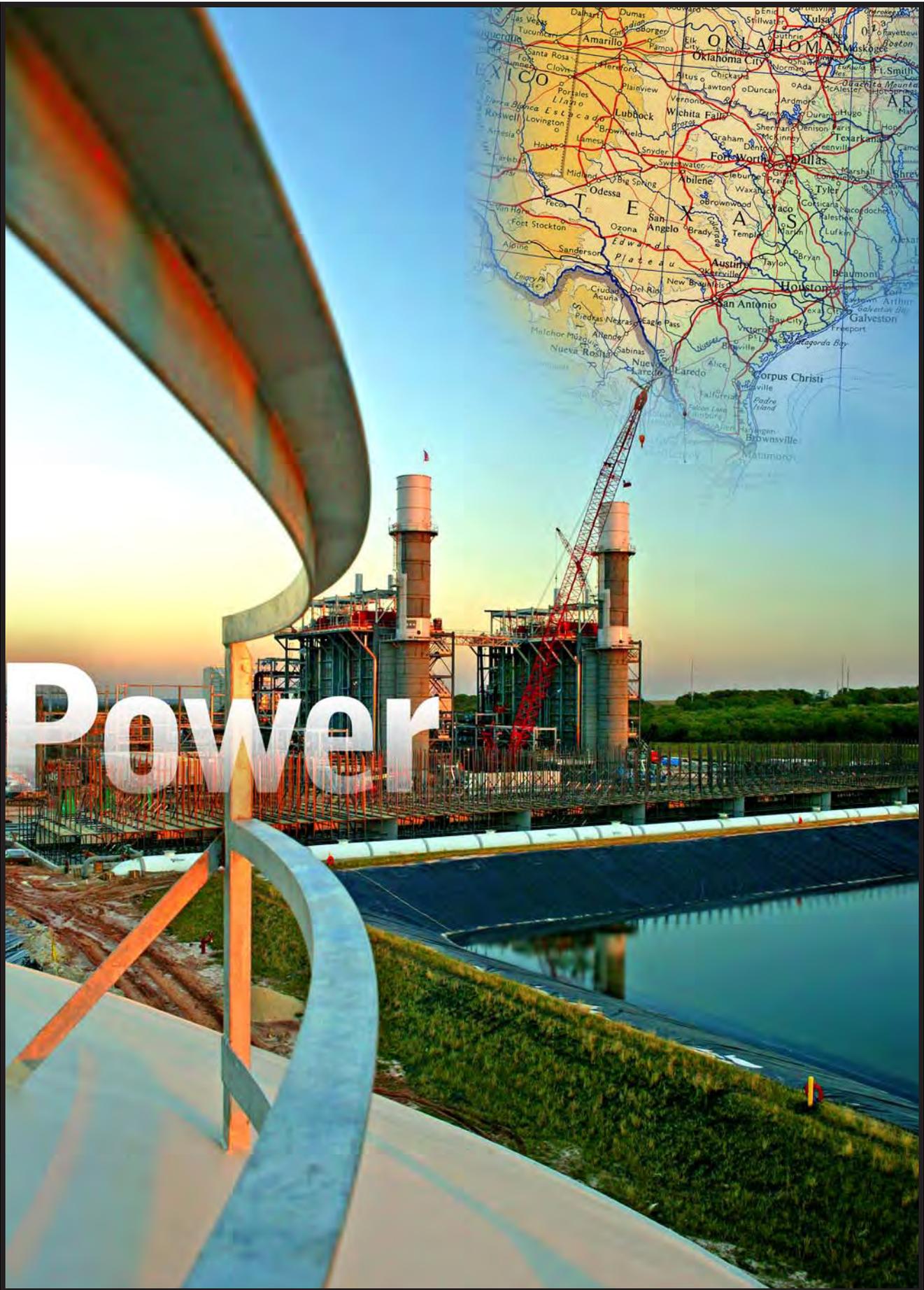


(top left) As part of Progress Energy's commitment to reduce emissions at its coal-fired power plants, Fluor has been selected to provide installation services for its North Carolina Clean Smokestacks program. When complete in 2013, Progress Energy plants will have some of the lowest emissions in the U.S. Preparations for start-up are near completion at the Asheville Steam Electric Plant.

(bottom left) An AMECO technician performs routine mobile equipment maintenance as part of AMECO's Fleet Outsourcing service offering.

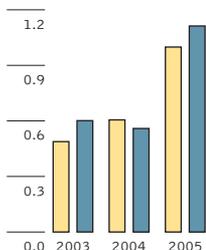
(right) In Western Australia, Fluor is helping Worsley Alumina (majority owned by BHP Billiton) implement a maintenance cost-reduction program at its 3.1 million-ton-per-year alumina refinery. Benefits include improved equipment reliability and higher asset performance. Fluor brings expertise in work process control, planning, scheduling and materials, and works with Worsley to apply maintenance best practices and drive significant improvement in refinery operations. (Photo courtesy of Worsley Alumina)





Fluor is an industry leader in the design, construction and commissioning of power generation facilities. The Power segment is well positioned for what is expected to be an extended upcycle centered around new coal-fired power generation and environmental remediation of pollutants from existing coal-fired facilities.

NEW AWARDS & BACKLOG
(dollars in billions)
■ new awards ■ backlog



REVENUE BY SEGMENT
Power



(left) Fluor provided engineering, procurement and construction services for this 620-megawatt, natural gas-fired, combined-cycle power plant, located near Jacksboro, Texas. Brazos Electric provides power generation and power transmission across 68 counties from the Texas Panhandle to Houston.

(right) In South Africa, a partnership of Eskom/Fluor/Pangaea is performing the refurbishment of the 1,200 megawatt coal-fired Grootvlei Power Station. This power station was mothballed during 1989-90 and is being recommissioned to meet an increasing demand for electricity.

(far right) Fluor's Power group designed and built the Selective Catalytic Reduction (SCR) equipment to allow the LG&E Energy/Kentucky Utilities Company to comply with the requirements to reduce the emission of Nitrous Oxides (NOx). Fluor provided EPC services for the SCR equipment for three units at the Ghent Generating Station in Kentucky.

Results for this segment in 2005 were flat compared with 2004, with operating profits of \$13 million. With strengthening new awards totaling \$1.0 billion, up 68 percent over last year, backlog doubled to \$1.1 billion at the end of 2005.

The high cost of natural gas has caused owners to evaluate lower cost fuels, such as coal, for future generation needs. Fluor is selectively pursuing a number of coal-fired prospects that are expected to move forward into full project awards over the next several years. During 2005, the company continued its work on the preliminary design engineering and project scoping for the Prairie State project, a 1600-megawatt two unit coal-fired generating plant in Illinois for Peabody Energy Company. This over-\$2 billion facility is expected to move to full EPC during 2006.

In 2005, Fluor was awarded the EPC of a 200-megawatt coal-fired power plant in Nevada for Newmont Mining Corporation. This \$400 million plant will meet stringent emissions limits and be among the cleanest coal facilities ever constructed.

The United States Energy Policy Act of 2005 included provisions that could help facilitate the eventual development of new nuclear power generating facilities in the United States. Fluor had a significant role in the construction of a number of U.S. nuclear power facilities in the 1970's.



Fluor is finalizing its strategy to respond to this emerging market, and believes that its strengths in project management, construction, construction management and quality services will be in demand in this potentially large market.

The company is also focused on "plant betterment" opportunities related to environmental cleanup of existing facilities, with capital investment levels expected to be in the tens of billions of dollars over the next decade. These projects include the addition of selective catalytic reduction units and flue gas desulphurization units to reduce SO₂ and NO_x emissions in older coal-fired facilities. In 2005, Fluor was awarded a \$550 million project to install emissions control equipment at two of Kentucky Utilities Company's coal-fired plants. Fluor is also teamed with Powerspan, the developer of a commercially proven multi-pollutant reduction technology designed to reduce SO₂ and NO_x emissions, and also fine particulates and mercury. During 2005, Powerspan successfully completed reliability testing that deemed the technology commercially viable, and is now working on its first full-scale unit at First Energy's Bayshore Unit 4.

NEW AWARDS AND BACKLOG DATA

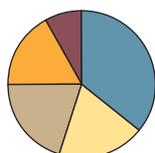
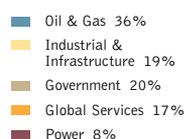
NEW AWARDS BY SEGMENT						
Year ended December 31	Dollars	2005 Percent	Dollars	2004 Percent	Dollars	2003 Percent
(in millions)						
Oil & Gas	\$4,430	36%	\$4,025	31%	\$4,081	41%
Industrial & Infrastructure	2,350	19%	4,600	35%	2,163	22%
Government	2,535	20%	2,254	17%	1,995	20%
Global Services	2,177	17%	1,538	12%	1,252	12%
Power	1,025	8%	612	5%	485	5%
Total new awards	\$12,517	100%	\$13,029	100%	\$9,976	100%

NEW AWARDS BY REGION						
Year ended December 31	Dollars	2005 Percent	Dollars	2004 Percent	Dollars	2003 Percent
(in millions)						
United States	\$4,892	39%	\$4,369	34%	\$4,818	48%
Americas	1,256	10%	4,268	33%	1,004	10%
Europe, Africa and Middle East	5,088	41%	3,668	28%	3,682	37%
Asia Pacific (includes Australia)	1,281	10%	724	5%	472	5%
Total new awards	\$12,517	100%	\$13,029	100%	\$9,976	100%

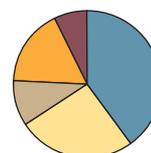
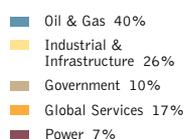
BACKLOG BY SEGMENT						
Year ended December 31	Dollars	2005 Percent	Dollars	2004 Percent	Dollars	2003 Percent
(in millions)						
Oil & Gas	\$6,044	40%	\$5,353	36%	\$3,836	36%
Industrial & Infrastructure	3,886	26%	5,083	35%	2,857	27%
Government	1,422	10%	1,520	10%	1,488	14%
Global Services	2,463	17%	2,258	15%	1,821	17%
Power	1,112	7%	552	4%	605	6%
Total backlog	\$14,927	100%	\$14,766	100%	\$10,607	100%

BACKLOG BY REGION						
Year ended December 31	Dollars	2005 Percent	Dollars	2004 Percent	Dollars	2003 Percent
(in millions)						
United States	\$5,290	35%	\$5,418	37%	\$5,041	48%
Americas	2,518	17%	3,781	25%	1,190	11%
Europe, Africa and Middle East	5,890	40%	4,708	32%	3,871	36%
Asia Pacific (includes Australia)	1,229	8%	859	6%	505	5%
Total backlog	\$14,927	100%	\$14,766	100%	\$10,607	100%

2005 CONSOLIDATED
NEW AWARDS



2005 CONSOLIDATED
BACKLOG



SELECTED FINANCIAL DATA

	Year Ended December 31,				
CONSOLIDATED OPERATING RESULTS	2005	2004	2003	2002	2001
(in millions, except per share amounts)					
Revenues	\$13,161.0	\$9,380.3	\$8,805.7	\$9,959.0	\$8,972.2
Earnings from continuing operations before taxes	299.6	281.2	268.0	260.5	185.3
Earnings from continuing operations	227.3	186.7	179.5	170.0	127.8
Loss from discontinued operations	—	—	(11.6)	(6.4)	(108.4)
Cumulative effect of change in accounting principle	—	—	(10.4)	—	—
Net earnings	227.3	186.7	157.5	163.6	19.4
Basic earnings (loss) per share					
Continuing operations	2.68	2.29	2.25	2.14	1.64
Discontinued operations	—	—	(0.15)	(0.08)	(1.39)
Cumulative effect of change in accounting principle	—	—	(0.13)	—	—
Net earnings	2.68	2.29	1.97	2.06	0.25
Diluted earnings (loss) per share					
Continuing operations	2.62	2.25	2.23	2.13	1.61
Discontinued operations	—	—	(0.15)	(0.08)	(1.36)
Cumulative effect of change in accounting principle	—	—	(0.13)	—	—
Net earnings	\$2.62	\$2.25	\$1.95	\$2.05	\$0.25
Return on average shareholders' equity	15.5%	15.7%	16.2%	19.4%	2.6%
Cash dividends per common share	\$0.64	\$0.64	\$0.64	\$0.64	\$0.64
CONSOLIDATED FINANCIAL POSITION					
Current assets	\$3,108.2	\$2,723.3	\$2,205.5	\$1,924.1	\$1,851.3
Current liabilities	2,339.3	1,764.0	1,821.0	1,756.2	1,862.7
Working capital	768.9	959.3	384.5	167.9	(11.4)
Property, plant and equipment, net	581.5	527.8	569.5	467.0	508.1
Total assets	4,574.4	3,969.6	3,441.3	3,142.2	3,142.5
Capitalization					
Short-term debt	330.0	129.9	221.5	—	38.4
Long-term debt	34.5	347.7	44.7	17.6	17.6
Shareholders' equity	1,630.6	1,335.8	1,081.5	883.9	789.3
Total capitalization	2,052.7	1,813.4	1,347.7	901.5	845.3
Total debt as a percent of total capitalization	20.6%	26.3%	19.7%	2.0%	6.6%
Shareholders' equity per common share	\$18.70	\$15.81	\$13.17	\$11.02	\$9.85
Common shares outstanding at year end	87.1	84.5	82.1	80.2	80.1
OTHER DATA					
New awards	\$12,517.4	\$13,028.6	\$ 9,976.0	\$8,596.8	\$10,766.6
Backlog at year end	14,926.6	14,765.8	10,607.1	9,709.1	11,505.5
Capital expenditures—continuing operations	213.2	104.4	79.2	63.0	148.4
Cash provided by (used in) operating activities	\$408.7	\$(84.2)	\$(303.7)	\$195.7	\$621.8
Salaried employees	17,795	17,344	17,564	19,259	21,140
Craft/hourly employees	17,041	17,455	11,447	25,550	30,173
Total employees	34,836	34,799	29,011	44,809	51,313

In September 2001, the company adopted a plan to dispose of certain non-core construction equipment and temporary staffing businesses. The assets, liabilities and results of operations of non-core businesses for all periods presented have been reclassified and are presented as discontinued operations.

OFFICERS

ALAN L. BOECKMANN
Chairman of the Board and
Chief Executive Officer (1979)

SENIOR OFFICERS

RAY F. BARNARD
Vice President and
Chief Information Officer (2000)

DAVID E. CONSTABLE
Group President,
Power (1982)

STEPHEN B. DOBBS
Group President,
Industrial & Infrastructure (1980)

JEFFERY L. FAULK
Group President,
Energy & Chemicals (1973)

LAWRENCE N. FISHER
Chief Legal Officer
and Secretary (1974)

GARRY W. FLOWERS
Senior Vice President,
HSE, Security & Industrial
Relations (1978)

H. STEVEN GILBERT
Senior Vice President,
Human Resources and Administration
(1970)

LISA GLATCH
Group President,
Government (1986)

KIRK D. GRIMES
Group President,
Global Services (1980)

JOHN L. HOPKINS
Group President,
Government (1984)

DAVID T. SEATON
Senior Vice President,
Global Sales and Marketing (1985)

D. MICHAEL STEUERT
Senior Vice President and
Chief Financial Officer (2001)

OTHER CORPORATE OFFICERS

DAVE MARVENTANO
Senior Vice President,
Government Relations (2003)

JOANNA M. OLIVA
Vice President and Treasurer (2001)

RONALD E. PITTS
President,
Fluor Constructors International
(1976)

VICTOR L. PRECHTL
Vice President and Controller (1981)

Years in parentheses indicate the year each
officer joined the company.

BOARD OF DIRECTORS

ALAN L. BOECKMANN

57, is chairman of the board and chief executive officer. He also serves as a director of Burlington Northern Santa Fe and Archer Daniels Midland Company. (2001) (1)



ALAN L. BOECKMANN



DEAN R. O'HARE

DEAN R. O'HARE

63, is the retired chairman and chief executive officer of The Chubb Corporation. He is also a director of AGL Resources and H.J. Heinz Company. (1997) (1) (2) (3)

PETER J. FLUOR

58, is chairman and chief executive officer of Texas Crude Energy, Inc. In addition to being Fluor's lead independent director, he also serves as a director of Cameron Cooper Corporation and Devon Energy Corporation. (1984) (1) (3) (4)



PETER J. FLUOR



ADMIRAL JOSEPH W. PRUEHER

ADMIRAL JOSEPH W. PRUEHER

63, U.S. Navy (retired) is a Professor and Senior Advisor, Stanford University, and former U.S. Ambassador to the People's Republic of China. He is also a director of Merrill Lynch & Co., Emerson Electric and New York Life Insurance Co. (2003) (3) (4)

JAMES T. HACKETT

52, is president, chief executive officer and a director of Anadarko Petroleum Corporation. Mr. Hackett is also a director of Temple-Inland, Inc. (2001) (2) (4)



JAMES T. HACKETT



LORD ROBIN RENWICK

LORD ROBIN RENWICK

68, is vice chairman, JPMorgan Cazenove, and former British Ambassador to the United States of America (1991-95). He is also a director of Compagnie Financiere Richemont AG, SAB Miller Plc., and Kazakhmys Plc. (1997) (2) (3)

KENT KRESA

67, is chairman emeritus and former chairman and chief executive officer of Northrop Grumman Corporation. He is also a director of Avery Dennison Corporation, General Motors Corporation and MannKind Corporation. (2003) (2) (4)



KENT KRESA



PETER WATSON

DR. PETER S. WATSON

53, is the former chairman, president and chief executive officer of the U.S. Overseas Private Investment Corporation. (2005) (3) (4)

VILMA S. MARTINEZ

62, is a partner at the law firm of Munger, Tolles & Olson. Ms. Martinez is also a director of Anheuser-Busch Companies, Inc. and Burlington Northern Santa Fe Corporation. (1993) (3)



VILMA S. MARTINEZ



DR. SUZANNE H. WOOLSEY

DR. SUZANNE H. WOOLSEY

64, is the former chief communications officer for The National Academies. Dr. Woolsey is also a director of Neurogen Corporation and Van Kampen Funds, Inc. (2004) (2) (3)



DR. DAVID P. GARDNER

Retired from Fluor Board on January 7, 2006

DR. DAVID P. GARDNER

72, is a Professor of Education Leadership and Policy, University of Utah. (1988) (1) (3) (4)

Years in parentheses indicate the year each director was elected to the board.

(1) Executive Committee – Alan L. Boeckmann, Chairman; (2) Audit Committee – Dean R. O'Hare, Chairman; (3) Governance Committee – Robin Renwick, Chairman; (4) Organization and Compensation Committee – Peter J. Fluor, Chairman

Understanding our Form 10-K

PROMOTING TRANSPARENCY FOR OUR SHAREHOLDERS

Fluor is committed to providing clear insight into all aspects of financial performance in order to help investors understand our business. Our 2005 Annual Report includes the complete Form 10-K, which is the report that all U.S. publicly held companies are required to file annually with the Securities and Exchange Commission (SEC).

By including the Form 10-K in our Annual Report, investors have more comprehensive information about our company and its operations in one place. The following overview is designed to help you easily find and understand the financial information in this document.

FORM 10-K OVERVIEW The information contained in the Form 10-K is broken down into Parts, which are then broken down into Items. Our Form 10-K has four parts:

PART I: OUR BUSINESSES In-depth descriptions of our business and segments, competition, employees, company risk factors and properties.

PART II: OUR FINANCIAL PERFORMANCE Contains management's discussion of our results of operations and financial condition, our financial statements, notes and supplementary data.

PART III: OUR MANAGEMENT A listing of our executive officers with brief biographies. Also directs readers to our proxy statement for the details on our board of directors and executive compensation.

PART IV: EXHIBITS A listing of exhibits, certain executive and directors' signatures, and executive officer certifications.

SHAREHOLDERS' REFERENCE

COMMON STOCK AND DIVIDEND INFORMATION

At February 23, 2006, there were 87,362,410 shares outstanding and approximately 9,395 shareholders of record of Fluor's common stock.

The following table sets forth for the periods indicated the cash dividends paid per share of common stock and the price of such common stock as reported in the Consolidated Transactions Reporting System.

	Closing Price	Dividends Per Share
Year Ended December 31, 2005		
First Quarter	\$55.43	\$0.16
Second Quarter	57.59	0.16
Third Quarter	64.38	0.16
Fourth Quarter	77.26	0.16

REGISTRAR AND TRANSFER AGENT

MELLON INVESTOR SERVICES LLC
480 Washington Blvd.
Jersey City, New Jersey 07310

For change of address, lost dividends, or lost stock certificates, write or telephone:

FLUOR CORPORATION
c/o Mellon Investor Services LLC
P. O. Box 3315
South Hackensack, NJ 07606-1915
Attn: Securityholder Relations
(877) 870-2366

WEB PAGE ADDRESS:

www.melloninvestor.com/isd

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ERNST & YOUNG LLP
18111 Von Karman Avenue
Irvine, California 92612

ANNUAL SHAREHOLDERS' MEETING

Annual report and proxy statement are mailed on or about March 16, 2006. Fluor's annual meeting of shareholders will be held at 9:00 a.m. CDT on May 3, 2006 at 6700 Las Colinas Boulevard, Irving, Texas.

STOCK TRADING

Fluor's stock is traded on the New York Stock Exchange. Common stock domestic trading symbol: FLR.

COMPANY CONTACTS

Shareholders may call (888) 432-1745

Shareholder Services:

Lawrence N. Fisher (469) 398-7221

Investor Relations:

Kenneth H. Lockwood (469) 398-7220

DUPLICATE MAILINGS

Shares owned by one person but held in different forms of the same name result in duplicate mailing of shareholder information at added expense to the company. Such duplication can be eliminated only at the direction of the shareholder. Please notify Mellon Investor Services in order to eliminate duplication.

PROXY VOTING

Shareholders may vote their proxies 24 hours a day, 7 days a week. Please refer to your proxy card for control number and complete instructions. Shareholders outside the United States and Canada must vote via the Internet or by mail.

SHAREHOLDERS OF RECORD MAY VOTE:

1. electronically via the Internet at www.proxyvoting.com/flr, or
2. by phone, (866) 540-5760 within the United States, or
3. by mailing the completed, signed and dated proxy card.

In most cases, shares held with a bank or brokerage firm may vote:

1. electronically via the Internet at www.proxyvote.com
2. by phone, or
3. by mailing the completed, signed and dated proxy card.

Please see the instructions provided by your bank or brokerage firm for specific information on how to vote your shares.

ELECTRONIC DELIVERY OF ANNUAL REPORTS AND PROXY STATEMENTS

Register for this online service! For your convenience, we are offering you, as a Fluor shareholder, the option of viewing future Fluor Annual Reports and Proxy Statements on the Internet. You can access them at your convenience and easily print them if you wish. The best part is that you would receive the information earlier than ever before.

Please visit <http://investor.fluor.com> to register and learn more about this cost-effective feature.

Fluor is a registered service mark of Fluor Corporation. Del-Jen is a registered service mark of Del-Jen, Inc. TRS is a registered service mark of TRS Staffing Solutions, Inc. AMECO is a registered service mark of American Equipment Company. Site Services and Fleet Outsourcing are service marks of American Equipment Company. Fluor Constructors International, Inc., J.A. Jones, Plant Performance Services and UpFRONT are service marks of Fluor Corporation. P2S is a service mark of Plant Performance Services LLC.

FLUOR[®]

Fluor Corporation
6700 Las Colinas Blvd.
Irving, Texas 75039

fluor.com

