



Major offices in

Brisbane	London	Santiago
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Houston	San Francisco	

The **Bechtel** Report 2009



For more information visit BECHTEL.COM

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Cover photo: Sunset illuminates the main terminal under construction at the New Doha International Airport in Qatar. At right, the massive expansion of the Jamnagar refinery complex in India.



To our customers, employees, partners, suppliers, and friends

For years, our diversified business portfolio has enabled us to weather cyclical industry swings and economic fluctuations. Never has that been more true than now, as we confront the worst economic slide in decades.

It was a testament to the strength and stability of Bechtel and its 44,000 employees that when the credit crunch hit in 2008, key customers, suppliers, contractors, and banks still saw us as a good partner. To meet the steadily increasing demand for energy, customers turned to us for new gas processing plants, pipelines, and refineries. When existing facilities needed more capacity, owners asked us to expand them. When the U.S. government wanted a company it could count on to manage complex national defense work, it once again called on us.

As a result, last year we posted records for both total revenue and new work booked—an achievement that stood out in a recession which hurt many other large companies. We completed a number of major projects and won important new jobs in all of our businesses. In addition, we maintained a healthy backlog of work heading into 2009.

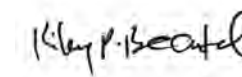
Last year we tightened our focus on quality,

underscoring our commitment to customer satisfaction. We enhanced project execution through 24/7 engineering and launched an innovative Internet portal for sharing information among project teams. We also realized more savings for our customers from our Six Sigma quality-improvement program, now in its ninth year at Bechtel.

In 2008, our overall safety performance slipped slightly, although our safety record continued to surpass the average for our industry. We are responding by challenging our people to renew their commitment to safety and our zero accidents philosophy on every project and in every office.

We also continue to focus on sustainability. Last year, we provided job training for hundreds of local workers on big projects, and we helped customers meet their goals to protect communities and the environment.

Looking ahead, it is impossible to say when the current economic slump will end. Bechtel has survived other downturns since its founding more than a century ago, and we fully expect to ride out the current difficulties and remain a premier engineer-constructor.



Riley P. Bechtel
CHAIRMAN & CHIEF EXECUTIVE OFFICER



Bill Dudley
PRESIDENT & CHIEF OPERATING OFFICER



Adrian Zaccaria
VICE CHAIRMAN

DESPITE WORLDWIDE ECONOMIC TURMOIL,
BECHTEL CONTINUED TO GROW IN ITS 110TH YEAR.

Business Review

In 2008, Bechtel turned in a strong performance across our diverse, global business, and we once again played a key role helping customers meet growing worldwide demand for energy. As a result, our 110th anniversary year was an overall success.

With our Oil, Gas & Chemicals unit setting the pace, we posted record financial results. Total revenue climbed to \$31.4 billion from \$27 billion in 2007, while the value of new work booked in 2008 rose to \$35 billion from \$34.1 billion. The results gave us six straight years of record total revenue, and three straight years of record bookings. Operations in North America, where we are strong in energy, power, and government services, generated about 40 percent of revenue and more than two-thirds of bookings.

Oil, Gas & Chemicals dominated the year with a broad range of major projects. We continued to stand out in the liquefied natural gas industry, completing a receiving terminal in Louisiana and beginning a new processing facility in Angola. Our work also included oil refinery expansions in Canada, India, and the United States; gas development projects in the Middle East; and pipeline projects, including one that will dramatically increase natural gas production in India, and another that will transport crude oil from Canada's oil sands to U.S. refineries in the

Midwest and South.

Last year Bechtel National maintained its role as a top service provider to the U.S. government. We helped cut costs and increase efficiency at Los Alamos National Laboratory in New Mexico and Lawrence Livermore National Laboratory in California, which are managed by teams led by Bechtel and the University of California. We are working to eliminate chemical weapons stockpiles at defense sites in Colorado and Kentucky. We made progress on a massive facility to treat hazardous waste at a former nuclear site in Washington state. In September, we won contracts to operate atomic laboratories in New York and Pennsylvania.

Our Civil unit had another solid year, highlighted by the completion of major work on the West Coast Route Modernization project in the UK. In December, expanded service added 60,000 seats per day on the busy line, which stretches from London to Glasgow. We also are renovating three historic lines of the London Underground in a project that has met all its milestones so far. Construction progressed on important highway projects in Albania and Romania aimed at boosting economic growth and tourism. In Qatar, a new airport is taking shape that will be a transportation hub for the region. In the United States,

we are developing a much-needed rail extension in the Washington, D.C., area.

In 2008, we settled state and federal legal claims related to the Central Artery/Tunnel project in Boston. Completed in 2006, the massive highway renovation has dramatically eased traffic in what was one of the most congested cities in the United States.

Rising demand for copper and other industrial metals drove strong performance by our Mining & Metals unit in 2008. Important projects included several copper mine expansions in the Chilean Andes: our fourth project in a decade at Los Pelambres; a job to double capacity at Los Bronces; and expansion of an underground concentrator at Andina. We also remained strong in the aluminum industry, completing a major smelter in Oman and expanding an alumina refinery that we originally built, in Australia.

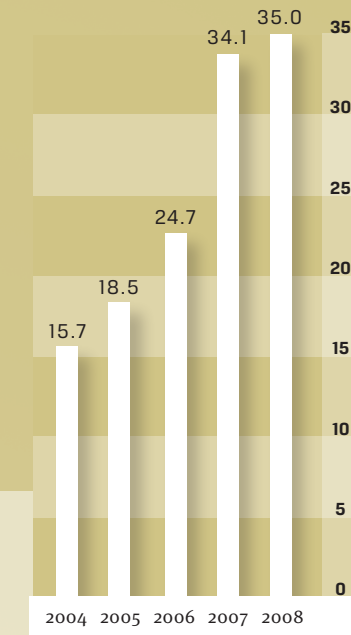
Our Power business unit concentrated on a number of U.S. projects. A coal-fired plant now under construction in Illinois will be among the cleanest in the United States. We also signed a contract for a new plant in Indiana designed with clean-coal technology that dramatically reduces emissions. On the nuclear side, we continued to help utilities extend the lives

of existing plants by replacing aging components, and we are leading a project to complete a reactor at Watts Bar Nuclear Plant in Tennessee, more than 20 years after initial construction was halted. Last year we also launched an initiative to explore emerging opportunities in alternative energy, including wind and solar power.

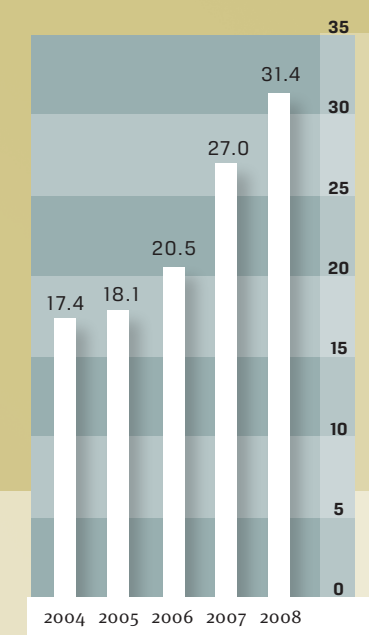
We won an important new communications project in a tough market last year when Cox Communications asked us to provide services in the development and deployment of its new wireless service for business and consumers. We also continued to work on a nationwide upgrade of wireless voice and data services for AT&T. In the UK, we are helping a major communications infrastructure company make the transition from analog to digital broadcasting.

In the following pages you'll read about projects in 2008 that exemplified our distinguished customers, our work for them, and us.

New work booked
in billions of U.S. dollars



Total revenue
in billions of U.S. dollars



A tanker with a cargo of liquid energy moored at the Sabine Pass liquefied natural gas receiving terminal in southern Louisiana.

Bechtel comprises global business units that together cover most major industries. **Bechtel National** provides services to the U.S. government for defense, space, demilitarization, energy management, and environmental work. The **Civil** unit—which traces its work to the company’s beginning in 1898—builds rail systems, roads, bridges, airports, and ports. **Mining & Metals** works for customers in ferrous, nonferrous, precious, and light metals, as well as industrial materials. **Oil, Gas & Chemicals** builds oil, gas, petrochemical, LNG, and industrial facilities, and pipelines. **Power** has more than half a century of experience in electric generation using fossil and nuclear fuels, and services for existing plants. Power also manages our communications business, which designs and builds wireless and other communications infrastructure.



Our Work

WITH PROJECTS IN SOME 50 COUNTRIES, WE ARE A GLOBAL CHOICE FOR ENGINEERING AND CONSTRUCTION.





During 2008, Bechtel worked on major projects in dozens of countries worldwide. Here's a sampling of projects that made our 110th anniversary year both interesting and memorable:

TEXAS

Port Arthur Refinery Expansion

More than 100 years after the first U.S. oil boom, one of the original refineries from that era is undergoing a major expansion to help meet the energy needs of a new century. In Port Arthur on the Texas Gulf Coast, a joint venture of Bechtel and Jacobs Engineering Group is more than doubling the capacity of the refinery opened by Texaco in 1903 and currently owned by Motiva Enterprises LLC.

Set for completion in 2010, the expansion will increase capacity of the refinery from 275,000 barrels per day to more than 600,000 barrels—making it the largest refinery in the United States. The project is truly gigantic, requiring 1,800 pieces of equipment, including a crude column 87 meters high and 9 meters in diameter weighing more than 900 metric tons empty. Also needed: nearly 49,000 metric tons of structural steel, enough to build an aircraft carrier, and nearly 200,000 cubic meters of concrete, enough to cover a football field to a height of 45 meters. Not surprisingly, the expansion of Motiva's Port Arthur refinery is the largest private capital investment in Texas history.

CHILE

Los Pelambres Copper Mine Expansion

Starting in the late 1990s, Bechtel undertook several large-scale mining projects in South America, at remote locations high in the Andes of Chile and Peru. One such project was the Los Pelambres copper mine north of Santiago, Chile, which the company built between 1996 and 1999. In a textbook case of good work leading to more work, the customer asked Bechtel to return for three expansion projects.

Last year, work began on the latest project at Los Pelambres, an expansion designed to increase the output of the mine's copper concentrator by an

A safety meeting begins the work day in Dubai, where a module is constructed for the KG D6 gas development project on the east coast of India.

additional 20 percent. There are two work sites: the mine area and primary crusher at an elevation of over 3,000 meters, and the concentrator at 1,600 meters. A high-speed conveyor in a 14-kilometer tunnel transports ore from the crusher to the concentrator. The mountainous terrain and high altitude present interesting challenges. For instance, finding enough level ground to store all the equipment and material needed for the project. The answer: create "laydown" areas up to 14 kilometers away from the mine, and arrange everything in sequence according to when it will be needed.

CANADA/UNITED STATES

Keystone Pipeline

Pipelines are in Bechtel's DNA. Early pipeline projects in the Middle East, Canada, and the United States helped define Bechtel's ability to work in some of the world's most remote locations. In recent years, pipeline work in the marshes of Thailand and the Sahara reinforced our reputation. So it was no surprise when TransCanada and ConocoPhillips chose Bechtel to help build an ambitious pipeline system to bring crude oil from Canada to the United States.

The system will comprise the Keystone Pipeline, which will carry oil from Hardisty, Alberta, to refineries in Illinois and Oklahoma, and an expansion that will add capacity to the first pipeline and extend it to refineries on the Texas Gulf Coast. When the entire project is complete in 2012, the first 3,457-kilometer pipeline and the 2,742-kilometer expansion will have the ability to transport more than 1 million barrels per day of crude oil. With additional pumping facilities, the system could be further expanded to transport 1.5 million barrels per day.

The National Ignition Facility at Lawrence Livermore National Laboratory will be able to simulate conditions found in the cores of stars.

CALIFORNIA

Lawrence Livermore National Laboratory

Bechtel and the University of California lead teams that manage and operate two of the nation's premier research institutions: Los Alamos National Laboratory in New Mexico and Lawrence Livermore National Laboratory in California. In addition to defense work, the labs engage in a wide range of scientific study. One of the most exciting developments is the National Ignition Facility at Livermore (NIF).

When it goes into full operation in 2009, the NIF will be the world's largest laser. By focusing 192 intense beams on a target of hydrogen fuel the size of a small pea, it will fuse the hydrogen atoms' nuclei, producing conditions found only in the cores of stars and nuclear weapons. The facility will help maintain the U.S. nuclear stockpile. It also could open the door to self-sustaining fusion, in which more energy is released than is needed to initiate the fusion reaction. A fusion power plant would produce no greenhouse gas emissions, operate continuously to meet demand, and produce shorter-lived and less-hazardous radioactive byproducts than current fission-based nuclear plants.

UNITED KINGDOM

London Underground Modernization

When a Bechtel consortium teamed with London Underground in 2002 to upgrade and maintain the Jubilee, Northern, and Piccadilly lines, it was one of the biggest public-private partnerships ever undertaken. It also has been one of the most successful. Six years into a 30-year contract, the Tube Lines consortium has delivered every major milestone on schedule.

As of December 2008, achievements included upgrading 60 stations, renovating more than 130 escalators, and replacing or refurbishing nearly 100 kilometers of track. In addition to new finishes, the stations now have more closed-circuit TV cameras and improved public address systems for passenger safety,

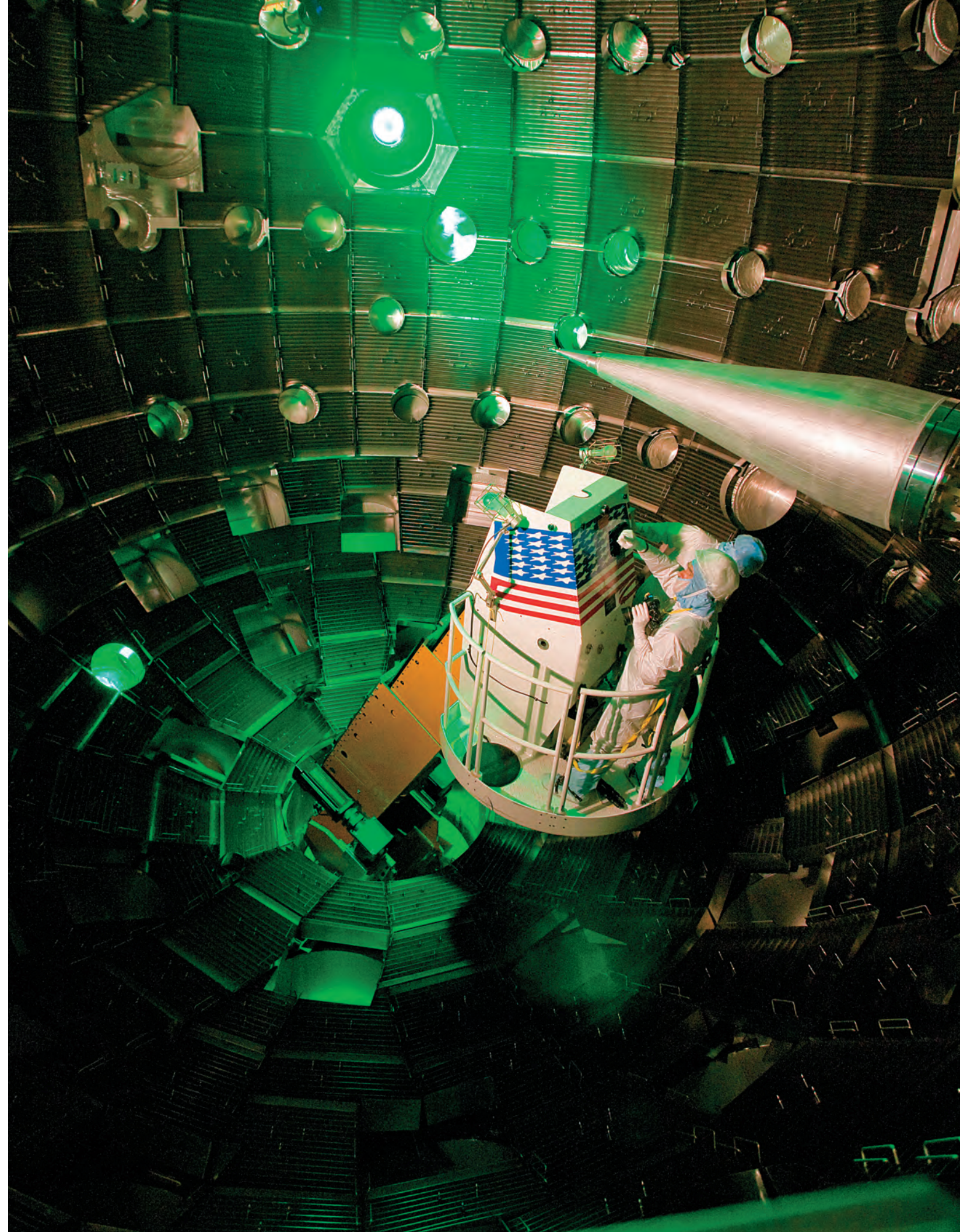
additional information boards, and increased seating. All Jubilee line trains are now fitted with new signaling equipment as part of a challenging upgrade that will make travel faster and safer. Just as remarkable, although much less noticeable, is the way Tube Lines has carried out sensitive maintenance without disrupting service—by doing most of the work between 12:30 a.m. and 4 a.m., when trains aren't running. The commitment to maintaining a first-rate system has resulted in trains that are graffiti-free, and ridership has increased substantially.

TENNESSEE

Watts Bar Unit 2 Completion

Unit 2 of Watts Bar Nuclear Plant in Tennessee was about two-thirds complete in 1988 when construction was halted because of a projected drop in electricity demand. Nearly two decades later in 2007, with demand again on the rise, TVA announced plans to complete the facility. To lead the work, it chose Bechtel, which had just finished its role in the successful restart of TVA's Browns Ferry Unit 1 in Alabama.

When completed in 2012, Watts Bar Unit 2 will add about 1,200 megawatts of power to the TVA system, enough to serve 650,000 homes. The project will meet all current engineering and safety standards. Unit 2 will be completed as originally designed, while incorporating modifications made to Watts Bar's Unit 1 reactor, which has been operating since 1996. The new project continues Bechtel's history of leadership in commercial nuclear power stretching back over half a century. We have provided engineering, construction, and/or management services at 88 of the 104 operating U.S. nuclear units and on more than 150 units worldwide.



A pair of Piccadilly line trains rest in Acton Town station, part of the project to renovate three historic lines of the London Underground.



At right, pipe awaits installation in North Dakota on the Keystone Pipeline project.

OMAN

Sohar Aluminum Smelter

Bechtel strengthened its leadership in the aluminum industry with a number of major smelter projects in the first years of the new century. Coming off its successful completion of the Alba Line 5 aluminum smelter in Bahrain, the company was asked to build a large smelter from the ground up in nearby Oman, where the government is intent on diversifying its economy.

Sohar was completed on time and within budget, producing its first hot metal in June 2008. Boasting the world's longest pot line—with 360 pots—the smelter can produce 350,000 metric tons of aluminum per year. The project also included construction of a carbon plant, a metal casting facility, and port facilities for storage and shipping. However, what gave everyone involved the most pride was the program that trained some 750 Omanis for work on the project as electricians, carpenters, and other skilled craftspeople. Trainees also learned to use computers and studied English, helping them prepare for future

careers. Such training has become a staple of Bechtel's sustainability effort on projects like Sohar.

ILLINOIS

Prairie State Energy Campus

Bechtel is performing engineering, procurement, and construction for a major coal-fired power plant in southern Illinois. Prairie State Generating Company, LLC, the owner, wanted the new Prairie State Energy Campus to generate power as efficiently and cleanly as possible. And it will: The 1,600-megawatt, supercritical plant, now under construction, will be the cleanest coal plant in the state, and one of the cleanest in the country.

Powered by Illinois coal from an on-site mine, Prairie State represents a new generation of cleaner coal plants. It will combine highly efficient pulverized coal and supercritical technologies with advanced emission controls to minimize air pollution. Two advanced particulate removal systems will eliminate 99.9 percent of particulates, scrubbers will remove 98 percent

of the flue gas's sulfur dioxide, and a selective catalytic reduction system will reduce nitrous oxides to state-of-the-art levels. When Prairie State comes online, its emission rates will be approximately one-fifth those of other coal plants. Its carbon dioxide emission rate will be approximately 15 percent lower than the typical U.S. coal plant.

Team members at Bechtel's new Warsaw office include (left to right): Stefan Gasior, process director and manager of engineering; Weronika Szczesniak, office services manager; Karol Dereg, mechanical engineer; Witold Stefanczyk, senior piping engineer; Urszula Sereja, account supervisor; Marcin Korcyiak, piping engineer; and Piotr Swiatek, process engineer.





At left, a rigger is silhouetted on a coal silo at the Prairie State Energy Campus. Below, Cooling towers at the Watts Bar nuclear power plant in Tennessee.

INDIA

Jamnagar Refinery Complex Expansion

In 2000, on India's northwest coast, Bechtel completed construction of the largest refinery and petrochemicals complex ever built from the ground up. That was just the beginning. Subsequently, Jamnagar's capacity was increased from 450,000 barrels per day to 650,000, and in 2005, work began on a second refinery adjacent to the first, with Bechtel providing project management and consulting.

Scheduled for completion early in 2009, the second refinery effectively doubles Jamnagar's capacity to 1.2 million barrels per day, making it the largest oil-refining operation in the world. The project itself is huge: Jamnagar now covers an area larger than London, and at peak construction had 70,000 workers. To keep such a complex undertaking on schedule, Bechtel created a "virtual company," with 2,800 professionals spread across 19 offices in five countries. An advanced network used the Internet to link engineers in multiple locations, letting them collaborate on designs in real time. The virtual organization also was instrumental in procuring goods and services from far-flung suppliers at the best possible prices.

COLORADO

Pueblo Chemical Agent-Destruction Pilot Plant

Several of Bechtel's most notable projects for the U.S. government in recent years have involved the elimination of chemical weapons at defense sites—weapons that were manufactured during and after World War II but never used. Today, we are working on projects to destroy stockpiles in Kentucky and Colorado.

The Pueblo Chemical Depot in Colorado stores 2,369 metric tons of mustard agent in projectiles and cartridges. In 2002, the Department of Defense chose a Bechtel-led team to design, construct, systemize,



pilot test, operate, and close the Pueblo Chemical Agent-Destruction Pilot Plant. Destroying live weapons, even if they are half a century old, is a complex process. First, robots remove the explosives from the weapons. Then the mustard agent is washed out with high-pressure water. The mustard agent is neutralized with caustic solution and hot water, and the byproduct of that process, hydrolysate, is treated with microbes that turn it into harmless biosludge which is sent to a disposal facility. Not surprisingly, workers on the project receive extraordinary training to keep the project and its people safe.

Deputy Project Manager
Doug Omichinski checks
construction progress
at the Pueblo Chemical
Agent-Destruction project.



UNITED STATES

Wireless Network Deployment

For more than three decades, Bechtel has helped leading carriers around the world establish and build out wired and wireless networks. So it was no surprise when multiservice broadband giant Cox Communications enlisted us to help deploy its wireless network.

As part of a first wave of deployment, Bechtel will provide project management services for all aspects of network design, site acquisition, construction, and network equipment installation in selected U.S. markets. Cox and Bechtel together will ensure that vendors, suppliers, and contractors support the goals of the wireless program. The rollout will start with 3G technology and migrate to 4G for even faster data transfer speeds—enabling consumers to enjoy and

share multimedia and making it easier for business users to access information and conduct complex transactions. Atlanta-based Cox is the third-largest U.S. cable company, with more than 6 million residential and business customers, including 3.8 million Internet customers and 2.5 million telephone customers in two dozen markets nationwide.

ALBANIA

Albanian Motorway

Following the end of the Cold War, newly independent countries in Eastern Europe faced the daunting task of modernizing their infrastructure after years of neglect. Roads in much of the region were poor, making commerce difficult and discouraging tourism. That's changing, however. A Bechtel-built motorway has boosted the economy of Croatia, and we are constructing new highways in Romania and Albania.

In Albania, we are nearing completion of a 57-kilometer four-lane highway that will stretch from the town of Rreshen, in the heart of the country, up to the northeastern village of Kalimash. The project, in a rocky, mountainous region, includes 27 bridges and a 5.7-kilometer twin-bore tunnel—one of the longest in the Balkans. It will be the central leg of a 170-kilometer highway traversing the country from the Adriatic Sea up to the northeastern border with Kosovo. Designed to handle traffic at 120 kilometers per hour, it will cut travel time across the route from six to two hours, boosting coastal trade and northeast tourism.

Bechtel's Craig Martin (left) and David Katz review designs for a Cox Communications wireless buildout. At right, one of many bridges under construction along the route of the Albanian Motorway.



Global Highlights

Missile Defense System

Constructing installations in Alaska for a U.S. Ground-based Midcourse Defense system.

Hanford Waste Treatment Plant

Building a facility to vitrify hazardous waste at a former nuclear weapons site in Washington state.

Scotford Upgrader

Expanding a facility to turn bitumen from Canadian oil sands into crude oil.

Elm Road Power Plant

Constructing a 1,230-megawatt coal-fired facility in eastern Wisconsin.

Prairie State Power Plant

Building one of the nation's cleanest coal-fired power facilities in Illinois.

West Coast Route Modernization

Completed renovation of the busy rail corridor stretching from London to Scotland.

London Underground

Part of a public-private partnership modernizing the Jubilee, Northern, and Piccadilly lines.

PGESCO Power Program

Teaming with the Egyptian government to design and build power plants.

Khursaniyah Gas Plant

Building a natural gas processing plant in Saudi Arabia.

Jubail

Overseeing the ongoing expansion of Jubail Industrial City in Saudi Arabia.

OGD III and AGD II Gas Processing

Working on the latest phases of a pair of gas development projects in Abu Dhabi.

Jamnagar Refinery

Completed a new refinery in India adjacent to the existing one built by Bechtel.

Lawrence Livermore National Laboratory

Teaming to manage and operate a national research institution in California.

Chemical Weapons Elimination

Eliminating chemical agent stockpiles at defense sites in Colorado and Kentucky.

Yucca Mountain Repository

Supported the licensing application for the proposed natural nuclear waste repository in Nevada.

Los Alamos National Laboratory

Teaming to manage and operate a national research institution in New Mexico.

Motiva Refinery

Expanding an oil refinery in Texas, which will be the largest in the nation.

Pascagoula Refinery

Working on a major expansion program at an oil refinery in Mississippi.

Sabine Pass LNG Terminal

Completed the first phase of a liquefied natural gas receiving terminal in Louisiana.

Watts Bar Completion

Completing construction of Unit 2 of a nuclear generating station in Tennessee.

Sammis Power Plant

Modernizing air quality control systems at a coal-fired power plant in Ohio.

Metrorail Extension

Designing and building an extension of the Metrorail line to Dulles International Airport.

Oak Ridge

Completed a uranium storage facility at the birthplace of the nuclear age in Tennessee.

Analog-to-Digital Transition

Helping Arqiva switch from analog TV broadcasting to digital in the UK.

Albanian Motorway

Building a 57-kilometer highway including a 5.7-kilometer tunnel in northern Albania.

Guinea Alumina Refinery

Constructing an alumina refinery in the Republic of Guinea.

SonaHess Gas Development

Working on a gas compression and reinjection project in Algeria.

Angola LNG Plant

Designing and building a liquefied natural gas processing plant in Angola.

Los Bronces Mine

Building a new concentrator at a copper mine in the Chilean Andes.

Los Pelambres Mine

Increasing capacity of a copper mine in the Chilean Andes.

Romanian Motorway

Constructing a 415-kilometer motorway linking Brasov to the Hungarian border.

New Doha International Airport

Constructing an airport in Qatar capable of accommodating super jumbo jets.

Sohar Smelter

Completed construction of a major aluminum smelter in Oman.

Olympic Dam Expansion

Expanding the capacity of one of Australia's largest mining operations.

Worsley Refinery Expansion

Increasing capacity at a large alumina refinery and bauxite mine in Western Australia.

Port Waratah Coal Terminal

Upgrading and increasing capacity of a coal-handling terminal in New South Wales.

Sakhalin Gas Processing

Constructing an onshore gas processing facility in Russia.

KGD6 Gas Development

Managing natural gas field development off the east coast of India.

Thai Oil Paraxylene

Completed the expansion and revamping of a large petrochemicals facility at Sriracha, Thailand.

Kwajalein Test Range

Managing a missile defense and satellite surveillance site for the U.S. government.

Yarwun 2 Refinery

Designing and building the second stage of an alumina refinery in Queensland.

Bechtel's engineering team in Shanghai includes (left to right): Alan Curtis, design and piping technical manager; Terri Li Jing E, civil/structural engineer; Sarah Liu Chao, process systems engineer; Ricky Sun Xinqi, process safety engineer; Rachel Liu Xiaoqing, mechanical engineer; and Marcus Duan Linnan, civil/structural engineer.

Designing and constructing a large project seems straightforward enough. You need good engineers and competent builders, plus the right equipment and materials. If only it were that easy. Delivering multibillion-dollar projects worldwide on schedule and within budget requires global resources, skill, knowledge, and experience that only a company like Bechtel has. We combine these attributes with an assurance of quality, safety, sustainability, innovation, and unmatched commitment to our customers. It's the way we do business.

QUALITY Getting It Right the First Time

We define quality as meeting customer expectations by efficiently delivering all requirements the first time. This is important because if something isn't designed or built correctly, the rework to correct it can increase costs and put a project behind schedule. So



Our Way

OUR 44,000 EMPLOYEES ARE COMMITTED TO QUALITY, SAFETY, SUSTAINABILITY, INNOVATION, AND LEADERSHIP.



At right, a worker high above the ground checks precipitation tanks at the Yarwun 2 alumina refinery project in Australia. Below, cranes fill the skyline at the W. H. Sammis Plant environmental retrofit project in Ohio.

we put a premium on making sure that every aspect of a project is done right, from early engineering and ground works through construction and startup.

In 2008, Bechtel became an organizational member of the American Society for Quality (ASQ), reaffirming our long-standing commitment to quality and making a wealth of information available to all Bechtel employees. As a nonprofit organization dedicated to making quality a global priority, an organizational imperative, and a personal ethic, ASQ is a resource for quality concepts, technology, and tools.

We also continued to refine our approach to Six Sigma, incorporating value-driven “lean” practices to become even more efficient in our projects and our core business practices.

SAFETY

Always the Top Priority

Working safely adds value to a project, minimizing time lost because of accidents and lowering insurance costs. Safety is more than just a business imperative



at Bechtel. Our most important assets are our people—from project managers to craft workers and support personnel—and keeping them safe is our highest priority. At every Bechtel project, workers get training to familiarize themselves with Bechtel’s safety policies and practices, the proper user of personal safety equipment, and how to spot safety hazards before they become problems. Workers are empowered to look after the safety of colleagues, and anyone on a job site can stop work to resolve a safety issue.

Our goal is zero accidents, and while we are not there yet, nearly 90 percent of our projects in 2008 finished the year without a lost-time accident. Moreover, 55 of our projects each achieved more than 1 million safe work hours.

SUSTAINABILITY

Doing Our Part

Bechtel helps customers meet increasingly sophisticated sustainability goals, and we are incorporating our vision of sustainability throughout our business. In 2008, we continued our efforts to enhance the skills and capabilities of local people and companies so they can benefit both on and beyond our projects. For example, we began a program to train and hire 3,500 local workers on a liquefied natural gas project in Angola, and we initiated an apprentice program to fast-track indigenous workers on Rio Tinto Alcan’s Yarwun 2 alumina project in Australia.

We support customers in reducing emissions that contribute to global warming by implementing state-of-the-art technology at new power plants, refineries, and other industrial projects, and through sustainable design and construction. In addition, we are doing our part by working to minimize our own carbon footprint, reducing emissions at our offices and adopting hybrid vehicles for driving-intensive work.





Procurement professionals Elroy Griggs, Fiona Stigter, and Daniel Nanneti (left to right) in front of a ship loaded with goods bound for the LNG project in Angola. Below, that project begins to take shape.

INNOVATION

Keys to the Future

Although Bechtel does not own much process technology, we are a technology company, and we know how to use innovation to benefit our customers. Our Web-based auctions have become an industry model for global procurement, and last year we launched a new Internet portal that makes it easier to share information with other companies involved in building a big project.

We also have incorporated advanced technology into our engineering, with computer simulations that enable us to see what a project will look like before it is built. Not only does this give customers a view into their projects, it also helps us fine-tune designs to avoid errors and costly rework.

Bechtel is a leader in round-the-clock engineering, which helps speed design work on major projects. We have engineering offices on five continents, all networked so that engineers in one office can hand off work at the end of the day to someone else where the sun is rising. For Bechtel, the 24/7 approach to engineering is becoming a routine way of managing workflow on major projects.

LEADERSHIP

Changing Model for a Changing World

Bechtel's leaders have always been a key to our success. Our customers, partners, and employees see leadership as a differentiator for our company.

Under Chairman and Chief Executive Officer Riley Bechtel, we have moved away from the hierarchical

leadership of the past to become a more participative-based organization—one that engages employees and values their experience and perspectives.

Today, Bechtel leaders guide the most internationally diverse workforce in the company's history. To meet that challenge, we have developed a new Bechtel Leadership Model, which puts a premium on character, knowledge, and action, and encourages leaders to rely less on formal authority and more on influence gained through earned respect.

We also continue to put a premium on teamwork. Stephen Bechtel Jr. was one of the first business leaders to recognize the value of taking a team approach to large and complex projects, and that philosophy still works for us today.



Cradled in the Chilean Andes, the Los Pelambres copper expansion is one of several mining projects in South America.

WITH MORE THAN A CENTURY OF EXPERIENCE, WE KNOW WHAT IT TAKES TO BE A RESPONSIBLE COMPANY.

Our Vision + Values

Our Vision

To be the world's premier engineering, construction, and project management company.

Customers and partners will see us as integral to their success. We will anticipate their needs and deliver on every commitment we make.

People will be proud to work at Bechtel. We will create opportunities to achieve the extraordinary, and we will reward success.

Communities will regard us as responsible—and responsive. We will integrate global and local perspectives, promote sound management of resources, and contribute to a better quality of life.

Our Values

Building on a family heritage that spans more than 100 years, we will continue to be privately owned by active management and guided by firmly held values.

Ethics. Uncompromising integrity, honesty, and fairness are the heart of our company.

Excellence. We set high standards. We apply advanced technology, and we continually innovate and improve. We thrive on challenge and accomplishment.

Fair return. We earn a return that fairly rewards the value we deliver.

Mutual Respect. We work by our Bechtel Covenants, which encourage openness, teamwork, and trust. We value an inclusive culture based on diverse backgrounds, experience, and views.

Safety. Zero accidents is our unwavering goal—people's lives depend on it.

Sustainability. We plan and act for the future—for the long-term good of our company, our customers, and our world.



Our Leadership

Riley Bechtel
CHAIRMAN &
CHIEF EXECUTIVE OFFICER

Bill Dudley
PRESIDENT &
CHIEF OPERATING OFFICER

Adrian Zaccaria
VICE CHAIRMAN

Peter Dawson
CHIEF FINANCIAL OFFICER

Judith Miller
GENERAL COUNSEL

Business Units

BECHTEL SYSTEMS &
INFRASTRUCTURE, INC.

Scott Ogilvie
PRESIDENT

David Walker
BECHTEL NATIONAL

CIVIL

Mike Adams
PRESIDENT

Michael Bailey
AVIATION

Tom McCarthy
RAIL

Carl Strock
INFRASTRUCTURE

MINING & METALS

Andy Greig
PRESIDENT

OIL, GAS & CHEMICALS

Jim Jackson
PRESIDENT

Amos Avidan
LNG & IGCC

Jim Ilich
DOWNSTREAM & PIPELINE

POWER

Jack Futcher
PRESIDENT

Ian Copeland
NEW TECHNOLOGY &
COMMUNICATIONS

Lee Lushbaugh
FOSSIL POWER

Carl Rau
NUCLEAR POWER

EPC Functional Management

John MacDonald
ENGINEERING, PROCUREMENT &
CONSTRUCTION FUNCTIONS

Don Armstrong
PROJECT CONTROLS

Rick Astleford
QUALITY/SIX SIGMA

Kevin Berg
ENVIRONMENTAL, SAFETY &
HEALTH SERVICES

Tony Indico
STARTUP

Walker Kimball
CONSTRUCTION

Dick McIlhattan
PROJECT MANAGEMENT

Tom Patterson
ENGINEERING

Eli Smith
CONTRACTS & PROCUREMENT

Other Management

Jock Covey
CORPORATE AFFAIRS

Eric Grenfell
BECHTEL ENTERPRISES

Susan Kubanis
SUSTAINABILITY SERVICES

John MacDonald
HUMAN RESOURCES

Lorne Parker
RISK MANAGEMENT

Geir Ramleth
INFORMATION SYSTEMS &
TECHNOLOGY

Anette Sparks
CONTROLLER & BUSINESS
SERVICES

Board Of Directors, Bechtel Group, Inc.

Mike Adams
PRESIDENT, CIVIL

Riley Bechtel
CHAIRMAN &
CHIEF EXECUTIVE OFFICER

Steve Bechtel, Jr.
CHAIRMAN, RETIRED

Alan Dachs
PRESIDENT & CHIEF EXECUTIVE
OFFICER, FREMONT GROUP

Peter Dawson
CHIEF FINANCIAL OFFICER

Bill Dudley
PRESIDENT &
CHIEF OPERATING OFFICER

Bill Haynes
SENIOR COUNSELOR

Jude Laspa
DIRECTOR

Judith Miller
GENERAL COUNSEL

Nick Moore
SENIOR COUNSELOR

Scott Ogilvie
PRESIDENT, BECHTEL SYSTEMS &
INFRASTRUCTURE, INC.

Adrian Zaccaria
VICE CHAIRMAN

Partial list as of March 2009