FLUOR CORP
Form 11-K
June 26, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One):

x	**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** **For the fiscal year ended December 31, 2008**
	or
o	**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** **For the transition period from to**

Commission file number 001-16129

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

TRS 401(k) Retirement Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

FLUOR CORPORATION

6700 Las Colinas Boulevard

Irving, Texas 75039

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Audited Financial Statements

and Supplemental Schedule

TRS 401(k) Retirement Plan

As of December 31, 2008 and 2007 and for the year ended December 31, 2008

with Report of Independent Registered Public Accounting Firm

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TRS 401(k) Retirement Plan

Index to Audited Financial Statements

and Supplemental Schedule

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Report of Independent Registered Public Accounting Firm

The Investment Committee

TRS 401(k) Retirement Plan

We have audited the accompanying statements of net assets available for benefits of the TRS 401(k) Retirement Plan as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2008 and 2007, and the changes in its net assets available for benefits for the year ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Dallas, Texas

June 25, 2009

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TRS 401(k) Retirement Plan

Statements of Net Assets Available for Benefits

	December 31, 2008	December 31, 2007
Assets		
Investments:		
Investment in Fluor Corporation Master Trust at fair value	**$ 14,698,925**	$ 19,628,800
Loans to participants	**201,497**	146,333
Total investments	**14,900,422**	19,775,133
Net assets available for benefits at fair value	**14,900,422**	19,775,133
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**257,165**	(32,183)
Net assets available for benefits	**$ 15,157,587**	$ 19,742,950

See accompanying notes.

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TRS 401(k) Retirement Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2008

Additions (deductions) in net assets:		
Contributions:		
Participants	**$**	**3,514,868**
Company		**76,581**
Rollover		**349,162**
Total contributions		**3,940,611**
Net investment income (loss):		
Share in net investment loss of Fluor Corporation Master Trust		**(5,428,325)**
Interest income on loans to participants		**8,421**
Net investment loss		**(5,419,904)**
Benefits, terminations and withdrawals		**(2,143,265)**
Administrative expenses		**(159,216)**
Asset transfers to Fluor Corporation Employees Savings Investment Plan		**(803,589)**
Net decrease in net assets available for benefits		**(4,585,363)**
Net assets available for benefits:		
Beginning of year		**19,742,950**
End of year	**$**	**15,157,587**

See accompanying notes.

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TRS 401(k) Retirement Plan

Notes to Financial Statements

December 31, 2008

1. Description of the Plan

The TRS 401(k) Retirement Plan (the Plan) was established on September 1, 1991, by Total Recruiting Services, Inc., currently TRS Staffing Solutions, Inc. (TRS or the Company), as a contributory defined contribution plan. TRS is a wholly owned subsidiary of Fluor Corporation (Fluor). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The following provides only general information about the Plan. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

The Plan is managed by Fluor s Global Benefits, Administrative and Investment Committees (collectively, the Committees). The Global Benefits Committee is responsible for plan design and funding strategies, including corporate contributions. The Administrative Committee interprets the Plan s documents and administers the Plan on behalf of participants. The Investment Committee establishes investment policies and objectives, including the investment portfolio diversification and risk concentration guidelines, and monitors investment activity and ongoing investment performance. The Investment Committee may appoint professional investment managers to manage the investment accounts of the Fluor Corporation Master Trust (the Master Trust) in accordance with ERISA requirements and the Investment Committee s guidelines.

The Master Trust Agreement requires that The Northern Trust Company (the Trustee), either directly or indirectly, hold the Plan s assets in a master trust and administer and distribute those assets in accordance with the Plan and the instructions of the Committees or their designees.

Eligibility, Contributions and Vesting

Employees are eligible to participate following the completion of one hour of service with the Company. If a terminated employee is reemployed by the Company, such employee is immediately eligible to participate in the Plan upon reemployment, provided such person was an eligible employee at the date of termination.

Eligible participants may elect to contribute to the trust created under the Plan (the Trust) amounts ranging from 1% to 20% of their compensation, as defined, subject to Internal Revenue Service (IRS) limits. However, the maximum monthly contribution percentage may be decreased for highly compensated employees. Participants who have attained age fifty before the end of the plan year are eligible to make catch-up contributions.

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

Participants may change their contribution percentages at their own discretion; such contribution percentage changes shall become effective as soon as administratively possible following receipt of the change request by the recordkeeper.

All eligible salaried employees who have completed one or more years of service with the Company receive a Company contribution at a rate determined annually by the Company. There is no guaranteed minimum for Company contributions. Company contributions are participant-directed. For the year ended December 31, 2008, the Company matched salaried participant contributions up to a maximum of 4% of eligible compensation for eligible participants.

Participants are fully vested at all times in participant and Company matching contributions and earnings thereon.

Benefits, Terminations and Withdrawals

Upon total and permanent disability, death, retirement or termination of employment, participants are eligible to receive a distribution of the full value of their accounts. Distributions are made in lump-sum, and participants invested in Fluor common stock may request Fluor common shares valued at current market value in lieu of or in combination with cash. If the account balance is $1,000 or less, a distribution will be made in a lump-sum following the end of employment unless the participant elects a direct rollover of such account balance. If the amount to be distributed exceeds $1,000 and the participant does not request a distribution, the participant s account shall remain in the Plan and may be withdrawn or distributed at the participant s request or as minimum required distributions beginning when the participant attains age 70½. When a participant dies, the entire amount in the participant s account is allocated to the participant s beneficiary(ies), as described in the Plan document. Under certain hardship conditions, as defined in the Plan document, participants may elect to withdraw a portion of their account balance at any time during the Plan year. Additionally, participants who have reached age 59½ have the option of withdrawing all or part of their vested account balance at any time.

Benefits, terminations and withdrawals are recorded when paid.

Participant Loans

The Plan allows participants to borrow up to one-half of their account balance, not to exceed $50,000 reduced by their highest loan balance in the previous 12 months. Such loans bear interest at the prime rate and are payable through payroll deductions or monthly installments, if the employee is on unpaid leave of absence or terminated from service. The length of the loan is up to a 15-year period for a primary residence loan or a five-year period for all other loans. Participants are only allowed one outstanding loan.

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

Income Tax Status

The Plan has received a determination letter from the IRS dated September 9, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related Trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan s Administrative Committee believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related Trust is tax-exempt.

Participant Accounts

An individual account is maintained for each participant in each designated fund. Each account is adjusted daily for contributions and net investment income or loss allocated to the individual participants in each fund. If no funds are selected, then the contributions are designated to the LifePath® funds managed by Barclays Global Investors, N.A. (BGI) and may be subsequently allocated to other funds at the discretion of the participant. Participants are allowed to transfer a portion or all of the balance in their accounts from one investment fund to any other investment fund on a daily basis. However, participants can transfer a portion or all of the balance in their accounts into Fluor common stock and non-U.S. equities only once per calendar month. Effective March 6, 2008, participants can transfer a portion or all of the balance in their accounts into Large Cap Growth, Large Cap Value, Small Cap Growth or Small Cap Value only once per calendar month.

Other Provisions

Participants may contribute distributions into the Plan that were received from previous employers qualified retirement plans (rollover contribution). If a participant transfers to or from another wholly owned subsidiary of Fluor that does not participate in the Plan, the participant s entire account balance may be transferred to or from any other Fluor-sponsored plan. Participants are fully vested at all times in rollover contributions and the earnings thereon.

While the Company has not expressed any intent to terminate the Plan, it has the right to do so at any time.

2. Summary of Significant Accounting Policies

Investments

The Plan s investments, except for loans to participants, are commingled with the investments of various other employee benefit plans sponsored by Fluor and certain of its subsidiaries and affiliates, in the Master Trust which in turn invests in the Fluor Corporation DC Investments. The Plan s investments are stated at fair value or estimated fair value as follows:

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

Investments in government securities, bonds and corporate equity securities, including Fluor common stock, are valued at the last reported sale price on the last business day of the Plan year. Securities not traded on the last business day are valued at the last reported bid price. The estimated fair value of the investments in the common or collective trusts represents the underlying net asset value of the shares or units of such funds as determined by the issuer. The self-directed brokerage account is comprised of participant-directed investments in mutual funds. Mutual funds are valued at fair value, which represents the net asset value of the shares of such fund as of the close of business at the end of the period. Participant loans are valued at unpaid principal balances, which approximate fair value in all material respects.

Investments in the Stable Value Fund *(Note 4)* are stated at the fair value of the underlying synthetic guaranteed investment contracts (synthetic GICs). A synthetic GIC is comprised of an underlying asset and a wrapper contract. The fair value of synthetic GICs is calculated based on the fair values of the underlying securities which are comprised primarily of common or collective trusts, plus the fair value of the wrapper. Wrapper contracts essentially modify the investment characteristics of underlying securities to those of guaranteed investment contracts. The fair values of the wrapper contracts are based upon the estimated replacement costs of the wrapper contracts. A guaranteed investment contract is an insurance contract that guarantees its owner principal repayment and a stated rate of interest for a predetermined period of time. The wrapper contracts provide that benefit-responsive distributions for specific underlying securities may be withdrawn at contract value. Contract value represents contributions made, plus interest earned, less withdrawals. Benefit-responsive distributions are generally defined as a withdrawal due to a participant s retirement, disability or death or participant-directed transfers, in accordance with the terms of the Plan.

Derivative instruments are recorded at their fair values with changes in fair values reported in the Statement of Changes in Net Assets Available for Benefits in the Share in net investment loss of Fluor Corporation Master Trust in accordance with Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities. Derivatives in the Master Trust primarily consist of foreign exchange forward contracts that are used to manage risks related to exposures in foreign currency. The Master Trust may also invest in futures, options, caps, floors, swaps, mortgage derivatives and structured notes.

Net investment income (loss) of the Master Trust is allocated daily to the Plan based on the ratio of fair values of the Plan s investment in the Master Trust to the total fair value of the related Master Trust investments as of the beginning of the day.

Purchases and sales of investments are recorded on the trade date. Realized gains or losses on sales, redemptions or distributions of investments are based upon each investment manager s average historical cost. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

Risks and Uncertainties

The Master Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

The Master Trust s concentrations of credit risk are dictated by the Plan s provisions, as well as those of ERISA and participants investment preferences *(Note 1)*. The Stable Value Fund invests in contracts of financial institutions with strong credit ratings (*Note 4*). The Master Trust s exposure to credit risk on the wrapper contracts is limited to the fair value of the contracts with each insurance company. The Investment Committee believes that no significant concentrations of credit risk exist within any investment option at December 31, 2008 and 2007.

Estimated fair values of investments in common or collective trusts may differ significantly from what their values would have been had a ready market for such investments existed because of the inherent uncertainty of valuation in the absence of readily ascertainable fair values.

Contributions

Participant contributions are recorded when the Company makes payroll deductions from the participants compensation. Company matching contributions, if any, are recorded at the same time as the participant contribution. Contributions are funded to the Plan following the payroll payment date.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities (SFAS 161). SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable financial statement users to better understand their effects on a plan s statement of net assets available for benefits and statement of changes in net assets available for benefits. This standard is effective for fiscal years beginning after November 15, 2008. The adoption of this standard will not have an impact on the Plan s net assets available for benefits or the Statement of Changes in Net Assets Available for Benefits because this standard only enhances disclosure.

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

3. Master Trust

Investments

Fluor Corporation Master Trust Fluor manages the Plan and the Fluor Corporation Employees Savings Investment Plan (collectively, the Fluor Corporation DC Investments) and the Defined Benefit Plan of Fluor Corporation and Participating Subsidiaries (Fluor Corporation DB Investments). On January 2, 2007, the Fluor Corporation DB Investments were transferred into a separate account within the Master Trust and were no longer commingled with the Fluor Corporation DC Investments. As a result, the Fluor Corporation DC Investments are presented as a single master trust investment account because all the investments are participant-directed. The investments held by the Master Trust are valued at fair value or estimated fair value as described in *Note 2.*

The net assets at fair value of the Master Trust consist of the following as of December 31, 2008 and 2007:

		2008		**2007**
		(In thousands)		
Assets				
Fluor Corporation DC Investments	**$**	**1,962,577**	$	2,611,533
Fluor Corporation DB Investments		**518,669**		510,762
Net assets of the Fluor Corporation Master Trust at fair value		**2,481,246**		3,122,295
Adjustment from fair value to contract value for fully benefit-responsive investment contracts		**38,166**		(4,023)
Net assets of the Fluor Corporation Master Trust	**$**	**2,519,412**	$	3,118,272

Net investment loss for the Master Trust is as follows for the year ended December 31, 2008:

		2008
		(In thousands)
Net investment loss		
Fluor Corporation DC Investments	**$**	**(652,771)**
Fluor Corporation DB Investments		**(107,196)**
Total net investment loss	**$**	**(759,967)**

Fluor Corporation DC Investments The Plan s investments consist of a proportionate interest in the Fluor Corporation DC Investments held by the Master Trust.

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

Assets

The net assets of the Fluor Corporation DC Investments and the percentage interests held by the Plan as of December 31, 2008 and 2007, were as follows:

	Fluor Corporation DC Investments		% Interest Held by Plan	
	2008	**2007**	**2008**	**2007**
	(In thousands)			
Assets				
Government securities	**$ 23,792**	$ 21,881	**0.93**	**0.90**
Securities lending arrangements:				
Corporate equity securities	**1,860**	71,706	**0.95**	**0.79**
Government securities	**1,805**	2,159	**0.93**	**0.88**
Bonds and notes		1,029		**0.87**
Securities lending collateral cash		76,337		**0.79**
Securities lending collateral non-cash	**3,717**	868	**0.94**	**0.81**
Bonds	**27,601**	42,155	**0.93**	**0.90**
Common or collective trusts	**621,959**	1,064,130	**0.68**	**0.66**
Mutual funds	**98**	1,141	**0.85**	**0.61**
Synthetic guaranteed investment contracts	**606,722**	469,056	**0.67**	**0.79**
Foreign currency and cash	**2,594**	4,098	**0.97**	**0.83**
Corporate equity securities	**519,645**	668,347	**1.03**	**1.00**
Foreign currency exchange contracts	**16,967**	33,251	**1.00**	**0.78**
Investment income receivable	**1,677**	1,347	**1.02**	**0.97**
Due from brokers for securities purchased	**1,073**	8,533	**0.88**	**0.98**
Self-directed brokerage account - mutual funds	**155,425**	261,020	**0.31**	**0.37**
Total assets	**1,984,935**	2,727,058	**0.75**	**0.75**
Liabilities				
Accrued expenses	**(731)**	(1,080)	**0.94**	**0.83**
Foreign currency exchange contracts	**(16,995)**	(33,413)	**1.00**	**0.78**
Due to brokers for securities purchased	**(915)**	(3,827)	**0.88**	**0.91**
Obligation to return collateral cash		(76,337)		**0.79**
Obligation to return collateral non-cash	**(3,717)**	(868)	**0.94**	**0.81**
Total liabilities	**(22,358)**	(115,525)	**0.98**	**0.79**
Net assets of the Fluor Corporation DC Investments at fair value	**1,962,577**	2,611,533	**0.75**	**0.75**
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**38,166**	(4,023)	**0.67**	**0.80**
Net assets of the Fluor Corporation DC Investments	**$ 2,000,743**	$ 2,607,510	**0.75**	**0.75**

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

The Master Trust has a security lending program with the Trustee whereby the Trustee is authorized to lend securities owned by the Master Trust (other than Fluor common stock and securities excluded from lending from time to time by the Master Trust) to a select number of qualified borrowers (generally national and international brokerage firms). Pursuant to the agreement, security borrowers are authorized to use borrowed securities to settle trades and are obligated to return the securities to the Master Trust. All borrowed securities are secured by collateral held by the Trustee, which has a fair value no less than 102% of the fair market value of the borrowed securities at all times. Effective October 2007, the Master Trust is fully indemnified by the Trustee against any losses incurred as a result of borrower default. Securities lending net income for the Fluor Corporation DC Investments of approximately $180,000 was earned under the lending agreement during the year ended December 31, 2008.

Net Investment Income (Loss)

Net investment income (loss) for the Fluor Corporation DC Investments and the Plan s share in net investment income (loss) for the year ended December 31, 2008 is as follows:

		Fluor Corporation DC Investments (In thousands)	% Interest Held by Plan
Net appreciation (depreciation) in fair value of investments			
At quoted market prices			
Government securities	$	1,141	0.86
Corporate equity securities		(348,323)	1.05
Bonds		(14,749)	0.86
Self-directed brokerage account mutual funds		(83,082)	0.40
Mutual fund		(349)	0.90
Other		(296)	0.91
Total at quoted market prices		(445,658)	0.92
At estimated fair value			
Common or collective trusts		(241,441)	0.66
Total at estimated fair value		(241,441)	0.66
Total net depreciation		(687,099)	0.83
Interest on synthetic guaranteed investment contracts		27,115	0.71
Securities lending income		725	0.87
Interest		3,837	0.86
Dividends		8,224	1.05
Other income		1,507	1.07
Securities lending expense		(545)	0.87
Investment management and administrative expenses		(6,535)	0.80
Total net investment loss	$	(652,771)	0.83

Other than the Plan s interest in the Master Trust, there are no assets held for investment that represent 5% or more of the Plan s net assets at December 31, 2008 and 2007.

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

4. Stable Value Fund

Beginning January 2, 2007, the Plan s investment in the Master Trust through its investment in the Fluor Corporation DC Investments included amounts in the Stable Value Fund, which was established for the investment of the assets of all participating plans. Each participating plan has an undivided interest in the Stable Value Fund. At December 31, 2008 and 2007, the Plan s interests in the net assets of the Stable Value Fund was 0.67% and 0.79%, respectively. Investment income and administrative expenses relating to the Stable Value Fund are allocated among the participating Plans on a daily basis.

Investment income, net of expenses, of the Stable Value Fund totaled $25,826,023 for the year ended December 31, 2008.

The weighted-average yield (excluding administrative expenses) earned by the Stable Value Fund at December 31, 2008 and 2007 was 5.58% and 5.14%, respectively. The weighted-average yield earned by the Stable Value Fund with an adjustment to reflect the actual interest rate credited to participants in the Stable Value Fund at December 31, 2008 and 2007, was 4.15% and 5.53%, respectively.

The Stable Value Fund enters into participating or hybrid contracts. In a participating contract, the contract holder participates in asset and liability risks. In a hybrid contract, the contract holder shares in the asset and liability risks with the contract provider. In the case of a full liquidation event, the issuer is responsible for covering any amount by which the contract value exceeds the fair value of the underlying portfolio.

Risks arise when entering into any investment contract due to the potential inability of the issuer to meet the terms of the contract. In addition, synthetic GICs have the risk of default or the lack of liquidity of the underlying portfolio assets.

The primary variables impacting the future crediting rates of the synthetic GICs are driven by the performance of the underlying assets. The Stable Value Fund is designed to reset its respective crediting rate on a quarterly basis and cannot credit an interest rate that is less than 0%. The crediting rate of the Stable Value Fund tracks current market yields on a trailing basis. The rate reset allows the Stable Value Fund to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

To the extent that the underlying portfolio of the Stable Value Fund has unrealized and/or realized losses, a positive adjustment is made to the adjustment from fair value to contract value and disclosed in the Statement of Net Assets Available for Benefits. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made to the adjustment from fair value to contract value and disclosed in the Statement of Net Assets Available for Benefits.

There are certain events not initiated by Plan participants that limit the ability of the Plan to transact with the issuer at contract value. Each contract issuer specifies the events which may trigger a market value adjustment being applied to the contract value; such events may include material amendments to the Stable Value Fund s structure or administration; changes to the participating plans competing investment

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

options, including the elimination of equity wash provisions; complete or partial termination of the Stable Value Fund, including a merger with another fund; the failure of the Stable Value Fund to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA; the redemption of all or a portion of the interests in the Stable Value Fund held by a participating plan at the direction of the participating plan sponsor, including withdrawals due to the removal of a specifically identifiable group of employees from coverage under the participating plan (such as a group layoff or early retirement incentive program); the closing or sale of a subsidiary, employing unit or affiliate; the bankruptcy or insolvency of a plan sponsor; the merger of the plan with another plan; or the plan sponsor s establishment of another tax-qualified defined contribution plan; any change in law, regulation, ruling, administrative or judicial position or accounting requirement, applicable to the Stable Value Fund or participating plans; and the delivery of any communication to plan participants designed to influence a participant not to invest in the Stable Value Fund.

At this time, the Plan management does not believe that the occurrence of any such market value event, which would limit the Stable Value Fund s ability to transact at contract value with participants, is probable.

5. Fair Value Measurements

Effective January 1, 2008, the Plan adopted SFAS No. 157, Fair Value Measurements (SFAS 157) for all financial assets and liabilities disclosed at fair value in the financial statements on a recurring basis. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices (unadjusted) available in active markets for identical assets or liabilities as of the reporting date. An active market for the asset or liability is a market in which the transaction for the asset or liability occurs with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted market prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs for the asset or liability that are not corroborated by market data. The reporting entity makes estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk.

The asset s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

The following table sets forth by level, within the fair value hierarchy, the net assets of the Fluor Corporation DC Investments at fair value, on a recurring basis, as of December 31, 2008:

(in thousands)	Total	Level 1	Fair Value Measurements Level 2	Level 3
Assets:				
Government securities	$ 25,597	$	$ 25,597	$
Securities lending collateral non-cash	3,717		3,717	
Bonds	27,601		27,601	
Common or collective trusts	621,959		621,959	
Mutual fund	98	98		
Synthetic guaranteed investment contracts	606,722		606,722	
Corporate equity securities	521,505	520,139	1,366	
Foreign currency exchange contracts	16,967		16,967	
Self-directed brokerage account mutual funds	155,425	155,425		
Liabilities:				
Foreign currency exchange contracts	$ 16,995	$	$ 16,995	$
Obligation to return collateral non-cash	3,717		3,717	

The following table sets forth by level, within the fair value hierarchy, Plan investments, excluding investments held by the Fluor Corporation DC Investments, at fair value, on a recurring basis, as of December 31, 2008:

	Total	Level 1	Fair Value Measurements Level 2	Level 3
Loans to participants	$ 201,497			$ 201,497

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

Changes in fair value of the Plan s Level 3 investments, representing loans to participants, during the year ended December 31, 2008 were as follows:

		Loans to Participants
Balance at December 31, 2007	$	146,333
Loan issuances, net of repayments		55,164
Balance at December 31, 2008	$	201,497

6. Related Party Transactions

Certain Plan investments in the common or collective trusts accounts are managed by The Northern Trust Company, BGI and Aberdeen Asset Management, Inc. (Aberdeen). The Northern Trust Company is the trustee and BGI and Aberdeen are investment managers, all of whom have fiduciary responsibility to the Plan. These investments qualify as party-in-interest transactions. Additionally, a portion of the Plan s assets is invested in Fluor common stock. Because Fluor is the Plan sponsor, transactions involving Fluor common stock qualify as party-in-interest transactions. Master Trust holdings for Northern Trust, BGI, Aberdeen and Fluor common stock amounted to approximately $104,082,826, $511,973,050, $6,199,913 and $218,156,370, respectively, as of December 31, 2008. Master Trust holdings for Northern Trust, BGI, Aberdeen and Fluor common stock amounted to approximately $139,479,000, $909,120,000, $11,169,000 and $254,788,000, respectively, as of December 31, 2007. Effective March 2009, Aberdeen is no longer an investment manager of the Master Trust. All of the party-in-interest transactions noted above are exempt from the prohibited transaction rules.

Investments managed by BGI represented 26% and 35% of the Fluor Corporation DC Investments as of December 31, 2008 and 2007, respectively. Investments in Fluor common stock represented 11% and 10% of the Fluor Corporation DC Investments as of December 31, 2008 and 2007, respectively.

7. Differences Between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31:

	2008	2007

Net assets available for benefits per the financial statements	**$**	**15,157,587**	$	19,742,950
Add (Less): Adjustment from fair value to contract value for fully benefit-responsive investment contracts		**(257,165)**		32,183
Less: Benefits payable		**(30,291)**		
Net assets available for benefits per the Form 5500	**$**	**14,870,131**	$	19,775,133

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TRS 401(k) Retirement Plan

Notes to Financial Statements (continued)

The following is a reconciliation of the Share in net investment loss of Fluor Corporation Master Trust per the financial statements to Net investment loss from master trust investment accounts per the Form 5500 for the year ended December 31:

		2008
Share in net investment loss of Fluor Corporation Master Trust per the financial statements	$	**(5,428,325)**
Less: 2008 Adjustment from fair value to contract value for fully benefit-responsive investment contracts		**(257,165)**
Less: 2007 Adjustment from fair value to contract value for fully benefit-responsive investment contracts		**(32,183)**
Net investment loss from master trust investment accounts per the Form 5500	$	**(5,717,673)**

The accompanying financial statements present fully benefit-responsive contracts at contract value. The Form 5500 requires fully benefit-responsive investment contracts to be reported at fair value. Therefore, the adjustment from fair value to contract value for fully benefit-responsive investment contracts represents a reconciling item.

The following is a reconciliation of benefits, terminations and withdrawals per the financial statements to the Form 5500:

		Year Ended December 31, 2008
Benefits, terminations and withdrawals per financial statements	$	**2,143,265**
Add: Benefits payable at end of year		**30,291**
Benefits, terminations and withdrawals to participants per the Form 5500	$	**2,173,556**

Benefits payable are recorded on the Form 5500 for payments to participants who requested payment prior to December 31, 2008 but had not been paid as of that date.

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Supplemental Schedule

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Schedule I

TRS 401(k) Retirement Plan

Schedule H; Line 4i Schedule of Assets (Held at End of Year)

EIN: 57-0785147

Plan: 001

December 31, 2008

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
*	Loans to participants	Interest rates ranging from 4.00% to 9.50%		$ 201,497

* Party-in-interest investment that is not a prohibited investment under the Employee Retirement Income Security Act of 1974.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Investment Committee of the TRS 401(k) Retirement Plan has duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 26, 2009

TRS 401(k) Retirement Plan

By: /s/ Glenn C. Gilkey
Glenn C. Gilkey
Member, Investment Committee

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EXHIBIT INDEX

Exhibit	Description
23.1	Consent of Independent Registered Public Accounting Firm