

FLUOR CORP  
Form SC TO-I  
January 14, 2009  
[Table of Contents](#)

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## SCHEDULE TO

**Tender Offer Statement**

**under Section 14(d)(1) or 13(e)(1) of the Securities Exchange Act of 1934**

## **Fluor Corporation**

(Name of Subject Company (issuer))

## **Fluor Corporation**

(Names of Filing Persons (issuer))

**1.50% Convertible Senior Notes Due 2024**

(Title of Class of Notes)

**343412AA0**

(CUSIP Number of Class of Notes)

**Carlos M. Hernandez, Esq.**

**Chief Legal Officer and Secretary**

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**Fluor Corporation**

**6700 Las Colinas Boulevard**

**Irving, Texas 75039  
(469) 398-7000**

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copy to:

**Andrew M. Baker, Esq.**

**Baker Botts L.L.P.**

**2001 Ross Avenue**

**Dallas, Texas 75201**

**(214) 953-6500**

**CALCULATION OF FILING FEE**

**Transaction Valuation\***  
\$133,578,000

**Amount of Filing Fee\*\***  
\$5,249.62

\* For purposes of calculating amount of filing fee only. The transaction valuation upon which the filing fee was based was calculated as follows: The purchase price of the 1.50% Convertible Senior Notes Due 2024, as described herein, is \$1,000 per \$1,000 principal amount outstanding. As of January 13, 2009, there was \$133,578,000 aggregate principal amount outstanding, resulting in an aggregate purchase price of \$133,578,000.

\*\* The amount of the filing fee equals \$39.30 per \$1 million of the value of the transaction.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing registration statement number, or the Form or Schedule and the date of its filing.

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

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- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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**Table of Contents**



**TABLE OF CONTENTS**



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<u>ITEM 1.</u>	<u>Summary Term Sheet</u>	1
<u>ITEM 2.</u>	<u>Subject Company Information</u>	4
<u>ITEM 3.</u>	<u>Identity and Background of Filing Person</u>	6
<u>ITEM 4.</u>	<u>Terms of the Transaction</u>	7
<u>ITEM 5.</u>	<u>Past Contacts, Transactions, Negotiations and Agreements</u>	12
<u>ITEM 6.</u>	<u>Purposes of the Transaction and Plans or Proposals</u>	12
<u>ITEM 7.</u>	<u>Source and Amount of Funds or Other Consideration</u>	13
<u>ITEM 8.</u>	<u>Interest in Securities of the Subject Company</u>	13
<u>ITEM 9.</u>	<u>Persons/Assets, Retained, Employed, Compensated or Used</u>	13
<u>ITEM 10.</u>	<u>Financial Statements</u>	13
<u>ITEM 11.</u>	<u>Additional Information</u>	13
<u>ITEM 12.</u>	<u>Exhibits</u>	14
<u>ITEM 13.</u>	<u>Information Required by Schedule 13E-3</u>	15

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Table of Contents

**ITEM 1. Summary Term Sheet.**

The following are answers to some of the questions that you may have about the Offer (as defined below). To understand the Offer fully and for a more complete description of the terms of the Offer, we urge you to read carefully the remainder of this Tender Offer Statement on Schedule TO (this Offer Statement) and the accompanying Company Notice and Purchase Notice because the information in this summary is not complete and those documents contain additional important information.

Unless we have indicated otherwise, references in this summary and the remainder of this document to Fluor, we, us and our or similar terms are to Fluor Corporation, a Delaware corporation, and its consolidated subsidiaries and divisions.

- **Who is offering to purchase my Notes?**

Fluor Corporation, a Delaware corporation, is offering to purchase all of the outstanding 1.50% Convertible Senior Notes Due 2024 issued by it on February 17, 2004 (the Notes) that are validly surrendered for purchase at the option of the holders thereof (the Offer). We issued the Notes under an Indenture, dated as of February 17, 2004, between us and The Bank of New York Mellon Trust Company, N.A., as trustee (the Trustee), as amended and supplemented by the First Supplemental Indenture, dated as of February 17, 2004 (the Indenture). As of January 13, 2009, there was \$133,578,000 aggregate principal amount of Notes outstanding. (See Pages 4-7)

- **Why are you making the offer?**

We are required to make the offer under the terms of the Indenture and the Notes. (See Page 7)

- **How much are you offering to pay?**

Under the terms of the Indenture and the Notes, each holder of the Notes may require us to purchase its Notes on February 17, 2009 at a purchase price equal to 100% of their principal amount plus accrued and unpaid interest, if any, to (but excluding) the date of purchase (the Purchase Price). The purchase date is an Interest Payment Date under the terms of the Indenture. Accordingly, interest accrued up to the purchase date will be paid to record holders as of the record date for such Interest Payment Date, and we expect that there will be no accrued and unpaid interest due as part of the Purchase Price. Unless we default in making payment of the Purchase Price, interest on the purchased Notes will cease to accrue on and after the purchase date. (See Page 7)

- **What is the form of payment?**

Under the terms of the Indenture and the Notes, we are required to pay the Purchase Price in cash. (See Page 7)

- **Are the Notes convertible into Common Stock?**

Yes. As a holder of Notes, you may surrender the Notes for conversion at any time prior to maturity, unless they have been previously purchased or redeemed, in the following circumstances:

- during any fiscal quarter if the last reported sale price of our common stock, \$0.01 par value per share (the Common Stock ), for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous fiscal quarter, is greater than or equal to 130% of the conversion price per share of our Common Stock on such last trading day;
- if the Notes have been called for redemption; or
- upon the occurrence of specified corporate transactions described in the Indenture.

Table of Contents

Based on the trading price of our Common Stock during the fourth quarter of 2008, each Note is currently convertible at any time at the option of the holder.

The current conversion rate of the Notes is 35.9104 shares of our Common Stock per \$1,000 principal amount of the Notes. We will satisfy our conversion obligation for each \$1,000 principal amount of the Notes by paying (i) an amount in cash (the Election Amount ) equal to the conversion rate multiplied by the average of the last reported sale prices of Common Stock for the ten trading days beginning on the trading day immediately following the date the holder submits the Notes for conversion (the Cash Settlement Averaging Period ) (provided, however, that the Election Amount will not be more than 100% of the principal amount of a Note) and (ii) a number of shares of Common Stock equal to the conversion rate minus (x) the Election Amount divided by (y) the average of the last reported sale prices of Common Stock during the Cash Settlement Averaging Period. The conversion rate is subject to adjustment in certain events. We will deliver cash in lieu of any fractional shares. (See Pages 4-5)

- **How can I determine the market value of the Notes?**

There is no established reporting system or market for trading in the Notes. To the extent that the Notes are traded, prices of the Notes may fluctuate widely depending on trading volume, the balance between buy and sell orders, prevailing interest rates, our operating results, the trading price of our Common Stock and the market for similar securities. As discussed in the preceding paragraph, the Notes are currently convertible into cash and shares of our Common Stock, as applicable, at a conversion rate of 35.9104 shares of our Common Stock per \$1,000 principal amount of the Notes. This represents a current conversion price per share of \$27.85. Our Common Stock, into which the Notes are convertible, is listed on the New York Stock Exchange (the NYSE ) under the symbol FLR . On January 13, 2009, the last reported sales price of our Common Stock on the NYSE was \$46.05 per share. The range of high and low quarterly sales prices of our Common Stock on the NYSE since January 1, 2007, as adjusted for the two-for-one stock split effected in July 2008, is provided on page 5 of this Offer Statement. To the extent available, holders are urged to obtain current market information for the Notes and our Common Stock prior to making any decision with respect to the Offer. (See Pages 4-6)

- **What does your board of directors think of the Offer?**

The board has not made any recommendation as to whether you should surrender your Notes for purchase. You must make your own decision whether to surrender your Notes for purchase and, if so, the number of Notes to surrender. (See Page 7)

- **When does the Offer expire?**

The Offer expires at 5:00 p.m., New York City time, on February 13, 2009. We do not plan to extend the period you have to accept the Offer unless required to do so by federal securities laws. (See Page 8)

- **What are the conditions to your purchase of the Notes?**

Provided that our purchase of Notes validly surrendered for purchase and not validly withdrawn is not unlawful and no event of default under the Indenture has occurred and is continuing (other than an event of default that is cured by the payment of the Purchase Price), the purchase will not be subject to any conditions. (See Page 7)

- **How do I surrender my Notes?**

To surrender your Notes for purchase pursuant to the Offer, you must deliver the required documents to The Bank of New York Mellon Trust Company, N.A., as paying agent (the **Paying Agent**), no later than 5:00 p.m., New York City time, on February 13, 2009, as follows:

- Holders who are participants in The Depository Trust Company ( **DTC** ) should surrender their Notes electronically through DTC's Automated Tenders over the Participant Terminal System (the **PTS** ), subject to the terms and procedures of that system. **Holders surrendering through DTC need not submit a physical Purchase Notice to the Paying Agent if those holders comply with**

Table of Contents

**DTC's transmittal procedures. By surrendering your Notes through the transmittal procedures of DTC, you agree to be bound by the terms of the Offer set forth in the Purchase Notice.**

- Holders whose Notes are held by a broker, dealer, commercial bank, trust company or other nominee must contact that nominee if those holders desire to surrender their Notes and instruct that nominee to surrender the Notes on the holders' behalf.
- Holders whose Notes are held in certificated form must properly complete and execute the Purchase Notice, and deliver such notice to the Paying Agent, with any other required documents and the certificates representing the Notes to be surrendered for purchase.

You bear the risk of untimely surrender of your Notes. You must allow sufficient time for the necessary procedures prior to 5:00 p.m., New York City time, on February 13, 2009. (See Pages 8-9)

- **If I surrender, when will I receive payment for my Notes?**

We will accept for payment all validly surrendered Notes immediately upon expiration of the Offer. We will forward to the Paying Agent, before 10:00 a.m., New York City time, on February 17, 2009, the appropriate amount of cash required to pay the total Purchase Price for the Notes validly surrendered for purchase and not withdrawn, and the Paying Agent will promptly distribute the cash to the holders. (See Page 9)

- **Until what time can I withdraw previously surrendered Notes?**

You can withdraw Notes previously surrendered for purchase at any time until 5:00 p.m., New York City time, on February 13, 2009. (See Page 9)

- **How do I withdraw previously surrendered Notes?**

To withdraw previously surrendered Notes, you must comply with DTC's withdrawal procedures or, for Notes in certificated form, deliver an executed written notice of withdrawal, substantially in the form delivered with this document (the "Notice of Withdrawal"), to the Paying Agent prior to 5:00 p.m., New York City time, on February 13, 2009. **Holders withdrawing through DTC need not submit a physical Notice of Withdrawal to the Paying Agent if those holders comply with the withdrawal procedures of DTC.**

You bear the risk of untimely withdrawal of your previously surrendered Notes. You must allow sufficient time for the necessary procedures prior to 5:00 p.m., New York City time, on February 13, 2009. (See Page 9)

- **Do I need to do anything if I do not wish to surrender my Notes for purchase?**

No. If you do not deliver a properly completed and duly executed Purchase Notice (along with any certificated Notes) to the Paying Agent or surrender your Notes electronically through DTC's Automated Tenders over the PTS before the expiration of the Offer, we will not purchase your Notes and such Notes will remain outstanding subject to their existing terms. (See Page 7)

- **If I choose to surrender my Notes for purchase, do I have to surrender all of my Notes?**

No. You may surrender all of your Notes, a portion of your Notes or none of your Notes for purchase. If you wish to surrender a portion of your Notes for purchase, however, you must surrender your Notes in a principal amount of \$1,000 or an integral multiple of \$1,000. (See Page 7)

Table of Contents

- **If I do not surrender my Notes for purchase, will I continue to be able to exercise my conversion rights?**

If you do not surrender your Notes for purchase, your conversion rights will not be affected. You will continue to have the right to convert your Notes, subject to the terms, conditions and adjustments specified in the Indenture and in the Notes. (See Page 4)

- **If I am a U.S. resident for U.S. federal income tax purposes, will I have to pay taxes if I surrender my Notes for purchase in the Offer?**

The receipt of cash in exchange for Notes pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. You should consult with your own tax advisor regarding the actual tax consequences to you. (See Pages 10-11)

- **Who is the Paying Agent?**

The Bank of New York Mellon Trust Company, N.A., the Trustee for the Notes, is serving as Paying Agent in connection with the Offer. Its address and telephone number are set forth in the Company Notice delivered with this document. (See Page 4)

- **Who can I talk to if I have questions about the Offer?**

Questions and requests for assistance in connection with the surrender of Notes for purchase pursuant to the Offer may be directed to the Paying Agent at the address and telephone number set forth in the Company Notice delivered with this document. (See Page 7)

**ITEM 2. Subject Company Information.**

(a) *Name and Address.* Fluor Corporation is a Delaware corporation. The address of our principal executive offices is 6700 Las Colinas Boulevard, Irving, Texas 75039. Our telephone number at these offices is (469) 398-7000.

(b) *Securities.* The securities subject to this Offer Statement and to the transaction described in the response to paragraph (a) of Item 4 below are all of our outstanding 1.50% Convertible Senior Notes Due 2024. As of January 13, 2009, there was \$133,578,000 aggregate principal amount of Notes outstanding. The Notes are held through DTC, and Cede & Co., as nominee of DTC, is the sole record holder of the

Notes.

(c) *Trading Market and Price.* There is no established reporting system or market for trading in the Notes. To the extent that the Notes are traded, prices of the Notes may fluctuate widely depending on trading volume, the balance between buy and sell orders, prevailing interest rates, our operating results, the trading price of our Common Stock and the market for similar securities. As discussed in more detail below, based on the trading price of our Common Stock during the fourth quarter of 2008, each Note is currently convertible at any time at the option of the holder into cash and shares of our Common Stock, as applicable, at a conversion rate of 35.9104 shares of our Common Stock per \$1,000 principal amount of the Notes, subject to the terms, conditions and adjustments specified in the Indenture and in the Notes. This represents a current conversion price per share of \$27.85.

A holder may convert fewer than all of such holder's Notes so long as the Notes converted equal a principal amount of \$1,000 or an integral multiple thereof. The Bank of New York Mellon Trust Company, N.A., whose address appears in the Company Notice, is currently acting as Paying Agent and the Conversion Agent for the Notes. Holders that do not surrender their Notes for purchase pursuant to the Offer will maintain the right to convert their Notes, subject to the terms, conditions and adjustments specified in the Indenture and in the Notes.

Holders may surrender their Notes for conversion prior to stated maturity only in the following circumstances:

- during any fiscal quarter if the last reported sale price of our Common Stock, for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous fiscal quarter, is greater than or equal to 130% of the conversion price per share of our Common Stock on such last trading day;



Table of Contents

- if the Notes have been called for redemption; or
- upon the occurrence of specified corporate transactions described in the Indenture.

If a holder submits all or a portion of its Notes for conversion and complies with the requirements of the Indenture, we will settle our conversion obligation through the Trustee on the third business day following the Cash Settlement Averaging Period.

A holder wishing to exercise its conversion right must:

- complete the conversion notice, which is available on the back of the Notes, and deliver such notice to the Conversion Agent;
- surrender the Notes to the Conversion Agent;
- furnish appropriate endorsements and transfer documents, if required by us or the Conversion Agent;
- pay any transfer or similar tax, if required; and
- if required, pay funds equal to the interest payable on the next interest payment date.

If a holder has already delivered a Purchase Notice with respect to a Note, the holder may not surrender that Note for conversion until the holder has validly withdrawn the Purchase Notice before the expiration of the Offer in accordance with the Indenture and as described in Item 4 below.

Holders of Notes at 5:00 p.m., New York City time, on February 1, 2009, the regular record date for the February 15, 2009 interest payment on the Notes, will receive interest in the amount of \$7.50 per \$1,000 principal amount of Notes payable on February 17, 2009. Notes surrendered for conversion by holders during the period from 5:00 p.m., New York City time, on February 1, 2009 to 5:00 p.m., New York City time, on February 13, 2009 must be accompanied by a payment to us of \$7.50 per \$1,000 principal amount of Notes surrendered for conversion, which amount equals the regular interest payment that the holder is to receive on the Notes. Holders that submit Notes for conversion after 5:00 p.m., New York City time, on February 13, 2009, need not submit any interest payment in connection with the conversion.

We will satisfy our conversion obligation for each \$1,000 principal amount of the Notes by paying (i) an amount in cash (Election Amount), equal to the conversion rate multiplied by the average of the last reported sale prices of Common Stock for the Cash Settlement Averaging Period (provided, however, that the Election Amount will not be more than 100% of the principal amount of a Note) and (ii) a number of shares of Common Stock equal to the conversion rate minus (x) the Election Amount divided by (y) the average of the last reported sale prices of Common Stock during the Cash Settlement Averaging Period. We will deliver cash in lieu of any fractional shares.

Our Common Stock, into which the Notes are convertible, is listed on the NYSE under the symbol `FLR`. The following table presents the range of high and low quarterly sales prices of our Common Stock on the NYSE since January 1, 2007, as adjusted for the two-for-one stock split effected in July 2008.

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	Price	
	High	Low
<b>2007</b>		
First Quarter	\$ 47.50	\$ 37.61
Second Quarter	56.37	44.89
Third Quarter	72.95	52.15
Fourth Quarter	86.08	63.23
<b>2008</b>		
First Quarter	77.42	53.17
Second Quarter	101.37	70.01
Third Quarter	96.45	46.19
Fourth Quarter	56.01	28.60
<b>2009</b>		
First Quarter (through January 13, 2009)	51.70	44.05

Table of Contents

On January 13, 2009, the last reported sales price of our Common Stock on the NYSE was \$46.05 per share. As of January 9, 2009, there were 181,555,921 shares outstanding. We urge you to obtain current market information for the Notes, to the extent available, and our Common Stock before making any decision to surrender your Notes pursuant to the Offer.

**ITEM 3. Identity and Background of Filing Person.**

This Offer Statement is being filed by Fluor. For our name and address, see the response to paragraph (a) of Item 2 above. The following table presents the name and title of each of our executive officers and directors as of January 13, 2009. The address of each such person is c/o Fluor Corporation, 6700 Las Colinas Boulevard, Irving, Texas 75039.

Name	Title
Ray F. Barnard	Vice President and Chief Information Officer
Alan L. Boeckmann	Chairman and Chief Executive Officer
David E. Constable	Group President, Power
Stephen B. Dobbs	Senior Group President, Industrial & Infrastructure, Government and Global Services
Garry W. Flowers	Senior Vice President, HSE, Security & Industrial Relations
Glenn C. Gilkey	Senior Vice President, Human Resources and Administration
Kirk D. Grimes	Group President, Global Services
Carlos M. Hernandez	Chief Legal Officer and Secretary
John L. Hopkins	