UNAUDITED
KELLOGG BROWN & ROOT, INC.
BALANCE SHEET - DECEMBER 31, 1999
(In Thousands, Except Share Amounts)

031 only

ASSETS

URRENT ASSETS:		
Cash		$ 53
Advances and accounts receivable (less allowance for doubtful accounts of $1,166)-		
Engineering and construction	$ 189,978	
Subsidiaries and related companies	1,051,977	1,241,955
Unbilled work on construction jobs in progress		46,586
Other current assets		18,593
Inventory of construction materials and supplies		20,879
Total current assets		1,328,066
IVESTMENTS:		
Equity in and net advances to related companies		(40,463)
ROPERTY AND EQUIPMENT, at cost:		
Land and buildings	48,401	
Construction equipment	122,359	
Transportation equipment	31,305	
Office equipment and furniture	51,004	
Construction in process	6,530	
Total property and equipment	259,599	
Less-Accumulated depreciation	(172,913)	86,686
THER ASSETS		54,425
		$ 1,428,714

LIABILITIES AND SHAREHOLDER'S INVESTMENT

CURRENT LIABILITIES:		
Accounts payable and accrued liabilities, including $294,629 advances from/payable to subsidiaries and related companies		$ 390,869
Advance billings on construction contracts		252,298
Total current liabilities		643,167
NOTE PAYABLE TO PARENT		175,000
OTHER LIABILITIES		60,803
Total liabilities		878,970
SHAREHOLDER'S INVESTMENT:		
Common stock, $1 par value; 21,000 shares issued and outstanding	$ 21	
Paid-in capital	195,478	
CTA	(58)	
Retained earnings	354,303	549,744
		$ 1,428,714

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EXHIBIT
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PLAINTIFF'S EXHIBIT
B&R-386

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