Fluor Acquires Specialty Operations & Maintenance Services Capabilities

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Fluor Corporation (NYSE: FLR) today announced it has acquired five specialty operations and maintenance (O&M) business groups from Philip Services Corporation (PSC) (OTC: PSCD; Toronto: PSC). This acquisition supports one of Fluor's strategies to strengthen its O&M business through organic growth, as well as through compelling niche acquisitions in the $50-million range. Terms of the agreement were not disclosed. The acquisition will not have a material impact on Fluor's outlook for 2003.

The five business groups being acquired are Mechanical & Turnaround Services (ServTech), Electrical & Instrumentation Contracting (SECO), Power Services (excluding PSC's Power Plant Services Group), Specialty Welding Services (PECO) and Fabrication Services (also PECO). Collectively, they are a leading provider of O&M services to domestic industrial facilities, particularly in the oil & gas, refining, petrochemicals and power generation industries. Their operations are based in 18 offices and currently serve more than 100 project sites throughout North America, with as many as 5,000 employees.

The acquired business groups will be renamed "Plant Performance Services LLC" or "P2S" and become part of Fluor's Global Services group, operating as an independent company to retain their unique competitive positioning.

"These specialty contractor businesses will strengthen and expand our O&M service offering and increase market share in a very important market sector for Fluor," said Alan Boeckmann, chairman and chief executive officer of Fluor Corporation. "They have an excellent track record and a reputation for execution excellence with the customers they serve. With the added skill sets this acquisition brings us, Fluor is better positioned to develop and maintain long-term partnerships with customers that are seeking greater operating efficiencies and profitability. In addition to strengthening O&M's position, the additional capabilities will be leveraged with our engineering, procurement and construction (EPC) businesses to drive increased value for our overall client base and position Fluor for EPC growth in targeted areas."

The five acquired business groups have strong alliances and master service agreements for ongoing work with many of the customers Fluor already serves, particularly in the oil & gas industry. With these common relationships, Fluor will build on the specialty expertise and management capabilities that its O&M business offers customers.

The Mechanical & Turnaround Services group develops, estimates, plans, schedules and executes projects requiring specialty mechanical expertise in the refinery, oil, gas and petrochemical industries, primarily in North America and the Caribbean. Electrical & Instrumentation Contracting provides project management, construction and maintenance services in nearly every industry, while specializing in the offshore drilling and production platform markets. The Specialty Welding Services group provides field-welding services for standard and exotic metals at customers' facilities during shutdowns, turnarounds and maintenance activities in nearly all industries, with a focus on the refinery and petrochemical markets serving both domestic and international customers. Power Services develops, estimates, plans, schedules and executes outage and specialty welding services for the electrical power industry throughout the United States. Finally, the Fabrication Services group provides shop and field fabrication of ASME-code vessels, furnaces, boilers and tanks primarily in the refinery and petrochemical industries.

The business groups have a well-earned reputation for superb craftsmanship, rapid response, safe execution and dependable performance. Their skilled and experienced welders, fitters, riggers, boilermakers, electricians and instrument technicians are strategically located to allow quick and efficient mobilization.

With more than 10,000 O&M professionals, Fluor is a leading provider of O&M services that help customers dramatically reduce costs and optimize the effectiveness of plant and facility assets. Working at more than 200 customer sites delivering O&M services, Fluor serves a wide range of industries, including oil & gas, chemicals, life sciences, fossil power, nuclear power and manufacturing.

O&M services are a natural complement to Fluor's successful engineering, procurement, and construction business, cite Fluor officials. For more than 50 years, Fluor has designed services around the integrated supply needs that customers face in complex industries. Fluor's O&M business activities generate more than $1 billion in annual revenues.

Headquartered in Houston, Texas, Philip Services Corporation is an industrial services and metals services company that provides industrial outsourcing, environmental services and metals services to major industry sectors throughout North America. For more information about PSC, call 713-623-8777 or visit http://www.contactpsc.com/.

Additional information (Q&A) about the PSC business groups acquisition may be found on Fluor's website, http://www.fluor.com/about/psc_faq.asp.

Fluor Corporation (NYSE: FLR) provides services on a global basis in the fields of engineering, procurement, construction, operations, maintenance and project management. Headquartered in Aliso Viejo, Calif., Fluor is a Fortune 500 company with revenues of $10 billion in fiscal year 2002. For more information, visit www.fluor.com.

Note: The foregoing release contains forward-looking statements regarding, among other things, the impact of Fluor Corporation's acquisition of business groups of Philip Services Corporation, and its impact on Fluor Corporation. These forward-looking statements are based on management's current outlook, and actual results may differ materially as a result of numerous factors. Caution must be exercised in relying on these and other forward-looking statements. Due to known and unknown risks, Fluor Corporation's results may differ materially from its expectations and projections.

Additional information concerning these and other factors can be found in press releases as well as periodic filings with the Securities and Exchange Commission, including the discussion under the heading "Item 1. Business-Other Matters-Company Business Risks" in Fluor Corporation's Form 10-K filed March 21, 2002. These filings are available either publicly or upon request from Fluor Corporation's Investor Relations Department.
Fluor Corporation disclaims any intent or obligation to update its forward-looking statements.

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