

FMC Technologies Reports First Quarter 2013 Diluted Earnings per Share of \$0.43

April 23, 2013 8:06 PM ET

- **Subsea Technologies orders of \$1.2 billion**
- **Subsea Technologies revenue of \$1.1 billion**
- **Company reiterates 2013 guidance for diluted earnings per share of \$2.05 to \$2.25**

HOUSTON, April 23, 2013 /PRNewswire/ -- FMC Technologies, Inc. (NYSE:FTI) today reported first quarter 2013 revenue of \$1.6 billion, up 18 percent from the prior-year quarter. Diluted earnings per share were \$0.43 compared to \$0.41 in the prior-year quarter.

Total inbound orders were \$1.8 billion and included \$1.2 billion in Subsea Technologies' orders. Backlog for the Company was \$5.4 billion, including Subsea Technologies' backlog of \$4.6 billion.

"We are pleased to report another quarter of strong subsea orders and revenue," said John Grempe, Chairman and CEO of FMC Technologies. "Additionally, we are encouraged by the overall subsea industry awards this quarter and believe we are on pace for a record year."

"Surface Technologies' international surface wellhead business delivered strong performance again in the first quarter. We expect this to continue as activity in both the Middle East and Europe continues to grow."

Review of Operations — First Quarter 2013

Subsea Technologies

Subsea Technologies' first quarter revenue was \$1.1 billion, up 22 percent from the prior-year quarter as the subsea market continues to grow.

Subsea Technologies' operating profit increased 32 percent from the prior-year quarter to \$99.4 million consistent with the growth in volume.

Subsea Technologies' inbound orders in the first quarter were \$1.2 billion and backlog was \$4.6 billion.

Surface Technologies

Surface Technologies' first quarter revenue was \$421.7 million, up 12 percent from the prior-year quarter driven by higher volume in international surface wellhead activity and the inclusion of revenue from completion services, which was partially offset by reduced fluid control sales.

Surface Technologies' operating profit decreased 27 percent from the prior-year quarter to \$57.3 million as the result of reduced fluid control activity in North America.

Surface Technologies' inbound orders for the first quarter were \$448.9 million and backlog was \$522.3 million.

Energy Infrastructure

Energy Infrastructure's first quarter revenue was \$135.6 million, down one percent from the prior-year quarter.

Energy Infrastructure's operating profit increased nine percent from the prior-year quarter to \$10.1 million in the first quarter driven by improved performance in loading systems and separation systems.

Energy Infrastructure's inbound orders for the first quarter were \$134.3 million and backlog was \$291.9 million.

Corporate Items

Corporate expense in the first quarter was \$10.3 million, an increase of \$1.8 million from the prior-year quarter. Other revenue and other expense, net, was \$17.0 million, a decrease of \$3.9 million from the prior-year quarter.

The Company ended the quarter with net debt of \$1.4 billion. Net interest expense was \$8.1 million in the quarter.

The Company repurchased approximately 570,000 shares of common stock in the quarter, at an average cost of \$47.32 per share.

Depreciation and amortization for the first quarter was \$49.0 million, up \$2.1 million from the sequential quarter. Capital expenditures for the first quarter were \$78.9 million.

The Company recorded an effective tax rate of 21.9 percent for the first quarter.

Summary and Outlook

FMC Technologies reported first quarter diluted earnings per share of \$0.43.

Total inbound orders of \$1.8 billion in the first quarter included \$1.2 billion in Subsea Technologies' orders. The Company's backlog stands at \$5.4 billion, including Subsea Technologies' backlog of \$4.6 billion.

The Company reiterated its guidance for 2013 diluted earnings per share of \$2.05 to \$2.25 as Subsea Technologies operating profit will improve during the remainder of the year and Surface Technologies should begin to see improvement in the second half of 2013.

FMC Technologies, Inc. (NYSE:FTI) is a leading global provider of technology solutions for the energy industry. Named by FORTUNE® Magazine as the World's Most Admired Oil and Gas Equipment, Service Company in 2012, the Company has approximately 18,900 employees and operates 30 production facilities in 16 countries. FMC Technologies designs, manufactures and services technologically sophisticated systems and products such as subsea production and processing systems, surface wellhead systems, high pressure fluid control equipment, measurement solutions, and marine loading systems for the oil and gas industry. For more information, visit www.fmctechnologies.com.

This release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The words such as "expected," "continue," "outlook," and similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. Such forward-looking statements involve significant risks, uncertainties and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. FMC Technologies cautions you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. Known material factors that could cause actual results to differ materially from those contemplated in the forward-looking statements include those set forth in the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as the following: demand for our systems and services, which is affected by changes in the price of, and demand for, crude oil and natural gas in domestic and international markets; potential liabilities arising out of the installation or use of our systems; U.S. and international laws and regulations, including environmental regulations, that may increase our costs, limit the demand for our products and services or restrict our operations; disruptions in the political, regulatory, economic and social conditions of the foreign countries in which we conduct business; fluctuations in currency markets worldwide; cost overruns that may affect profit realized on our fixed price contracts; disruptions in the timely delivery of our backlog and its effect on our future sales, profitability, and our relationships with our customers; the cumulative loss of major contracts or alliances; deterioration in the future expected profitability or cash flows and its effect on our goodwill; rising costs and availability of raw materials; our dependence on the continuing services of key managers and employees and our ability to attract, retain and motivate additional highly-skilled employees for the operation and expansion of our business; a failure of our information technology infrastructure

or any significant breach of security; our ability to develop and implement new technologies and services, as well as our ability to protect and maintain critical intellectual property assets; the outcome of uninsured claims and litigation against us; and a downgrade in the ratings of our debt could restrict our ability to access the debt capital markets. FMC Technologies undertakes no obligation to publicly update or revise any of its forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

FMC Technologies, Inc. will conduct its second quarter 2013 conference call at 9:00 a.m. ET on Wednesday, July 24, 2013. The event will be available at www.fmctechnologies.com. An archived audio replay will be available after the event at the same website address. In the event of a disruption of service or technical difficulty during the call, information will be posted at www.fmctechnologies.com/earnings.

FMC TECHNOLOGIES, INC. AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions except per share amounts, unaudited)

	Three Months Ended	
	March 31	
	<u>2013</u>	<u>2012</u>
Revenue	\$ 1,646.0	\$ 1,396.6
Costs and expenses	<u>1,506.5</u>	<u>1,266.7</u>
	139.5	129.9
Other income, net	<u>1.0</u>	<u>4.0</u>
Income before net interest expense and income taxes	140.5	133.9
Net interest expense	<u>(8.1)</u>	<u>(3.5)</u>
Income before income taxes	132.4	130.4
Provision for income taxes	<u>28.8</u>	<u>30.7</u>
Net income	103.6	99.7
Net income attributable to noncontrolling interests	<u>(1.2)</u>	<u>(0.9)</u>
Net income attributable to FMC Technologies, Inc.	\$ <u><u>102.4</u></u>	\$ <u><u>98.8</u></u>
Earnings per share attributable to FMC Technologies, Inc.:		
Basic	\$ 0.43	\$ 0.41
Diluted	\$ 0.43	\$ 0.41
Weighted average shares outstanding:		
Basic	238.7	240.1
Diluted	239.4	241.3

FMC TECHNOLOGIES, INC. AND CONSOLIDATED SUBSIDIARIES
BUSINESS SEGMENT DATA
(Unaudited and in millions)

	Three Months Ended	
	March 31	
	<u>2013</u>	<u>2012</u>

Revenue

Subsea Technologies	\$ 1,092.2	\$ 894.9
Surface Technologies	421.7	377.8
Energy Infrastructure	135.6	137.0
Other revenue (1) and intercompany eliminations	<u>(3.5)</u>	<u>(13.1)</u>
	\$ <u>1,646.0</u>	\$ <u>1,396.6</u>

Income before income taxesSegment operating profit

Subsea Technologies	\$ 99.4	\$ 75.1
Surface Technologies	57.3	78.0
Energy Infrastructure	10.1	9.3
Intercompany eliminations	<u>(0.2)</u>	<u>-</u>
Total segment operating profit	<u>166.6</u>	<u>162.4</u>

Corporate items

Corporate expense	(10.3)	(8.5)
Other revenue and other expense, net (1)	(17.0)	(20.9)
Net interest expense	<u>(8.1)</u>	<u>(3.5)</u>
Total corporate items	<u>(35.4)</u>	<u>(32.9)</u>

Income before income taxes attributable

to FMC Technologies, Inc. \$ 131.2 \$ 129.5

(1) Other revenue comprises certain unrealized gains and losses on derivative instruments related to unexecuted sales contracts. Other expense, net, generally includes stock-based compensation, other employee benefits, LIFO adjustments, certain foreign exchange gains and losses, and the impact of unusual or strategic transactions not representative of segment operations.

FMC TECHNOLOGIES, INC. AND CONSOLIDATED SUBSIDIARIES**BUSINESS SEGMENT DATA**

(Unaudited and in millions)

Three Months Ended**March 31**

2013	2012
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Inbound Orders

Subsea Technologies	\$ 1,193.3	\$ 1,428.8
Surface Technologies	448.9	424.7
Energy Infrastructure	134.3	192.2
Intercompany eliminations and other	<u>(12.1)</u>	<u>2.3</u>
Total inbound orders	\$ <u>1,764.4</u>	\$ <u>2,048.0</u>

March 31

2013	2012
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Order Backlog

Subsea Technologies	\$ 4,621.6	\$ 4,688.5
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Surface Technologies	522.3	627.8
Energy Infrastructure	291.9	285.4
Intercompany eliminations	<u>(9.0)</u>	<u>(2.5)</u>
Total order backlog	\$ <u>5,426.8</u>	\$ <u>5,599.2</u>

FMC TECHNOLOGIES, INC. AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	March 31,	December 31,
	2013	2012
	(Unaudited)	
Cash and cash equivalents	\$ 236.6	\$ 342.1
Trade receivables, net	1,886.8	1,765.5
Inventories, net	995.9	965.1
Other current assets	<u>509.2</u>	<u>415.6</u>
Total current assets	3,628.5	3,488.3
Property, plant and equipment, net	1,262.5	1,243.5
Goodwill	593.0	597.7
Intangible assets, net	338.1	347.4
Investments	38.7	37.4
Other assets	<u>214.3</u>	<u>188.6</u>
Total assets	\$ <u>6,075.1</u>	\$ <u>5,902.9</u>
Short-term debt and current portion of long-term debt	\$ 48.8	\$ 60.4
Accounts payable, trade	655.0	664.2
Advance payments and progress billings	577.5	501.6
Other current liabilities	<u>720.1</u>	<u>744.2</u>
Total current liabilities	2,001.4	1,970.4
Long-term debt, less current portion	1,632.0	1,580.4
Other liabilities	554.8	498.9
FMC Technologies, Inc. stockholders' equity	1,869.4	1,836.9
Noncontrolling interest	<u>17.5</u>	<u>16.3</u>
Total liabilities and equity	\$ <u>6,075.1</u>	\$ <u>5,902.9</u>

FMC TECHNOLOGIES, INC. AND CONSOLIDATED SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited and in millions)

	Three Months Ended	
	March 31	
	2013	2012
Cash provided (required) by operating activities:		
Net income	\$ 103.6	\$ 99.7
Depreciation and amortization	49.0	30.1
Trade accounts receivable, net	(147.9)	36.8
Inventories, net	(45.8)	(68.2)
Accounts payable, trade	1.3	6.1
Advance payments and progress billings	80.2	(35.5)

Other	<u>(74.2)</u>	<u>(67.3)</u>
Net cash provided (required) by operating activities	(33.8)	1.7
Cash provided (required) by investing activities:		
Capital expenditures	(78.9)	(92.0)
Other investing	<u>2.0</u>	<u>1.0</u>
Net cash required by investing activities	(76.9)	(91.0)
Cash provided (required) by financing activities:		
Net increase in debt	40.1	118.0
Purchase of stock held in treasury	(27.0)	(0.5)
Other financing	<u>(8.1)</u>	<u>(12.4)</u>
Net cash provided by financing activities	5.0	105.1
Effect of changes in foreign exchange rates on cash and cash equivalents	<u>0.2</u>	<u>1.8</u>
Increase (decrease) in cash and cash equivalents	(105.5)	17.6
Cash and cash equivalents, beginning of period	<u>342.1</u>	<u>344.0</u>
Cash and cash equivalents, end of period	\$ <u><u>236.6</u></u>	\$ <u><u>361.6</u></u>

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