UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2012

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to
Commission File Number 1-16489

FMC Technologies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**36-4412642**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1803 Gears Road, Houston, Texas	**77067**
(Address of principal executive offices)	**(Zip Code)**

(281) 591-4000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 24, 2012
Common Stock, par value $0.01 per share	**238,384,536**

TABLE OF CONTENTS

PART I—Financial Information	Page
Item 1. Financial Statements (unaudited)	3
Condensed Consolidated Statements of Income	3
Condensed Consolidated Statements of Comprehensive Income	4
Condensed Consolidated Balance Sheets	5
Condensed Consolidated Statements of Cash Flows	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3. Quantitative and Qualitative Disclosures About Market Risk	28
Item 4. Controls and Procedures	28
PART II—Other Information	
Item 1. Legal Proceedings	28
Item 1A. Risk Factors	28
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	28
Item 3. Defaults Upon Senior Securities	29
Item 4. Mine Safety Disclosures	29
Item 5. Other Information	29
Item 6. Exhibits	29

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FMC Technologies, Inc. and Consolidated Subsidiaries
Condensed Consolidated Statements of Income (Unaudited)

(In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenue:				
Product revenue	$ 1,274.6	$ 1,042.9	$ 2,465.7	$ 1,961.9
Service and other revenue	220.3	186.5	425.8	349.4
Total revenue	1,494.9	1,229.4	2,891.5	2,311.3
Costs and expenses:				
Cost of product revenue	1,024.9	832.5	1,987.7	1,559.3
Cost of service and other revenue	155.4	121.4	296.3	237.3
Selling, general and administrative expense	140.2	116.5	276.4	231.7
Research and development expense	26.3	21.6	53.1	38.2
Total costs and expenses	1,346.8	1,092.0	2,613.5	2,066.5
Other income (expense), net	16.1	2.5	20.1	4.9
Income before net interest expense and income taxes	164.2	139.9	298.1	249.7
Net interest expense	(6.4)	(2.1)	(9.9)	(3.6)
Income before income taxes	157.8	137.8	288.2	246.1
Provision for income taxes	44.6	42.2	75.3	64.8
Net income	113.2	95.6	212.9	181.3
Net income attributable to noncontrolling interests	(1.3)	(1.3)	(2.2)	(1.8)
Net income attributable to FMC Technologies, Inc.	$ 111.9	$ 94.3	$ 210.7	$ 179.5
Earnings per share attributable to FMC Technologies, Inc. (Note 3):				
Basic	$ 0.47	$ 0.39	$ 0.88	$ 0.74
Diluted	$ 0.46	$ 0.39	$ 0.87	$ 0.74
Weighted average shares outstanding (Note 3):				
Basic	240.2	241.9	240.2	241.8
Diluted	241.5	243.8	241.4	243.8

The accompanying notes are an integral part of the condensed consolidated financial statements.

FMC Technologies, Inc. and Consolidated Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income	$ 113.2	$ 95.6	$ 212.9	$ 181.3
Other comprehensive income, net of tax:				
Foreign currency translation adjustments (1)	(57.3)	20.1	(33.7)	42.1
Net gains (losses) on hedging instruments:				
Net gains (losses) arising during the period	(8.8)	8.3	4.6	26.6
Reclassification adjustment for net losses (gains) included in net income	2.1	(5.6)	1.0	(7.3)
Net gains (losses) on hedging instruments (2)	(6.7)	2.7	5.6	19.3
Pension and other post-retirement benefits:				
Reclassification adjustment for amortization of prior service cost (credit) included in net income	(0.2)	(0.2)	(0.4)	(0.4)
Reclassification adjustment for amortization of net actuarial loss (gain) included in net income	5.4	3.0	10.2	5.7
Reclassification adjustment for amortization of transition asset included in net income	—	(0.1)	—	(0.2)
Net pension and other postretirement benefits (3)	5.2	2.7	9.8	5.1
Other comprehensive income, net of tax	(58.8)	25.5	(18.3)	66.5
Comprehensive income	54.4	121.1	194.6	247.8
Comprehensive income attributable to noncontrolling interest	(1.3)	(1.3)	(2.2)	(1.8)
Comprehensive income attributable to FMC Technologies, Inc.	$ 53.1	$ 119.8	$ 192.4	$ 246.0

(1) Net of income tax (expense) benefit of $1.3 and $(1.9) for the three months ended June 30, 2012 and 2011, respectively, and $0.9 and $(6.7) for the six months ended June 30, 2012 and 2011 respectively.
(2) Net of income tax (expense) benefit of $2.6 and $(1.4) for the three months ended June 30, 2012 and 2011, respectively, and $(4.2) and $(11.0) for the six months ended June 30, 2012 and 2011, respectively.
(3) Net of income tax (expense) benefit of $(2.8) and $(1.4) for the three months ended June 30, 2012 and 2011, respectively, and $(5.2) and $(2.7) for the six months ended June 30, 2012 and June 30, 2011, respectively.

The accompanying notes are an integral part of the condensed consolidated financial statements.

FMC Technologies, Inc. and Consolidated Subsidiaries
Condensed Consolidated Balance Sheets
(In millions, except par value data)

	June 30, 2012	December 31, 2011
	(Unaudited)	
Assets		
Cash and cash equivalents	$ 275.3	$ 344.0
Trade receivables, net of allowances of $4.4 in 2012 and $7.8 in 2011	1,566.9	1,341.6
Inventories, net (Note 5)	881.3	712.2
Derivative financial instruments (Note 12)	45.0	69.9
Prepaid expenses	48.0	37.2
Deferred income taxes	62.6	77.8
Income taxes receivable	30.9	21.2
Other current assets	215.5	184.0
Total current assets	3,125.5	2,787.9
Investments	32.2	161.4
Property, plant and equipment, net of accumulated depreciation of $568.5 in 2012 and $528.0 in 2011	910.7	767.9
Goodwill	505.6	265.8
Intangible assets, net of accumulated amortization of $57.2 in 2012 and $52.8 in 2011	302.0	128.0
Deferred income taxes	58.4	67.1
Derivative financial instruments (Note 12)	25.0	44.6
Other assets	54.1	48.3
Total assets	$ 5,013.5	$ 4,271.0
Liabilities and equity		
Short-term debt and current portion of long-term debt	$ 102.1	$ 587.6
Accounts payable, trade	550.2	546.8
Advance payments and progress billings	447.9	450.2
Accrued payroll	163.9	153.5
Derivative financial instruments (Note 12)	37.0	66.6
Income taxes payable	128.0	117.7
Deferred income taxes	74.6	5.1
Other current liabilities	340.4	305.4
Total current liabilities	1,844.1	2,232.9
Long-term debt, less current portion (Note 6)	1,114.1	36.0
Accrued pension and other postretirement benefits, less current portion	266.1	272.4
Derivative financial instruments (Note 12)	32.5	37.0
Deferred income taxes	24.7	111.9
Other liabilities	118.9	143.1
Commitments and contingent liabilities (Note 14)		
Stockholders' equity (Note 11):		
Preferred stock, $0.01 par value, 12.0 shares authorized; no shares issued in 2012 or 2011	—	—
Common stock, $0.01 par value, 600.0 shares authorized in 2012 and 2011; 286.3 shares issued in 2012 and 2011; 238.6 and 237.8 shares outstanding in 2012 and 2011, respectively	1.4	1.4
Common stock held in employee benefit trust, at cost; 0.2 shares in 2012 and 2011	(7.8)	(5.8)
Common stock held in treasury, at cost; 47.5 and 48.3 shares in 2012 and 2011, respectively	(1,035.1)	(1,041.9)
Capital in excess of par value of common stock	677.6	700.0
Retained earnings	2,425.4	2,214.7
Accumulated other comprehensive loss	(462.1)	(443.8)
Total FMC Technologies, Inc. stockholders' equity	1,599.4	1,424.6
Noncontrolling interests	13.7	13.1
Total equity	1,613.1	1,437.7
Total liabilities and equity	$ 5,013.5	$ 4,271.0

The accompanying notes are an integral part of the condensed consolidated financial statements.

FMC Technologies, Inc. and Consolidated Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)

	Six Months Ended June 30,	
	2012	**2011**
Cash provided (required) by operating activities:		
Net income	$ 212.9	$ 181.3
Adjustments to reconcile net income to cash provided (required) by operating activities:		
Depreciation	51.8	41.0
Amortization	13.7	10.7
Gain (loss) on disposal of assets	0.2	(1.0)
Employee benefit plan and stock-based compensation costs	46.6	34.4
Deferred income tax provision	31.5	31.3
Unrealized (gain) loss on derivative instruments	14.5	(4.3)
Other	(4.6)	2.5
Changes in operating assets and liabilities, net of effects of acquisitions:		
Trade receivables, net	(221.9)	(41.6)
Inventories, net	(127.7)	(115.2)
Accounts payable, trade	(5.4)	110.7
Advance payments and progress billings	(19.0)	(8.5)
Income taxes	(36.5)	(11.1)
Accrued pension and other postretirement benefits, net	(30.2)	(48.7)
Other assets and liabilities, net	(35.4)	(61.4)
Cash provided (required) by operating activities	(109.5)	120.1
Cash provided (required) by investing activities:		
Capital expenditures	(191.1)	(102.8)
Acquisitions, net of cash and cash equivalents acquired	(328.6)	—
Other	1.4	(0.1)
Cash required by investing activities	(518.3)	(102.9)
Cash provided (required) by financing activities:		
Net increase in short-term debt	68.9	—
Net increase in commercial paper	252.1	113.0
Proceeds from the issuance of long term debt	275.0	—
Repayments of long-term debt	(0.2)	(5.4)
Proceeds from exercise of stock options	0.3	0.6
Purchase of treasury stock	(21.0)	(7.2)
Other	(15.8)	(9.1)
Cash provided by financing activities	559.3	91.9
Effect of exchange rate changes on cash and cash equivalents	(0.2)	3.4
Increase (decrease) in cash and cash equivalents	(68.7)	112.5
Cash and cash equivalents, beginning of period	344.0	315.5
Cash and cash equivalents, end of period	$ 275.3	$ 428.0

The accompanying notes are an integral part of the condensed consolidated financial statements.

Table of Contents

FMC Technologies, Inc. and Consolidated Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1: Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of FMC Technologies, Inc. and its consolidated subsidiaries ("FMC") have been prepared in accordance with United States generally accepted accounting principles ("GAAP") and rules and regulations of the Securities and Exchange Commission ("SEC") pertaining to interim financial information. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP have been condensed or omitted. Therefore, these statements should be read in conjunction with the audited consolidated financial statements, and notes thereto, which are included in our Annual Report on Form 10-K for the year ended December 31, 2011.

Our accounting policies are in accordance with U.S. GAAP. The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Ultimate results could differ from our estimates.

In the opinion of management, the statements reflect all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of our financial condition and operating results as of and for the periods presented. Revenue, expenses, assets and liabilities can vary during each quarter of the year. Therefore, the results and trends in these statements may not be representative of the results that may be expected for the year ending December 31, 2012.

On February 25, 2011, our Board of Directors approved a two-for-one stock split of our outstanding shares of common stock. The stock split was completed in the form of a stock dividend that was issued on March 31, 2011, to shareholders of record at the close of business on March 14, 2011.

Note 2: Recently Adopted Accounting Standards

Effective January 1, 2012, we adopted an amendment issued by the Financial Accounting Standards Board ("FASB") to existing guidance on fair value measurements. This amendment clarifies the application of existing guidance and disclosure requirements, changes certain fair value measurement principles and requires additional disclosures about fair value measurements. The adoption of the update did not have a material impact on our condensed consolidated financial statements.

Effective January 1, 2012, we adopted changes issued by the FASB to disclosure requirements for comprehensive income. The changes allow management the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income in a single continuous statement of comprehensive income or in two separate but consecutive statements. This guidance eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. We elected the two-statement approach presenting other comprehensive income in a separate statement immediately following the statement of income. The updated requirements do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The adoption of the update concerns presentation only and did not have any financial impact on our condensed consolidated financial statements.

Note 3: Earnings per Share

A reconciliation of the number of shares used for the basic and diluted earnings per share ("EPS") calculation was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions, except per share data)	**2012**	**2011**	**2012**	**2011**
Net income attributable to FMC Technologies, Inc.	$ 111.9	$ 94.3	$ 210.7	$ 179.5
Weighted average number of shares outstanding	240.2	241.9	240.2	241.8
Dilutive effect of restricted stock units and stock options	1.3	1.9	1.2	2.0
Total shares and dilutive securities	241.5	243.8	241.4	243.8
Basic earnings per share attributable to FMC Technologies, Inc.	$ 0.47	$ 0.39	$ 0.88	$ 0.74
Diluted earnings per share attributable to FMC Technologies, Inc.	$ 0.46	$ 0.39	$ 0.87	$ 0.74

Note 4: Business Combinations

Schilling Robotics, LLC—On January 3, 2012, we exercised our option to purchase the remaining 55% of outstanding shares of Schilling Robotics LLC (“Schilling”), a Delaware limited liability company, and closed the transaction on April 25, 2012. Schilling is a supplier of advanced robotic intervention products, including a line of remotely operated vehicle systems ("ROV"), manipulator systems and subsea control systems. The acquisition of the remaining interests in Schilling will allow us to grow in the expanding subsea environment, where demand for ROVs and the need for maintenance activities of subsea equipment is expected to increase.

Prior to April 25, 2012 we owned 45.0% of Schilling. Upon the closing of this transaction, we owned 100.0% of Schilling which is included among the consolidated subsidiaries reported in the Subsea Technologies segment. The acquisition-date fair value of our previously held equity interest in Schilling was $144.9 million with the fair value primarily estimated through an income approach valuation. We recorded a gain of $20.0 million related to the fair value remeasurement of our previously held equity interest in Schilling.

The purchase price with respect to the remaining outstanding shares was determined by applying the multiple of our market capital relative to our earnings before interest, taxes, depreciation and amortization ("EBITDA") for the year ended December 31, 2011 (determined in accordance with the terms of the unitholders agreement), to the EBITDA generated by Schilling during the year ended December 31, 2011 (subject to certain adjustments in accordance with the terms of the unitholders agreement). The consideration for the remaining outstanding shares was paid in cash.

Control Systems International, Inc.—On April 30, 2012, we acquired Control Systems International, Inc. ("CSI") which is included among the consolidated subsidiaries reported in the Energy Infrastructure segment. Our acquisition of CSI will enhance FMC's automation and controls technologies, supporting our long-term strategy to expand our subsea production and processing systems. Additionally, we also anticipate the acquisition of CSI to benefit other business units in our portfolio of businesses, such as measurement solutions, through comprehensive fuel terminal and pipeline automation systems.

The acquisition-date fair value of the consideration transferred totaled $486.7 million which consisted of the following:

(In millions)	Schilling	CSI	Total
Cash	$ 282.8	$ 49.0 *	$ 331.8
Previously held equity interest	144.9	—	144.9
Purchase price withheld	—	10.0 **	10.0
Total	$ 427.7	$ 59.0	$ 486.7

* Includes anticipated recovery of negative working capital.

** Represents the portion of the purchase price withheld ("holdback") by FMC pursuant to the terms of the stock purchase agreement. The holdback amount will be held and maintained by FMC as security for the payment of any and all amounts to which CSI indemnifies us, including final working capital adjustments and other indemnifications as listed in the stock purchase agreement. FMC may deduct from the holdback any eligible amounts and pay CSI the net amount three years after the closing date.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition dates.

(In millions)	Schilling	CSI	Total
Assets:			
Cash	$ 3.9	$ 0.3	$ 4.2
Accounts receivable	22.4	8.2	30.6
Inventory	50.6	0.1	50.7
Other current assets	2.1	0.2	2.3
Property, plant and equipment	21.7	0.2	21.9
Intangible assets	145.9	36.2	182.1
Other long-term assets	0.7	—	0.7
Total identifiable assets acquired	247.3	45.2	292.5
Liabilities:			
Current liabilities	(33.4)	(15.8)	(49.2)
Other long-term liabilities	(1.9)	—	(1.9)
Total liabilities assumed	(35.3)	(15.8)	(51.1)
Net identifiable assets acquired	212.0	29.4	241.4
Goodwill	215.7	29.6	245.3
Net assets acquired	$ 427.7	$ 59.0	$ 486.7

The goodwill recognized is primarily attributable to expected synergies and assembled workforce acquired in Schilling and CSI. As of June 30, 2012, there were no changes in the recognized amounts of goodwill resulting from either acquisition. The majority of the combined goodwill recognized for Schilling and CSI is deductible for tax purposes.

The identifiable intangible assets acquired include the following:

	Schilling		CSI	
(In millions)	Fair Value	Wgtd. Avg. Amort. Period	Fair Value	Wgtd. Avg. Amort. Period
Technology	$ 38.9	12	$ 16.9	10
Trademarks/trade name	25.4	20	2.8	15
Customer relationships	42.9	20	16.5	15
Base technology – technical know-how	38.7	15	—	—
Total identifiable intangible assets acquired	$ 145.9		$ 36.2	

We recognized $0.3 million of acquisition-related costs that were expensed in the six months ended June 30, 2012 related to the Schilling and CSI acquisitions. These costs were recognized as selling, general and administrative expense in the consolidated statement of income. Revenue and net income (loss) of Schilling and CSI from the acquisition dates included in our condensed consolidated statements of income were $18.6 million and $4.6 million of revenue, respectively, and $(1.5) million and $0.4 million of net income (loss), respectively.

Pro Forma Impact of Acquisitions (unaudited)

The following unaudited supplemental pro forma results present consolidated information as if the acquisitions had been completed as of January 1, 2011. The 2012 pro forma results include: (i) $2.3 million of amortization for acquired intangible assets, (ii) $5.0 million in inventory fair value step-up amortization for Schilling, and (iii) $0.3 million of acquisition-related costs. The pro forma results do not include any potential synergies, cost savings or other expected benefits of the acquisitions. Accordingly, the pro forma results should not be considered indicative of the results that would have occurred if the acquisitions had been consummated as of January 1, 2011, nor are they indicative of future results.

(In millions)	Six Months Ended June 30, 2012 Pro Forma	Six Months Ended June 30, 2011 Pro Forma
Revenue	$ 2,930.2	$ 2,369.6
Net income	$ 209.5	$ 185.5

Note 5: Inventories

Inventories consisted of the following:

(In millions)	June 30, 2012	December 31, 2011
Raw materials	$ 165.5	$ 138.7
Work in process	170.3	126.7
Finished goods	705.0	594.4
Gross inventories before LIFO reserves and valuation adjustments	1,040.8	859.8
LIFO reserves and valuation adjustments	(159.5)	(147.6)
Inventories, net	$ 881.3	$ 712.2

Note 6: Debt

On March 26, 2012, we entered into a new $1.5 billion revolving credit agreement (“credit agreement”) with JPMorgan Chase Bank, N.A., as Administrative Agent. The credit agreement is a five-year, revolving credit facility expiring in March 2017. Subject to certain conditions, at our request and with the approval of the Administrative Agent, the aggregate commitments under the credit agreement may be increased by an additional $500 million.

Borrowings under the credit agreement bear interest at a base rate or the London interbank offered rate (“LIBOR”), at our option, plus an applicable margin. Depending on our total leverage ratio, the applicable margin for revolving loans varies (i) in the case of LIBOR loans, from 1.125% to 1.750% and (ii) in the case of base rate loans, from 0.125% to 0.750%. The base rate is the highest of (1) the prime rate announced by JPMorgan Chase Bank, N.A., (2) the Federal Funds Rate plus 0.5% or (3) one-month LIBOR plus 1.0%.

In connection with the new credit agreement, we terminated and repaid all outstanding amounts under our previously existing $600.0 million five-year revolving credit agreement and our $350.0 million three-year revolving credit agreement.

Long-term debt consisted of the following:

(In millions)	June 30, 2012	December 31, 2011
Revolving credit facilities	$ 375.0	$ 100.0
Commercial paper (1)	732.3	480.1
Term loan	26.7	29.2
Property financing	7.3	7.3
Total long-term debt	1,141.3	616.6
Less: current portion	(27.2)	(580.6)
Long-term debt, less current portion	$ 1,114.1	$ 36.0

(1) At December 31, 2011, debt outstanding from our $600.0 million five-year revolving credit facility and outstanding commercial paper were classified as short-term due to the credit facility’s maturity in December 2012. At June 30, 2012, committed credit available under our new credit agreement provided the ability to refinance our commercial paper obligations on a long-term basis. As we have both the ability and intent to refinance these obligations on a long-term basis, our commercial paper borrowings were classified as long-term in the condensed consolidated balance sheet at June 30, 2012. Our commercial paper borrowings as of June 30, 2012, had a weighted average interest rate of 0.40%.

Note 7: Income Taxes

Our income tax provisions for the six months ended June 30, 2012 and 2011, reflected effective tax rates of 26.3% and 26.5%, respectively. Excluding a benefit related to recognizing a retroactive tax holiday in Singapore in the first quarter of 2011, our effective rate for income taxes for the six months ended June 30, 2011 was 29.5%. The decrease from this adjusted rate to the effective tax rate for the six months ended June 30, 2012 was primarily due to changes in our international structure during 2012, partially offset by higher charges related to unrecognized tax benefits. Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to lower tax rates than in the United States. In certain jurisdictions, primarily Singapore and Malaysia, our tax rate is significantly less than the relevant statutory rate due to tax holidays.

Note 8: Warranty Obligations

Warranty cost and accrual information was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2012	2011	2012	2011
Balance at beginning of period	$ 20.1	$ 21.1	$ 25.7	$ 22.4
Expense for new warranties	7.8	13.6	15.6	17.1
Adjustments to existing accruals	7.5	0.7	5.9	1.4
Claims paid	(11.6)	(7.1)	(23.4)	(12.6)
Balance at end of period	$ 23.8	$ 28.3	$ 23.8	$ 28.3

Note 9: Pension and Other Postretirement Benefits

The components of net periodic benefit cost were as follows:

	Pension Benefits							
	Three Months Ended June 30,				Six Months Ended June 30,			
	2012		2011		2012		2011	
(In millions)	U.S.	Int’l	U.S.	Int’l	U.S.	Int’l	U.S.	Int’l
Service cost	$ 3.6	$ 9.2	$ 2.8	$ 7.7	$ 7.3	$ 18.6	$ 6.0	$ 14.9
Interest cost	6.9	5.3	6.6	5.2	13.4	10.7	13.1	10.2
Expected return on plan assets	(10.0)	(6.5)	(9.7)	(6.3)	(19.9)	(13.1)	(19.0)	(12.4)
Amortization of transition asset	—	—	—	(0.2)	—	(0.1)	—	(0.3)
Amortization of actuarial losses, net	6.4	2.0	3.5	1.3	11.8	4.0	6.5	2.5
Net periodic benefit cost	$ 6.9	$ 10.0	$ 3.2	$ 7.7	$ 12.6	$ 20.1	$ 6.6	$ 14.9

	Other Postretirement Benefits			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2012	2011	2012	2011
Service cost	$ 0.1	$ —	$ 0.1	$ 0.1
Interest cost	0.1	0.1	0.2	0.2
Amortization of prior service benefit	(0.3)	(0.3)	(0.6)	(0.6)
Amortization of actuarial gains, net	(0.1)	—	(0.1)	(0.1)
Net periodic benefit cost	$ (0.2)	$ (0.2)	$ (0.4)	$ (0.4)

During the first six months of 2012, we contributed $16.6 million to our domestic benefit plans and $12.5 million to our international benefit plans.

Note 10: Stock-Based Compensation

We have granted awards primarily in the form of nonvested stock units (also known as restricted stock in the plan document)

under our Amended and Restated Incentive Compensation and Stock Plan (the "Plan"). We recognize compensation expense for awards under the Plan and the corresponding income tax benefits related to the expense. Stock-based compensation expense for nonvested stock awards was $9.5 million and $6.7 million for the three months ended June 30, 2012 and 2011, respectively, and $16.8 million and $13.7 million for the six months ended June 30, 2012 and 2011, respectively.

In the six months ended June 30, 2012, we granted the following restricted stock awards to employees:

(Number of restricted stock shares in thousands)	Shares		Weighted-Average Grant Date Fair Value
Time-based	368		
Performance-based	129	*	
Market-based	65	*	
Total Granted	562	$	48.67

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* Assumes target payout

For current-year performance-based awards, actual payouts may vary from zero to 259 thousand shares and will be dependent upon our performance relative to a peer group of companies with respect to earnings growth and return on investment for the year ending December 31, 2012. Compensation cost is measured based on the current expected outcome of the performance conditions and may be adjusted until the performance period ends.

For current-year market-based awards, actual payouts may vary from zero to 129 thousand shares, contingent upon our performance relative to the same peer group of companies with respect to total shareholder return ("TSR"). Beginning in 2012, the payout for the TSR metric will continue to be determined based on our performance relative to the peer group, but a payout is possible regardless of whether our TSR for the year is positive or negative. If our TSR for the year is not positive, the payout with respect to TSR is limited to the target previously established by the Compensation Committee of the Board of Directors. Compensation cost for these awards is calculated using the grant date fair market value, as estimated using a Monte Carlo simulation, and is not subject to change based on future events.

Note 11: Stockholders' Equity

There were no cash dividends declared during the three and six months ended June 30, 2012 and 2011.

As of August 2007, 30 million shares were authorized by our Board of Directors to repurchase outstanding shares of common stock through open market purchases. As a result of the two-for-one stock split on March 31, 2011, the authorization was increased to 60 million shares. In December 2011, the Board of Directors authorized an extension of our repurchase program, adding 15 million shares, for a total of 75 million shares.

Repurchase of shares of common stock was as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
(In millions, except share data)	2012		2011		2012		2011	
Shares of common stock repurchased		511,000		149,046		521,000		176,046
Value of common stock repurchased	$	20.5	$	6.1	$	21.0	$	7.2

As of June 30, 2012, approximately 16.8 million shares remained available for purchase under the current program which may be executed from time to time in the open market. We intend to hold repurchased shares in treasury for general corporate purposes, including issuances under our stock-based compensation plan. Treasury shares are accounted for using the cost method.

During the six months ended June 30, 2012, 1.3 million shares were issued from treasury stock in connection with our stock-based compensation plan. During the year ended December 31, 2011, 975 thousand shares were issued from treasury stock.

Accumulated other comprehensive loss consisted of the following:

(In millions)	Foreign Currency Translation	Hedging	Defined Pension and Other Post-Retirement Benefits	Accumulated Other Comprehensive Loss
December 31, 2010	$ (51.7)	$ 6.1	$ (206.5)	$ (252.1)
Other comprehensive income (loss)	(51.1)	(22.8)	(117.8)	(191.7)
December 31, 2011	(102.8)	$ (16.7)	$ (324.3)	$ (443.8)
Other comprehensive income (loss)	(33.7)	5.6	9.8	(18.3)
June 30, 2012	$ (136.5)	$ (11.1)	$ (314.5)	$ (462.1)

Note 12: Derivative Financial Instruments

We hold derivative financial instruments for the purpose of hedging the risks of certain identifiable and anticipated transactions. The types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates and interest rates. We hold the following types of derivative instruments:

Interest rate swap instruments—The purpose of these instruments is to hedge the uncertainty of anticipated interest expense from variable-rate debt obligations and achieve a fixed net interest rate. At June 30, 2012, we held three instruments that, in the aggregate, hedged the interest expense on $100.0 million of variable-rate debt.

Foreign exchange rate forward contracts—The purpose of these instruments is to hedge the risk of changes in future cash flows of anticipated purchase or sale commitments denominated in foreign currencies. At June 30, 2012, we held the following material positions:

(In millions)	Notional Amount Bought (Sold)	
		USD Equivalent
Australian dollar	10.4	10.7
Brazilian real	51.8	24.8
British pound	4.1	6.4
Chinese renminbi	153.0	24.1
Euro	57.5	72.8
Kuwaiti dinar	(6.3)	(22.4)
Norwegian krone	2,667.0	448.4
Polish zloty	40.9	12.2
Singapore dollar	140.3	110.7
U.S. dollar	(695.5)	(695.5)

Foreign exchange rate instruments embedded in purchase and sale contracts—The purpose of these instruments is to match offsetting currency payments and receipts for particular projects, or comply with government restrictions on the currency used to purchase goods in certain countries. At June 30, 2012, our portfolio of these instruments included the following material positions:

(In millions)	Notional Amount Bought (Sold)	
		USD Equivalent
Australian dollar	(37.0)	(37.8)
British pound	30.9	48.4
Euro	25.4	32.1
Norwegian krone	(577.2)	(97.0)
U.S. dollar	44.2	44.2

The purpose of our foreign currency hedging activities is to manage the volatility associated with anticipated foreign currency purchases and sales created in the normal course of business. We primarily utilize forward exchange contracts with maturities of less than three years.

Our policy is to hold derivatives only for the purpose of hedging risks and not for trading purposes where the objective is solely to generate profit. Generally, we enter into hedging relationships such that changes in the fair values or cash flows of the transactions being hedged are expected to be offset by corresponding changes in the fair value of the derivatives. For derivative

instruments that qualify as a cash flow hedge, the effective portion of the gain or loss of the derivative, which does not include the time value component of a forward currency rate, is reported as a component of other comprehensive income ("OCI") and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

The following table of all outstanding derivative instruments is based on estimated fair value amounts that have been determined using available market information and commonly accepted valuation methodologies. Refer to Note 13 for further disclosures related to the fair value measurement process. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a current market exchange and may not be indicative of the gains or losses we may ultimately incur when these contracts settle or mature.

	June 30, 2012		December 31, 2011	
(in millions)	Assets	Liabilities	Assets	Liabilities
Derivatives designated as hedging instruments:				
Foreign exchange contracts:				
Current – Derivative financial instruments	$ 15.3	$ 18.3	$ 60.8	$ 58.3
Long-term – Derivative financial instruments	20.8	28.7	26.4	28.7
Interest rate contracts:				
Current – Derivative financial instruments	—	0.8	—	1.6
Long-term – Derivative financial instruments	—	—	—	—
Total derivatives designated as hedging instruments	36.1	47.8	87.2	88.6
Derivatives not designated as hedging instruments:				
Foreign exchange contracts:				
Current – Derivative financial instruments	29.7	17.9	9.1	6.7
Long-term – Derivative financial instruments	4.2	3.8	18.2	8.3
Total derivatives not designated as hedging instruments	33.9	21.7	27.3	15.0
Total derivatives	$ 70.0	$ 69.5	$ 114.5	$ 103.6

We recognized gains of $1.2 million and $0.8 million on cash flow hedges for the three months ended June 30, 2012 and 2011, respectively, and gains of $1.4 million and $0.9 million for the six months ended June 30, 2012 and 2011, respectively, due to hedge ineffectiveness as it was probable that the original forecasted transaction would not occur. Cash flow hedges of forecasted transactions, net of tax, resulted in accumulated other comprehensive losses of $11.1 million and $16.7 million at June 30, 2012, and December 31, 2011, respectively. We expect to transfer an approximate $9.1 million gain from accumulated OCI to earnings during the next 12 months when the anticipated transactions actually occur. All anticipated transactions currently being hedged are expected to occur by the end of 2015.

The following tables present the impact of derivative instruments in cash flow hedging relationships and their location within the accompanying condensed consolidated statements of income.

(In millions)	Gain (Loss) Recognized in OCI (Effective Portion)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Interest rate contracts	$ 0.5	$ (0.1)	$ 0.8	$ 0.3
Foreign exchange contracts	(12.8)	11.8	7.7	40.0
Total	$ (12.3)	$ 11.7	$ 8.5	$ 40.3

Location of Gain (Loss) Reclassified from Accumulated OCI into Income	Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2012	2011	2012	2011
Foreign exchange contracts:				
Revenue	$ (1.6)	$ 8.0	$ 2.8	$ 12.4
Cost of sales	(1.3)	(0.6)	(3.9)	(2.7)
Selling, general and administrative expense	(0.1)	0.1	(0.1)	0.2
Total	$ (3.0)	$ 7.5	$ (1.2)	$ 9.9

Location of Gain (Loss) Recognized in Income	Gain (Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2012	2011	2012	2011
Foreign exchange contracts:				
Revenue	$ 4.8	$ 6.2	$ 7.8	$ 8.3
Cost of sales	(5.2)	(4.1)	(8.1)	(7.5)
Total	$ (0.4)	$ 2.1	$ (0.3)	$ 0.8

Instruments that are not designated as hedging instruments are executed to hedge the effect of exposures in the condensed consolidated balance sheets, and occasionally, forward foreign currency contracts or currency options are executed to hedge exposures which do not meet all of the criteria to qualify for hedge accounting.

Location of Gain (Loss) Recognized in Income	Gain (Loss) Recognized in Income on Derivatives (Instruments Not Designated as Hedging Instruments)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In millions)	2012	2011	2012	2011
Foreign exchange contracts:				
Revenue	$ 0.5	$ 7.7	$ 1.6	$ 10.5
Cost of sales	0.2	(0.6)	(0.3)	(0.9)
Other income (expense), net	(4.2)	3.4	1.1	9.7
Total	$ (3.5)	$ 10.5	$ 2.4	$ 19.3

Note 13: Fair Value Measurements

Assets and liabilities measured at fair value on a recurring basis were as follows:

(In millions)	June 30, 2012 Total	Level 1	Level 2	Level 3	December 31, 2011 Total	Level 1	Level 2	Level 3
Assets								
Investments:								
Equity securities	$ 15.8	$ 15.8	$ —	$ —	$ 19.0	$ 19.0	$ —	$ —
Fixed income	8.9	8.9	—	—	8.1	8.1	—	—
Stable value fund	3.3	—	3.3	—	3.3	—	3.3	—
Other	2.4	2.4	—	—	2.4	2.4	—	—
Derivative financial instruments:								
Foreign exchange contracts	70.0	—	70.0	—	114.5	—	114.5	—
Total assets	$ 100.4	$ 27.1	$ 73.3	$ —	$ 147.3	$ 29.5	$ 117.8	$ —
Liabilities								
Derivative financial instruments:								
Interest rate contracts	$ 0.8	$ —	$ 0.8	$ —	$ 1.6	$ —	$ 1.6	$ —
Foreign exchange contracts	68.7	—	68.7	—	102.0	—	102.0	—
Contingent earn-out consideration	72.1	—	—	72.1	57.5	—	—	57.5
Total liabilities	$ 141.6	$ —	$ 69.5	$ 72.1	$ 161.1	$ —	$ 103.6	$ 57.5

Investments—The fair value measurement of our equity securities, fixed income fund and other investment assets is based on quoted prices that we have the ability to access in public markets. Our stable value fund is valued at the net asset value of the shares held at the end of the quarter, which is based on the fair value of the underlying investments using information reported by the investment advisor at quarter-end.

Derivative financial instruments—We use the income approach as the valuation technique to measure the fair value of foreign currency derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change from the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values. Credit risk is then incorporated by reducing the derivative's fair value in asset positions by the result of multiplying the present value of the portfolio by the counterparty's published credit spread. Portfolios in a liability position are adjusted by the same calculation; however, a spread representing our credit spread is used. Our credit spread, and the credit spread of other counterparties not publicly available are approximated by using the spread of similar companies in the same industry, of similar size and with the same credit rating.

At the present time, we have no credit-risk-related contingent features in our agreements with the financial institutions that would require us to post collateral for derivative positions in a liability position.

See Note 12 for additional disclosure related to derivative financial instruments.

Contingent earn-out consideration —We determined the fair value of the contingent earn-out consideration using a discounted cash flow model. The key assumptions used in applying the income approach are the expected profitability and debt, net of cash, of the acquired company during the earn-out period and the discount rate which approximates our debt credit rating. The fair value measurement is based upon significant inputs not observable in the market. Changes in the value of the contingent earn-out consideration are recorded as cost of service or other revenue in our condensed consolidated statements of income.

Changes in the fair value of our Level 3 contingent earn-out consideration obligation were as follows:

(In millions)	Three Months Ended June 30, 2012	2011	Six Months Ended June 30, 2012	2011
Balance at beginning of period	$ 60.9	$ 62.5	$ 57.5	$ 59.0
Remeasurement adjustment	13.7	1.1	14.3	1.5
Foreign currency translation adjustment	(2.5)	1.7	0.3	4.8
Balance at end of period	$ 72.1	$ 65.3	$ 72.1	$ 65.3

Other fair value disclosures—The carrying amounts of cash and cash equivalents, trade receivables, accounts payable, short-

term debt, commercial paper and debt associated with our term loan and revolving credit facility, as well as amounts included in other current assets and other current liabilities that meet the definition of financial instruments, approximate fair value because of their short-term maturities.

Credit risk—By their nature, financial instruments involve risk including credit risk for non-performance by counterparties. Financial instruments that potentially subject us to credit risk primarily consist of trade receivables and derivative contracts. We manage the credit risk on financial instruments by transacting only with what management believes are financially secure counterparties, requiring credit approvals and credit limits, and monitoring counterparties' financial condition. Our maximum exposure to credit loss in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument. Allowances for losses on trade receivables are established based on collectability assessments. We mitigate credit risk on derivative contracts by executing contracts only with counterparties that consent to a master netting agreement, which permits the net settlement of the gross derivative assets against the gross derivative liabilities.

Note 14: Commitments and Contingent Liabilities

In the ordinary course of business with customers, vendors and others, we issue standby letters of credit, performance bonds, surety bonds and other guarantees. The majority of these financial instruments represent guarantees of our future performance. Additionally, we were the named guarantor on certain letters of credit and performance bonds issued by our former subsidiary, John Bean Technologies Corporation ("JBT"). Pursuant to the terms of the Separation and Distribution Agreement, dated July 31, 2008, between FMC and JBT (the "JBT Separation and Distribution Agreement"), we are fully indemnified by JBT with respect to certain residual obligations. Management does not expect any of these financial instruments to result in losses that, if incurred, would have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Contingent liabilities associated with legal matters— We are involved in various pending or potential legal actions in the ordinary course of our business. Management is unable to predict the ultimate outcome of these actions, because of the inherent uncertainty of litigation. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

In addition, under the Separation and Distribution Agreement, dated May 31, 2001, between FMC Corporation and FMC, FMC Corporation is required to indemnify us for certain claims made prior to our spin-off from FMC Corporation, as well as for other claims related to discontinued operations. Under the JBT Separation and Distribution Agreement, JBT is required to indemnify us for certain claims made prior to the spin-off of our Airport and FoodTech businesses, as well as for certain other claims related to JBT products or business operations. We expect that FMC Corporation will bear responsibility for a majority of these claims initiated subsequent to the spin-off, and that JBT will bear most, if not substantially all, of any responsibility for certain other claims initiated subsequent to the spin-off.

Contingent liabilities associated with liquidated damages—Some of our contracts contain penalty provisions that require us to pay liquidated damages if we are responsible for the failure to meet specified contractual milestone dates and the applicable customer asserts a conforming claim under these provisions. These contracts define the conditions under which our customers may make claims against us for liquidated damages. Based upon the evaluation of our performance and other legal analysis, management believes that we have appropriately accrued for probable liquidated damages at June 30, 2012, and December 31, 2011, and that the ultimate resolution of such matters will not materially affect our consolidated financial position, results of operations or cash flows.

Note 15: Business Segment Information

Segment revenue and segment operating profit were as follows:

(In millions)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Segment revenue				
Subsea Technologies	$ 945.8	$ 801.0	$ 1,840.7	$ 1,490.5
Surface Technologies	413.8	310.3	791.6	601.6
Energy Infrastructure	139.4	120.2	276.4	223.2
Other revenue (1) and intercompany eliminations	(4.1)	(2.1)	(17.2)	(4.0)
Total revenue	$ 1,494.9	$ 1,229.4	$ 2,891.5	$ 2,311.3
Income before income taxes:				
Segment operating profit:				
Subsea Technologies	$ 109.7	$ 84.0	$ 184.8	$ 154.0
Surface Technologies	84.2	56.5	162.2	107.9
Energy Infrastructure	9.1	10.7	18.4	15.2
Total segment operating profit	203.0	151.2	365.4	277.1
Corporate items:				
Corporate expense (2)	(10.4)	(10.6)	(18.9)	(19.0)
Other revenue (1) and other expense, net (3)	(29.7)	(2.0)	(50.6)	(10.2)
Net interest expense	(6.4)	(2.1)	(9.9)	(3.6)
Total corporate items	(46.5)	(14.7)	(79.4)	(32.8)
Income before income taxes attributable to FMC Technologies, Inc.	$ 156.5	$ 136.5	$ 286.0	$ 244.3

(1) Other revenue comprises certain unrealized gains and losses on derivative instruments related to unexecuted sales contracts.
(2) Corporate expense primarily includes corporate staff expenses.
(3) 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.

Segment operating capital employed and assets were as follows:

(In millions)	June 30, 2012	December 31, 2011
Segment operating capital employed (1):		
Subsea Technologies	$ 1,744.1	$ 1,218.2
Surface Technologies	811.3	620.5
Energy Infrastructure	476.3	365.5
Total segment operating capital employed	3,031.7	2,204.2
Segment liabilities included in total segment operating capital employed (2)	1,544.8	1,521.1
Corporate (3)	437.0	545.7
Total assets	$ 5,013.5	$ 4,271.0
Segment assets:		
Subsea Technologies	$ 2,911.4	$ 2,377.7
Surface Technologies	1,086.3	879.1
Energy Infrastructure	600.5	488.0
Intercompany eliminations	(21.7)	(19.5)
Total segment assets	4,576.5	3,725.3
Corporate (3)	437.0	545.7
Total assets	$ 5,013.5	$ 4,271.0

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(1) FMC's management views segment operating capital employed, which consists of assets, net of its liabilities, as the primary measure of segment capital. Segment operating capital employed excludes debt, pension liabilities, income taxes and LIFO inventory reserves.
(2) Segment liabilities included in total segment operating capital employed consist of trade and other accounts payable, advance payments and progress billings, accrued payroll and other liabilities.
(3) Corporate includes cash, LIFO inventory reserves, deferred income tax balances, property, plant and equipment not associated with a specific segment, pension assets and the fair value of derivative financial instruments.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained in this report are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements usually relate to future events and anticipated revenues, earnings, cash flows or other aspects of our operations or operating results. Forward-looking statements are often identified by the words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could," "may," "estimate," "outlook" and similar expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based on our current expectations, beliefs and assumptions concerning future developments and business conditions and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate.

All of our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Known material factors that could cause actual results to differ materially from those contemplated in the forward-looking statements, include those set forth in Part II, Item 1A, "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q and Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, 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;
- Continuing consolidation within our customers' industries;
- U.S. and international laws and 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;
- The cumulative loss of major contracts or alliances;
- 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;
- Rising costs and availability of raw materials;
- 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;
- Disruptions in the timely delivery of our backlog and its effect on our future sales, profitability and our relationships with our customers; and
- Disruptions in the financial and credit markets and its impact on our customers' activity levels, spending for our products and services and ability to pay amounts owed us.

We wish to caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof.

We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

CONSOLIDATED RESULTS OF OPERATIONS
THREE MONTHS ENDED JUNE 30, 2012 AND 2011

	Three Months Ended June 30,		Change	
(In millions, except %)	2012	2011	$	%
Revenue	$ 1,494.9	$ 1,229.4	265.5	21.6
Costs and expenses:				
Cost of sales	1,180.3	953.9	226.4	23.7
Selling, general and administrative expense	140.2	116.5	23.7	20.3
Research and development expense	26.3	21.6	4.7	21.8
Total costs and expenses	1,346.8	1,092.0	254.8	23.3
Other income (expense), net	16.1	2.5	13.6	*
Net interest expense	(6.4)	(2.1)	(4.3)	204.8
Income before income taxes	157.8	137.8	20.0	14.5
Provision for income taxes	44.6	42.2	2.4	5.7
Net income	113.2	95.6	17.6	18.4
Net income attributable to noncontrolling interests	(1.3)	(1.3)	—	—
Net income attributable to FMC Technologies, Inc	$ 111.9	$ 94.3	17.6	18.7

* Not meaningful

Revenue increased by $265.5 million in the second quarter of 2012 compared to the prior-year quarter and reflected revenue growth in all business segments. Revenue in the second quarter of 2012 included an $85.4 million unfavorable impact of foreign currency translation, compared to the prior-year quarter. Subsea systems and services had strong order activity during the second quarter of 2012. The impact of the higher backlog coming into the second quarter of 2012 led to increased Subsea Technologies sales year-over-year. Additionally, Surface Technologies posted higher revenue during the second quarter of 2012 from higher backlog entering the quarter. The higher backlog was due to increased demand for Weco®/Chiksan® equipment and well service pumps related to the ongoing strength of the North American oil and gas shale markets. Surface wellhead also posted higher revenue primarily in the North American and Asia Pacific markets.

Gross profit (revenue less cost of sales) decreased as a percentage of sales to 21.0% in the second quarter of 2012, from 22.4% in the prior-year quarter. The margin decline was predominantly due to the remeasurement of the MPM contingent earn-out consideration, conversion of lower margin subsea backlog, inefficiencies of integrating a rapidly increasing workforce and higher project execution costs, partially offset by margin improvements in Surface Technologies due to higher margin surface wellhead volumes. Gross profit for the second quarter of 2012, included a $16.9 million unfavorable impact of foreign currency translation.

Selling, general and administrative expense increased by $23.7 million year-over-year, driven by increased bid activity and additional staffing to support expanding operations.

Research and development expense increased by $4.7 million year-over-year as we continued to advance new technologies pertaining primarily to subsea processing capabilities.

Other income (expense), net, reflected $2.3 million in losses and $2.5 million in gains during the three months ended June 30, 2012 and 2011, respectively, from the remeasurement of foreign currency exposures. We also recognized a $20.0 million gain related to the fair valuation of our previously held equity interest in Schilling during the three months ended June 30, 2012.

Our income tax provisions for the second quarter of 2012 and 2011, reflected effective tax rates of 28.5% and 30.9%, respectively. The decrease in the effective tax rate year-over-year was primarily due to changes in our international structure during 2012 and a favorable change in the forecasted country mix of earnings, partially offset by higher charges related to unrecognized tax benefits. Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign

earnings are generally subject to lower tax rates than in the United States. In certain jurisdictions, primarily Singapore and Malaysia, our tax rate is significantly less than the relevant statutory rate due to tax holidays. The cumulative balance of foreign earnings for which no provision for U.S. income taxes has been recorded was $1,133 million at June 30, 2012. The Company would need to accrue and pay U.S. tax on such undistributed earnings if these funds were repatriated. The Company has no current intention to repatriate these earnings.

Business Outlook

Overall, management remains optimistic about business activity for the second half of 2012 and entering 2013. Although, average crude oil prices decreased in the second quarter of 2012 as compared to the first quarter of 2012, crude oil prices have somewhat recovered. Expectations of future energy demand are closely tied to economic activity in major world economies. Despite expectations of slow global economic growth, total world consumption of crude oil and liquid fuels is expected to slightly increase in 2013. As a result, we expect crude oil prices to remain at a level that supports strong exploration and production activity, especially in subsea markets, through the remainder of 2012 and entering 2013.

Our strong subsea project backlog as of June 30, 2012, combined with continued strong demand for subsea services related to exploration and production activity, supports our expectations of higher subsea revenue and increasing margins during the second half of 2012. Although our margins over the last few quarters were negatively impacted due, in part, to our rapidly increasing workforce, we believe the workforce additions are preparing us for further subsea market growth. In addition, we believe market demand will remain strong for our subsea technologies systems and service offerings worldwide. Regarding our surface technologies portfolio, North American shale activity remained strong during the first half of 2012; however, we are experiencing a slowdown in capital orders as a result of hydraulic fracturing fleets aligning with market demand. This is likely to have an impact on segment revenue and profits in the second half of 2012.

OPERATING RESULTS OF BUSINESS SEGMENTS
THREE MONTHS ENDED JUNE 30, 2012 AND 2011

(In millions, except %)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Change $	Change %
Revenue				
Subsea Technologies	$ 945.8	$ 801.0	144.8	18.1 %
Surface Technologies	413.8	310.3	103.5	33.4 %
Energy Infrastructure	139.4	120.2	19.2	16.0 %
Other revenue and intercompany eliminations	(4.1)	(2.1)	(2.0)	*
Total revenue	$ 1,494.9	$ 1,229.4	265.5	21.6 %
Segment Operating Profit				
Subsea Technologies	$ 109.7	$ 84.0	25.7	30.6 %
Surface Technologies	84.2	56.5	27.7	49.0 %
Energy Infrastructure	9.1	10.7	(1.6)	(15.0)%
Total segment operating profit	203.0	151.2	51.8	34.3 %
Corporate Items				
Corporate expense	(10.4)	(10.6)	0.2	(1.9)%
Other revenue and other expense, net	(29.7)	(2.0)	(27.7)	1,385.0 %
Net interest expense	(6.4)	(2.1)	(4.3)	204.8 %
Total corporate items	(46.5)	(14.7)	(31.8)	216.3 %
Income before income taxes	156.5	136.5	20.0	14.7 %
Provision for income taxes	44.6	42.2	2.4	5.7 %
Net income attributable to FMC Technologies, Inc.	$ 111.9	$ 94.3	17.6	18.7 %

* Not meaningful

Segment operating profit is defined as total segment revenue less segment operating expenses. The following items have been excluded in computing segment operating profit: corporate staff expense, interest income and expense associated with

corporate investments and debt facility, income taxes and other revenue and other expense, net.

Subsea Technologies

Subsea Technologies' revenue increased $144.8 million year-over-year. Revenue for the second quarter of 2012 included a $72.8 million unfavorable impact of foreign currency translation, compared to the prior-year quarter. Excluding the impact of foreign currency translation, total revenue increased by $217.6 million year-over-year. Subsea Technologies revenue is primarily impacted by the level of backlog conversion and trends in oil and gas exploration and production activity. We entered the quarter with solid subsea backlog and continued to have strong subsea systems and service order activity during the second quarter of 2012.

Subsea Technologies' operating profit in the second quarter of 2012 totaled $109.7 million, or 11.6% of revenue, compared to the prior-year quarter's operating profit as a percentage of revenue of 10.5%. Subsea Technologies' operating profit in the second quarter of 2012 included the gain on our previously held equity interest in Schilling and other purchase price adjustments which had a combined net benefit in the period of $13.2 million. Excluding this net benefit, the year-over-year margin decline was predominantly due to the conversion of lower margin subsea backlog, inefficiencies of integrating a rapidly increasing workforce and higher project execution costs. Foreign currency translation unfavorably impacted operating profit in the second quarter of 2012 by $9.3 million compared to the prior-year quarter.

Surface Technologies

Surface Technologies' revenue increased by $103.5 million year-over-year. The increase was driven by demand for fluid control products, particularly Weco®/Chiksan® equipment, coupled with an increased demand for well service pumps due to the strength of North American oil and gas shale activity. In addition, surface wellhead markets in North America also led to revenue growth year-over-year primarily due to conventional wellhead system sales and increased services related to hydraulic fracturing activity, coupled with increased revenue in Asia Pacific due to conventional wellhead system sales.

Surface Technologies' operating profit in the second quarter of 2012 totaled $84.2 million, or 20.3% of revenue, compared to the prior-year quarter's operating profit as a percentage of revenue of 18.2%. The margin improvement was primarily driven by improved margins in surface wellhead in North America due to increased services related to hydraulic fracturing activity and strengthened international performance.

Energy Infrastructure

Energy Infrastructure's revenue increased by $19.2 million year-over-year. The increase was driven by demand for our measurement solutions products and services due to the strength of North American oil and gas shale activity and increased sales volumes in material handling.

Energy Infrastructure's operating profit in the first quarter of 2012 totaled $9.1 million, or 6.5% of revenue, compared to the prior-year quarter's operating profit as a percentage of revenue of 8.9%. The margin decline was primarily driven by our loading systems business from higher costs on projects.

Corporate Items

Our corporate items reduced earnings by $46.5 million in 2012, compared to $14.7 million in 2011. The year-over-year increase primarily reflected the following:

- unfavorable variance in foreign currency gains and losses of $8.0 million;
- unfavorable variance related to the remeasurement of the MPM contingent earn-out consideration of $12.6 million;
- unfavorable variance related to higher pension expense of $3.6 million; and an
- unfavorable variance related to higher interest expense of $4.3 million.

Inbound Orders and Order Backlog

Inbound orders represent the estimated sales value of confirmed customer orders received during the reporting period.

(In millions)	Inbound Orders			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Subsea Technologies	$ 878.2	$ 947.3	$ 2,307.0	$ 1,887.2
Surface Technologies	365.7	451.5	790.4	726.7
Energy Infrastructure	146.4	124.0	338.6	272.9
Intercompany eliminations and other	(3.7)	(0.2)	(1.4)	(2.4)
Total inbound orders	$ 1,386.6	$ 1,522.6	$ 3,434.6	$ 2,884.4

Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date. Translation negatively affected backlog by $286.2 million and $214.8 million for the three and six months ended June 30, 2012, respectively, and positively affected backlog by $97.8 million and $219.7 million for the three and six months ended June 30, 2011, respectively.

(In millions)	Order Backlog		
	June 30, 2012	December 31, 2011	June 30, 2011
Subsea Technologies	$ 4,347.7	$ 4,090.0	$ 4,193.1
Surface Technologies	573.6	577.7	537.7
Energy Infrastructure	284.7	226.9	236.9
Intercompany eliminations	(1.3)	(18.2)	(3.4)
Total order backlog	$ 5,204.7	$ 4,876.4	$ 4,964.3

Order backlog for Subsea Technologies at June 30, 2012, increased by $257.7 million compared to December 31, 2011, reflecting a significant order of approximately $925 million from Petrobras related to our Pre-Salt Tree award. Backlog of $4.3 billion at June 30, 2012, was composed of various subsea projects, including BG Norge's Knarr; BP's Block 18; Chevron's Wheatstone; ExxonMobil's Hibernia Southern Extension; Petrobras' Tree and Manifold Frame Agreements, Congro & Corvina, and Pre-Salt Tree award; Shell's Prelude, Bonga, and West Boreas; Statoil's Statfjord Workover System and Fram H Nord; Total's CLOV and GirRI; and Woodside's Greater Western Flank.

Surface Technologies' order backlog at June 30, 2012, decreased by $4.1 million compared to December 31, 2011. The decrease was due to lower inbound orders in our fluid control business and conversion of year-end 2011 backlog, partially offset by strong inbound orders in surface wellhead, during the six months ended June 30, 2012.

Energy Infrastructure's order backlog at June 30, 2012, increased by $57.8 million compared to December 31, 2011, reflecting a significant order in our loading systems business from Shell related to the Prelude floating liquefied natural gas project. The increase was also due to strong overall inbound orders in our measurement solutions businesses during the six months ended June 30, 2012.

CONSOLIDATED RESULTS OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(In millions, except %)	Six Months Ended June 30, 2012	2011	Change $	%
Revenue	$ 2,891.5	$ 2,311.3	580.2	25.1%
Costs and expenses:				
Cost of sales	2,284.0	1,796.6	487.4	27.1%
Selling, general and administrative expense	276.4	231.7	44.7	19.3%
Research and development expense	53.1	38.2	14.9	39.0%
Total costs and expenses	2,613.5	2,066.5	547.0	26.5%
Other income (expense), net	20.1	4.9	15.2	*
Net interest expense	(9.9)	(3.6)	(6.3)	175.0%
Income before income taxes	288.2	246.1	42.1	17.1%
Provision for income taxes	75.3	64.8	10.5	16.2%
Net income	212.9	181.3	31.6	17.4%
Net income attributable to noncontrolling interests	(2.2)	(1.8)	(0.4)	22.2%
Net income attributable to FMC Technologies, Inc	$ 210.7	$ 179.5	31.2	17.4%

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* Not meaningful

Revenue increased by $580.2 million in 2012 compared to the prior year and reflected revenue growth in all business segments. Revenue in 2012 included a $99.8 million unfavorable impact of foreign currency translation, compared to the prior-year. Subsea systems and services had strong order activity during the first half of 2012. The impact of the higher backlog coming into 2012 led to increased Subsea Technologies sales year-over-year. Additionally, Surface Technologies posted higher revenue during the first half of 2012 from higher backlog entering the year. The higher backlog was due to increased demand for Weco®/Chiksan® equipment and well service pumps due to the ongoing strength of the North American oil and gas shale markets. Surface wellhead also posted higher revenue primarily in the North American and Asia Pacific markets.

Gross profit (revenue less cost of sales) decreased as a percentage of sales to 21.0% in the first half of 2012, from 22.3% in the prior year. The margin decline was predominantly due to the remeasurement of the MPM contingent earn-out consideration, conversion of lower margin subsea backlog, inefficiencies of integrating a rapidly increasing workforce and higher project execution costs, partially offset by margin improvements in Surface Technologies due to higher margin surface wellhead volumes. Gross profit for the first half of 2012, included a $19.8 million unfavorable impact of foreign currency translation.

Selling, general and administrative expense increased by $44.7 million year-over-year, driven by increased bid activity and additional staffing to support expanding operations.

Research and development expense increased by $14.9 million year-over-year as we continued to advance new technologies pertaining primarily to subsea processing capabilities.

Other income (expense), net, reflected $0.8 million in losses and $2.7 million in gains during the six months ended June 30, 2012 and 2011, respectively, from the remeasurement of foreign currency exposures. We also recognized a $20.0 million gain related to the fair valuation of our previous held equity interest in Schilling during the six months ended June 30, 2012.

Our income tax provisions for the first six months of 2012 and 2011, reflected effective tax rates of 26.3% and 26.5%, respectively. Excluding a benefit related to recognizing a retroactive tax holiday in Singapore in the first quarter of 2011, our effective rate for income taxes in the first six months of 2011 was 29.5%. The decrease from this adjusted rate to our effective tax rate in the first six months of 2012 was primarily due to changes in our international structure during 2012, partially offset by higher charges related to unrecognized tax benefits. Our effective tax rate can fluctuate depending on our country mix of earnings, since our foreign earnings are generally subject to lower tax rates than in the United States. In certain jurisdictions, primarily Singapore and Malaysia, our tax rate is significantly less than the relevant statutory rate due to tax holidays. The cumulative balance of foreign earnings for which no provision for U.S. income taxes has been recorded was $1,133 million at June 30, 2012. The Company would need to accrue and pay U.S. tax on such undistributed earnings if these funds were repatriated. The Company has no current intention to repatriate these earnings.

OPERATING RESULTS OF BUSINESS SEGMENTS

SIX MONTHS ENDED JUNE 30, 2012 AND 2011

(In millions, except %)	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011	Change $	Change %
Revenue				
Subsea Technologies	$ 1,840.7	$ 1,490.5	350.2	23.5 %
Surface Technologies	791.6	601.6	190.0	31.6 %
Energy Infrastructure	276.4	223.2	53.2	23.8 %
Other revenue and intercompany eliminations	(17.2)	(4.0)	(13.2)	*
Total revenue	$ 2,891.5	$ 2,311.3	580.2	25.1 %
Segment Operating Profit				
Subsea Technologies	$ 184.8	$ 154.0	30.8	20.0 %
Surface Technologies	162.2	107.9	54.3	50.3 %
Energy Infrastructure	18.4	15.2	3.2	21.1 %
Total segment operating profit	365.4	277.1	88.3	31.9 %
Corporate Items				
Corporate expense	(18.9)	(19.0)	0.1	(0.5)%
Other revenue and other expense, net	(50.6)	(10.2)	(40.4)	396.1 %
Net interest expense	(9.9)	(3.6)	(6.3)	175.0 %
Total corporate items	(79.4)	(32.8)	(46.6)	142.1 %
Income before income taxes	286.0	244.3	41.7	17.1 %
Provision for income taxes	75.3	64.8	10.5	16.2 %
Net income attributable to FMC Technologies, Inc.	$ 210.7	$ 179.5	31.2	17.4 %

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* Not meaningful

Segment operating profit is defined as total segment revenue less segment operating expenses. The following items have been excluded in computing segment operating profit: corporate staff expense, interest income and expense associated with corporate investments and debt facility, income taxes and other revenue and other expense, net.

Subsea Technologies

Subsea Technologies' revenue increased $350.2 million year-over-year. Revenue for the six months ended June 30, 2012 included an $83.7 million unfavorable impact of foreign currency translation, compared to the prior-year. Excluding the impact of foreign currency translation, total revenue increased by $433.9 million year-over-year. Subsea Technologies revenue is primarily impacted by the level of backlog conversion and trends in oil and gas exploration and production activity. We entered the year with record subsea backlog and continued to have strong order activity during the first six months of 2012, including our Pre-Salt Tree award with Petrobras.

Subsea Technologies' operating profit in the first half of 2012 totaled $184.8 million, or 10.0% of revenue, compared to the prior-year's operating profit as a percentage of revenue of 10.3%. Subsea Technologies' operating profit in the first half of 2012 included the gain on our previously held equity interest in Schilling and other purchase price adjustments which had a combined net benefit in the period of $13.2 million. Excluding this net benefit, the year-over-year margin decline was predominantly due to the conversion of lower margin subsea backlog, inefficiencies of integrating a rapidly increasing workforce and higher project execution costs. Foreign currency translation unfavorably impacted operating profit in 2012 by $10.4 million compared to the prior year.

Surface Technologies

Surface Technologies' revenue increased by $190.0 million year-over-year. The increase was driven by strong demand for fluid control products, particularly Weco®/Chiksan® equipment, coupled with an increased demand for well service pumps due to the strength of North American oil and gas shale activity. In addition, surface wellhead markets in North America also led to revenue growth year-over-year primarily due to conventional wellhead system sales and increased services related to hydraulic

fracturing activity, coupled with increased revenue in Asia Pacific due to conventional wellhead system sales.

Surface Technologies' operating profit in the first half of 2012 totaled $162.2 million, or 20.5% of revenue, compared to the prior-year's operating profit as a percentage of revenue of 17.9%. The margin improvement was primarily driven by improved margins in surface wellhead due to increased services related to hydraulic fracturing activity and strengthening international performance.

Energy Infrastructure

Energy Infrastructure's revenue increased by $53.2 million year-over-year. The increase was driven by strong demand for our measurement solutions products and services due to the strength of North American oil and gas shale activity and increased sales volumes in material handling.

Energy Infrastructure's operating profit totaled $18.4 million, or 6.6% of revenue, in 2012, compared to the prior-year's operating profit as a percentage of revenue of 6.8%. The margin decline was primarily driven by higher costs on loading system projects and higher margin projects in the first half of 2011 in separations systems.

Corporate Items

Our corporate items reduced earnings by $79.4 million in 2012, compared to $32.8 million in 2011. The year-over-year increase primarily reflected the following:

- unfavorable variance in foreign currency gains and losses of $17.9 million;
- unfavorable variance related to the remeasurement of the MPM contingent earn-out consideration of $12.8 million;
- unfavorable variance related to higher pension expense of $5.8 million; and an
- unfavorable variance related to higher interest expense of $6.3 million.

LIQUIDITY AND CAPITAL RESOURCES

Our cash is held in numerous locations throughout the world, with substantially all of our cash balances held outside the United States. Cash held outside the United States is generally used to meet the liquidity needs of our non-U.S. operations. Most of our cash held outside the United States could be repatriated to the United States, but under current law, any such repatriation would be subject to U.S. federal income tax, as adjusted for applicable foreign tax credits. We have provided for U.S. federal income taxes on undistributed foreign earnings where we have determined that such earnings are not indefinitely reinvested.

We expect to meet the continuing funding requirements of our U.S. operations with cash generated by such U.S. operations, with cash from earnings generated by non-U.S. operations that are not indefinitely reinvested and through our existing credit facility. If cash held by non-U.S. operations is required for funding operations in the United States, and if the applicable U.S. tax has not previously been provided on the earnings of such operations, we would make a provision for additional U.S. tax in connection with repatriating this cash, which may be material to our cash flows and results of operations.

We were in a net debt position at June 30, 2012. Net debt, or net cash, is a non-GAAP measure reflecting debt, net of cash and cash equivalents. Management uses this non-GAAP measure to evaluate our capital structure and financial leverage. We believe that net (debt) cash is a meaningful measure of our financial leverage and can assist investors in understanding our results and recognizing underlying trends. This measure supplements disclosures required by GAAP. The following table provides details of the balance sheet classifications included in net (debt) cash.

(In millions)	June 30, 2012	December 31, 2011
Cash and cash equivalents	$ 275.3	$ 344.0
Short-term debt and current portion of long-term debt	(102.1)	(587.6)
Long-term debt, less current portion	(1,114.1)	(36.0)
Net debt	$ (940.9)	$ (279.6)

The change in our net debt position was primarily due to payments for acquisitions, capital expenditures and increased borrowings to fund working capital requirements, partially offset by higher net income during the six months ended June 30, 2012.

Cash Flows

We used $109.5 million and generated $120.1 million in cash flows from operating activities during the six months ended June 30, 2012 and 2011, respectively. The decrease in cash flows from operating activities year-over-year was primarily due to changes in our working capital driven by our portfolio of projects. Our working capital balances can vary significantly depending on the payment and delivery terms on key contracts. This unfavorable change was partially offset by higher net income.

During the six months ended June 30, 2012, cash flows required by investing activities totaled $518.3 million, consisting of amounts required to fund capital expenditures and acquisitions. Capital expenditures totaled $191.1 million, an increase of $88.3 million year-over-year, primarily reflecting our investment in capacity expansion, tooling, rental tools and equipment upgrades. Additionally, cash required, net of cash acquired, for our acquisitions of Schilling and CSI totaled $328.6 million during the six months ended June 30, 2012.

Cash provided by financing activities was $559.3 million and $91.9 million for the six months ended June 30, 2012 and 2011, respectively. The year-over-year change was primarily related to an increase in borrowings from our commercial paper program and proceeds from long-term debt to fund capital expenditures, acquisitions, and working capital needs.

Debt and Liquidity

The following is a summary of our credit facility at June 30, 2012:

(In millions) Description	Amount	Debt Outstanding	Commercial Paper Outstanding (a)	Letters of Credit	Unused Capacity	Maturity
Five-year revolving credit facility	$ 1,500.0	$ 375.0	$ 732.3	$ 6.0	$ 386.7	March 2017

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(a) Under our commercial paper program, we have the ability to access up to $1.0 billion of financing through our commercial paper dealers. Our available capacity under our revolving credit facility is reduced by any outstanding commercial paper.

Committed credit available under our revolving credit facility provides the ability to issue our commercial paper obligations on a long-term basis. We had $732.3 million of commercial paper issued under our facility at June 30, 2012. As we had both the ability and intent to refinance these obligations on a long-term basis, our commercial paper borrowings were classified as long-term in the accompanying condensed consolidated balance sheets at June 30, 2012.

Credit Risk Analysis

Valuations of derivative assets and liabilities reflect the value of the instruments, including the values associated with counterparty risk. These values must also take into account our credit standing, thus including in the valuation of the derivative instrument the value of the net credit differential between the counterparties to the derivative contract. Our methodology includes the impact of both counterparty and our own credit standing. Additional information about credit risk is incorporated herein by reference from Note 13 to our condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q.

Outlook

Historically, we have generated our capital resources primarily through operations and, when needed, through our credit facility. The volatility in credit, equity and commodity markets creates some uncertainty for our businesses. However, management believes, based on our current financial condition, existing backlog levels and current expectations for future market conditions, that we will continue to meet our short- and long-term liquidity needs with a combination of cash on hand, cash generated from operations and our credit facility.

We project spending approximately $350 million during 2012 for capital expenditures, largely for capacity expansion in our subsea technologies manufacturing, and tools necessary to expand offshore service capabilities. We expect to make contributions of approximately $13.0 million and $21.7 million to our domestic pension plans and international pension plans during the remainder of 2012, respectively. Actual contribution amounts are dependent upon plan investment returns, changes in pension obligations, regulatory environments and other economic factors. We update our pension estimates annually during the fourth quarter or more frequently upon the occurrence of significant events. Further, we expect to continue our stock repurchases authorized by our Board, with the timing and amounts of these repurchases dependent upon market conditions and

liquidity.

We have $386.7 million of capacity available under our credit facility that we expect to utilize if working capital needs temporarily increase in response to market demand. We also continue to evaluate acquisitions, divestitures and joint ventures that meet our strategic priorities. Our intent is to maintain a level of financing sufficient to meet these objectives.

CRITICAL ACCOUNTING ESTIMATES

Refer to our Annual Report on Form 10-K for the year ended December 31, 2011, for a discussion of our critical accounting estimates. During the six months ended June 30, 2012, there were no material changes in our judgments and assumptions associated with the development of our critical accounting estimates.

RECENTLY ISSUED ACCOUNTING STANDARDS

In December 2011, the FASB issued an update to existing disclosure guidance for offsetting (netting) assets and liabilities. The updated guidance requires entities to disclose both gross information and net information of recognized financial instruments, derivative instruments, and transactions eligible for offset in the consolidated balance sheet and instruments and transactions subject to an agreement similar to a master netting arrangement. The updated guidance is to be applied retrospectively, effective January 1, 2013. We believe the adoption of this guidance concerns disclosure only and will not have an impact on our consolidated financial position or results of operations.

Management believes that other recently issued accounting standards, which are not yet effective, will not have a material impact on our condensed consolidated financial statements upon adoption.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in reported market risks from the information reported in our Annual Report on Form 10-K for the year ended December 31, 2011.

ITEM 4. CONTROLS AND PROCEDURES

Under the direction of our principal executive officer and principal financial officer, we have evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2012. Our disclosure controls and procedures are designed to:

i) ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms; and

ii) ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in internal controls identified in the evaluation for the quarter ended June 30, 2012, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in various pending or potential legal actions in the ordinary course of our business. Management is unable to predict the ultimate outcome of these actions, because of the inherent uncertainty of litigation. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

As of the date of this filing, there have been no material changes or updates in our risk factors that were previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We had no unregistered sales of equity securities during the three months ended June 30, 2012.

The following table summarizes repurchases of our common stock during the three months ended June 30, 2012.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs (b)
April 1, 2012—April 30, 2012	3,290	$ 46.78	—	17,269,918
May 1, 2012—May 31, 2012	31,420	$ 43.06	—	17,269,918
June 1, 2012—June 30, 2012	533,550	$ 40.08	511,000	16,758,918
Total	568,260	$ 40.28	511,000	16,758,918

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(a) Represents 511,000 shares of common stock repurchased and held in treasury and 57,260 shares of common stock purchased and held in an employee benefit trust established for the FMC Technologies, Inc. Non-Qualified Savings and Investment Plan. In addition to these shares purchased on the open market, we sold 22,700 shares of registered common stock held in this trust, as directed by the beneficiaries during the three months ended June 30, 2012.

(b) In 2005, we announced a repurchase plan approved by our Board of Directors authorizing the repurchase of up to two million shares of our issued and outstanding common stock through open market purchases. The Board of Directors authorized extensions of this program, adding five million shares in February 2006 and eight million shares in February 2007 for a total of 15 million shares of common stock authorized for repurchase. As a result of the two-for-one stock splits (i) on August 31, 2007, the authorization was increased to 30 million shares; and (ii) on March 31, 2011, the authorization was increased to 60 million shares. In December 2011, the Board of Directors authorized an extension of our repurchase program, adding 15 million shares, for a total of 75 million shares. In addition to the 75 million shares, in July 2008, the Board of Directors authorized the repurchase of $95.0 million of our outstanding common stock, and as of September 2008, there was no remaining amount available for purchase under the $95.0 million authorization.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

(a) Exhibits

Number in Exhibit Table	Description
2.1	Separation and Distribution Agreement by and between FMC Corporation and FMC Technologies, Inc., dated as of May 31, 2001 (incorporated by reference from Exhibit 2.1 to the Form S-1/A filed on June 6, 2001) (Registration No. 333-55920).
2.2	Separation and Distribution Agreement by and between FMC Technologies, Inc. and John Bean Technologies Corporation, dated July 31, 2008 (incorporated by reference from Exhibit 2.1 to the Current Report on Form 8-K filed on August 6, 2008) (File No. 001-16489).
2.2.a	Amendment, dated October 25, 2010, by and between FMC Technologies, Inc. and John Bean Technologies Corporation that amends the Separation and Distribution Agreement by and between FMC Technologies, Inc. and John Bean Technologies Corporation, dated July 31, 2008 (incorporated by reference from Exhibit 2.2.a to the Quarterly Report on Form 10-Q filed on November 3, 2010) (File No. 001-16489).
3.1	Amended and Restated Certificate of Incorporation of FMC Technologies, Inc. (incorporated by reference from Exhibit 3.1 to the Quarterly Report on Form 10-Q filed on August 7, 2009) (File No. 001-16489).
3.1.a	Second Certificate of Amendment of Amended and Restated Certificate of Incorporation of FMC Technologies, Inc. (incorporated by reference from Exhibit 3.1 to the Current Report on Form 8-K filed on May 12, 2011) (File No. 001-16489).
3.1.b	Third Certificate of Amendment to the Amended and Restated Certificate of Incorporation of FMC Technologies, Inc. (incorporated by reference from Exhibit 3.1 to the Current Report on Form 8-K filed on May 4, 2012) (File No. 001-16489).
3.2	Amended and Restated Bylaws of FMC Technologies, Inc. (incorporated by reference from Exhibit 3.2 to the Quarterly Report on Form 10-Q filed on November 3, 2010) (File No. 001-16489).
4.1	Form of Specimen Certificate for the Company's Common Stock (incorporated by reference from Exhibit 4.1 to the Form S-1/A filed on May 4, 2001) (File No. 333-55920).
4.2	Rights Agreement, dated as of June 5, 2001, between FMC Technologies, Inc. and Computershare Investor Services, LLC, as Rights Agent (incorporated by reference from Exhibit 4.2 to the Form S-8 filed on June 14, 2001) (Registration No. 333-62996).
4.2.a	Amendment to Rights Agreement, dated as of September 8, 2009, between FMC Technologies, Inc. and National City Bank, as Rights Agent (incorporated by reference from Exhibit 4.1 to the Current Report on Form 8-K filed on September 14, 2009) (File No. 001-16489).
10.1	Securities Purchase Agreement by and among FMC Technologies,Inc., Schilling Robotics, Inc., Schilling Robotics, LLC and Tyler Schilling, dated April 25, 2012.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
32.1 *	Certification of Chief Executive Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.
32.2 *	Certification of Chief Financial Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.

Number in Exhibit Table	Description
101.INS	XBRL Instance Document.
101.SCH	XBRL Schema Document.
101.CAL	XBRL Calculation Linkbase Document.
101.DEF	XBRL Definition Linkbase Document.
101.LAB	XBRL Label Linkbase Document.
101.PRE	XBRL Presentation Linkbase Document.

* Furnished with this Quarterly Report on Form 10-Q

EXHIBIT INDEX

Number in Exhibit Table	Description
2.1	Separation and Distribution Agreement by and between FMC Corporation and FMC Technologies, Inc., dated as of May 31, 2001 (incorporated by reference from Exhibit 2.1 to the Form S-1/A filed on June 6, 2001) (Registration No. 333-55920).
2.2	Separation and Distribution Agreement by and between FMC Technologies, Inc. and John Bean Technologies Corporation, dated July 31, 2008 (incorporated by reference from Exhibit 2.1 to the Current Report on Form 8-K filed on August 6, 2008) (File No. 001-16489).
2.2.a	Amendment, dated October 25, 2010, by and between FMC Technologies, Inc. and John Bean Technologies Corporation that amends the Separation and Distribution Agreement by and between FMC Technologies, Inc. and John Bean Technologies Corporation, dated July 31, 2008 (incorporated by reference from Exhibit 2.2.a to the Quarterly Report on Form 10-Q filed on November 3, 2010) (File No. 001-16489).
3.1	Amended and Restated Certificate of Incorporation of FMC Technologies, Inc. (incorporated by reference from Exhibit 3.1 to the Quarterly Report on Form 10-Q filed on August 7, 2009) (File No. 001-16489).
3.1.a	Second Certificate of Amendment of Amended and Restated Certificate of Incorporation of FMC Technologies, Inc. (incorporated by reference from Exhibit 3.1 to the Current Report on Form 8-K filed on May 12, 2011) (File No. 001-16489).
3.1.b	Third Certificate of Amendment to the Amended and Restated Certificate of Incorporation of FMC Technologies, Inc. (incorporated by reference from Exhibit 3.1 to the Current Report on Form 8-K filed on May 4, 2012) (File No. 001-16489).
3.2	Amended and Restated Bylaws of FMC Technologies, Inc. (incorporated by reference from Exhibit 3.2 to the Quarterly Report on Form 10-Q filed on November 3, 2010) (File No. 001-16489).
4.1	Form of Specimen Certificate for the Company's Common Stock (incorporated by reference from Exhibit 4.1 to the Form S-1/A filed on May 4, 2001) (File No. 333-55920).
4.2	Rights Agreement, dated as of June 5, 2001, between FMC Technologies, Inc. and Computershare Investor Services, LLC, as Rights Agent (incorporated by reference from Exhibit 4.2 to the Form S-8 filed on June 14, 2001) (Registration No. 333-62996).
4.2.a	Amendment to Rights Agreement, dated as of September 8, 2009, between FMC Technologies, Inc. and National City Bank, as Rights Agent (incorporated by reference from Exhibit 4.1 to the Current Report on Form 8-K filed on September 14, 2009) (File No. 001-16489).
10.1	Securities Purchase Agreement by and among FMC Technologies,Inc., Schilling Robotics, Inc., Schilling Robotics, LLC and Tyler Schilling, dated April 25, 2012.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a).
32.1 *	Certification of Chief Executive Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.
32.2 *	Certification of Chief Financial Officer Under Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. 1350.

Number in Exhibit Table	Description
101.INS	XBRL Instance Document.
101.SCH	XBRL Schema Document.
101.CAL	XBRL Calculation Linkbase Document.
101.DEF	XBRL Definition Linkbase Document.
101.LAB	XBRL Label Linkbase Document.
101.PRE	XBRL Presentation Linkbase Document.

* Furnished with this Quarterly Report on Form 10-Q

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FMC Technologies, Inc.
(Registrant)

/s/ Jay A. Nutt

Jay A. Nutt

Vice President and Controller
(Chief Accounting Officer and a Duly Authorized Officer)

Date: July 27, 2012

SECURITIES PURCHASE AGREEMENT

by and among

FMC TECHNOLOGIES, INC.,

SCHILLING ROBOTICS, INC.,

and

TYLER SCHILLING

dated as of

April 25, 2012

TABLE OF CONTENTS

Page

ARTICLE I

PURCHASE, SALE AND ASSIGNMENT OF UNITS

Section 1.1 Assignment 2
Section 1.2 Acceptance and Assumption 2
Section 1.3 Purchase Price 2
Section 1.4 Purchase Price Adjustment 2
Section 1.5 Closing 3
Section 1.6 Deliveries 3

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Section 2.1 Title 3
Section 2.2 Organization and Authority 4
Section 2.3 Capitalization 4
Section 2.4 No Conflict; Consents 5
Section 2.5 Litigation 5
Section 2.6 Validity and Enforceability 6
Section 2.7 No Other Activities 6
Section 2.8 Taxes 6

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Section 3.1 Organization 7

TABLE OF CONTENTS

Page

Section 3.2 Authority Relative to this Agreement 8
Section 3.3 No Conflict; Consent. 8
Section 3.4 Litigation 8
Section 3.5 Investment Representations 9

ARTICLE IV

COVENANTS

Section 4.1 Company Property 10
Section 4.2 Tax Returns 10

ARTICLE V

CLOSING DELIVERABLES

Section 5.1 Closing Deliverables of Schilling Inc. and Schilling 11

ARTICLE VI

INDEMNIFICATION

Section 6.1 Indemnification by the Sellers 12
Section 6.2 Claims Procedure 12
Section 6.3 Resolution of Conflicts and Arbitration 13
Section 6.4 Third Party Claims 14
Section 6.5 Indemnity Period 15
Section 6.6 Indemnification Basket 15
Section 6.7 Limitations on Indemnity 16
Section 6.8 Contribution 16

TABLE OF CONTENTS

Page

Section 6.9 Exclusive Remedy 16

ARTICLE VII

DEFINITIONS AND INTERPRETATION

Section 7.1 Definitions 16
Section 7.2 Interpretation 20

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Survival 20
Section 8.2 Fees and Expenses 21
Section 8.3 Amendment 21
Section 8.4 Notices 21
Section 8.5 Descriptive Headings 22
Section 8.6 Counterparts 22
Section 8.7 Entire Agreement 22
Section 8.8 Assignment 22
Section 8.9 Governing Law; Forum 22
Section 8.10 Specific Performance 23
Section 8.11 Parties in Interest 23
Section 8.12 Severability 23
Section 8.13 Waiver of Jury Trial 23

EXHIBITS

TABLE OF CONTENTS

Page

Exhibit A – Form of Assignment of Membership Interests

SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (this "Agreement"), dated as of April 25, 2012, is made by and among FMC TECHNOLOGIES, INC., a Delaware corporation ("Purchaser"), SCHILLING ROBOTICS, INC., a Delaware corporation ("Schilling Inc.") and Tyler Schilling, an individual ("Schilling"). Schilling Inc. and Schilling may be collectively referred to herein as the "Sellers" and individually as a "Seller." Purchaser, Schilling Inc. and Schilling may be collectively referred to herein as the "Parties" and individually as a "Party." Certain capitalized terms used in this Agreement have the meanings ascribed to them in Section 7.1 hereof.

W I T N E S S E T H:

WHEREAS, Purchaser, Schilling Inc., Schilling and Schilling Robotics, LLC, a Delaware limited liability company (the "Company"), are parties to that Securities Purchase Agreement dated as of December 24, 2008 (the "Securities Purchase Agreement");

WHEREAS, Purchaser, Schilling Inc. and Schilling are also parties to that Unitholders Agreement of the Company, dated as of December 26, 2008 (the "Unitholders Agreement");

WHEREAS, pursuant to the transactions contemplated by the Securities Purchase Agreement, Purchaser purchased 42 Class A Units of the Company from Schilling Inc., and 5.45 Class A-1 Units from the Company (the "FMC Units"), and Schilling Inc. and Schilling collectively retained 58 Class A Units of the Company (the "Schilling Units");

WHEREAS, the FMC Units and the Schilling Units comprise all of the issued and outstanding membership interests in the Company (the "Units");

WHEREAS, in accordance with Section 6.2 of the Securities Purchase Agreement, Schilling Inc. caused Schilling Robotics Newco, LLC, a former Delaware limited liability company ("Newco"), to be liquidated and dissolved in accordance with Delaware law, and all Units of the Company owned by Newco were transferred to Schilling Inc., and are included among the Schilling Units;

WHEREAS, pursuant to the terms of the Unitholders Agreement, Purchaser was granted a right to purchase the Schilling Units from the Sellers, and Purchaser has delivered a notice to each of the Sellers of its desire to exercise such option;

WHEREAS, the Sellers have agreed to sell, convey, assign, transfer and deliver to Purchaser, free and clear of all debts, liabilities, obligations, taxes, security interests, liens, pledges, charges and encumbrances of every kind, the Schilling Units and Purchaser desires to accept the Schilling Units from the Sellers on the terms and conditions set forth herein (the "Transaction").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the Parties hereto agree as follows:

ARTICLE I

PURCHASE, SALE AND ASSIGNMENT OF UNITS

Section 1.1 Assignment. Each of Schilling Inc. and Schilling hereby sells, conveys, assigns, transfers and delivers the Schilling Units held by such Seller to Purchaser, together with all of such Seller's respective rights and obligations as holders of Class A Units of the Company associated with the Schilling Units.

Section 1.2 Acceptance and Assumption. Purchaser hereby accepts the Schilling Units and all rights and obligations associated with the Schilling Units.

Section 1.3 Purchase Price. The Parties agree that the aggregate purchase price for the Schilling Units is $281,382,255.00 (such amount, as adjusted pursuant to Section 1.4 below, the "Purchase Price") cash to be allocated between Schilling Inc. and Schilling in accordance with their relative ownership of Schilling Units immediately prior to the Closing Date.

Section 1.4 Purchase Price Adjustment.

(a) The Parties acknowledge and agree that the Purchase Price has been calculated based on Section 2.4.2 of the Unitholders Agreement and that the Parties have agreed on the amount of the EBITDA of the Company and its subsidiaries and the Multiple and the Sellers have provided the amount of the Schilling Counsel Fees in the certificate delivered pursuant to Section 5.1(f). Within 30 days of the Closing Date, the Sellers agree to deliver to the Purchaser the amount of the Net Debt as of the Closing Date accompanied by materials showing in reasonable detail the Sellers' calculation of such amount (the "Proposed Calculation").

(b) The Purchaser shall have the right for 30 days following its receipt of the Proposed Calculation to object to the Proposed Calculation. Any objection made by the Purchaser shall be accompanied by materials showing in reasonable detail the Purchaser's support for its position. The Purchaser shall be deemed to have waived any rights to object under this Agreement unless the Purchaser furnishes its written objections, together with supporting materials, to the Sellers within such 30-day period following the Purchaser's receipt of the Proposed Calculation. The Purchaser and the Sellers shall meet to resolve any differences in their respective positions with respect to the Proposed Calculation. If the Sellers and the Purchaser are unable to agree upon the Proposed Calculation within 30 days of the Sellers' receipt of the Purchaser's objections, the Purchaser or the Sellers may submit the matter to be resolved through an arbitration procedure conducted in accordance with Section 6.3. In the event that the Sellers fail to deliver the Proposed Calculation within 30 days of the Closing Date as required by Section 1.4(a), the Purchaser shall have the right following such 30 days after the Closing Date to deliver its proposed calculation of the Net Debt, and the Sellers shall have the right to furnish written objection to the Purchaser's proposed calculation of the Net Debt so long as such written objections are delivered to the Purchaser within 15 days of the delivery of the Purchaser's proposed calculation to the Sellers. Any further objections to any amount of Net Debt initially proposed by the Purchaser pursuant to the immediately preceding sentence shall be resolved in the same manner as described above in this Section 1.4(b).

(c) Following the final determination of the Proposed Calculation as set forth in Section 1.4(b) above, (i) if the Purchase Price (as determined using the finally resolved

calculation of the Net Debt) is less than the Purchase Price paid at the Closing pursuant to Section 1.3, then the Sellers shall pay to the Purchaser by wire transfer of immediately available funds an amount equal to such difference within five (5) Business Days of the date of the final determination and (ii) if the Purchase Price (as determined using the finally resolved calculation of the Net Debt) is greater than the Purchase Price paid at the Closing pursuant to Section 1.3, then the Purchaser shall pay to the Sellers by wire transfer of immediately available funds an amount equal to such difference within five (5) Business Days of the date of the final determination in the same proportion as the payment of the Purchase Price at the Closing pursuant to Section 1.3 (or as otherwise instructed in writing by the Sellers).

(d) All amounts to be paid under this Section 1.4 shall be deemed to be adjustments to the Purchase Price.

Section 1.5 Closing. The closing of the Transaction (the "Closing") shall take place at the offices of DLA Piper LLP (US), counsel to the Sellers, at 400 Capitol Mall, Suite 2400, Sacramento, CA 95814, or at such other place as Purchaser and the Sellers may agree, on the date of this Agreement (the "Closing Date").

Section 1.6 Deliveries. Subject to the terms and conditions of this Agreement, at the Closing, (a) each of the Sellers will deliver to Purchaser a certificate or certificates representing the Schilling Units owned by such Seller, duly endorsed for transfer to Purchaser, against payment by Purchaser of the Purchase Price by wire transfer of immediately available funds to Schilling Inc.'s and Schilling's account (as designated in writing by each of Schilling Inc. and Schilling prior to the date hereof), and (b) Schilling Inc. and Schilling shall deliver the other documents and agreements described in Article V of this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as set forth in the schedule prepared and delivered to Purchaser in connection with this Agreement setting forth specific exceptions to Schilling Inc.'s and Schilling's representations and warranties set forth in this Agreement (each section of which qualifies the correspondingly numbered representation and warranty by Schilling Inc. and Schilling) (the "Disclosure Schedule"), Schilling Inc. and Schilling, jointly and severally, represent and warrant to Purchaser as of the date hereof as follows:

Section 2.1 Title. Schilling Inc. is the record owner of 57.9 Class A Units, and Schilling is the record owner of 0.1 Class A Unit. Immediately after the Closing, Purchaser will be the record and beneficial owner of the Schilling Units, in each case free and clear of all debts, liabilities, obligations, taxes and Liens, other than Liens created or imposed by Purchaser and restrictions on transfers under applicable securities laws. None of the Sellers has granted any option or right, and none of the Sellers is a party to or bound by any agreement that requires or, upon the

passage of time, the payment of money or occurrence of any other event, would require such Seller to transfer any of the Schilling Units to anyone (other than to Purchaser under this Agreement).

Section 2.2 Organization and Authority. Schilling Inc. is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and currently contemplated to be conducted. Schilling Inc. is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except in such other jurisdictions where the failure to be so duly qualified or licensed and in good standing would not have a Company Material Adverse Effect. Schilling Inc. has the requisite corporate power and authority to execute and deliver this Agreement and the other agreements, documents and instruments of Schilling Inc. contemplated hereby and to perform its obligations hereunder and thereunder. Execution, delivery and performance of such obligations by Schilling Inc. have been duly and validly authorized by all requisite corporate action on the part of Schilling Inc. For purposes of this Agreement, "Company Material Adverse Effect" means any event or occurrence that has had or could reasonably be expected to have, individually or in the aggregate, a material adverse effect (a) on the business, assets, liabilities, properties, results of operations or condition (financial or otherwise) of Schilling Inc., the Company and the Subsidiaries, taken as a whole, or (b) that would prevent or materially alter or delay the Transaction or any of the other transactions contemplated hereby.

Section 2.3 Capitalization.

(a) As of the date hereof, the authorized and outstanding equity interests of the Company consist of 100 Class A Units and 5.45 Class A-1 Units. As of the date hereof, no Units are reserved for issuance pursuant to any outstanding options, warrants or other securities convertible into Units. Of the issued and outstanding Units set forth above, none are subject to repurchase rights in connection with the Transaction. All of the outstanding Units are duly authorized, validly issued, fully paid and non-assessable and were issued in compliance with all applicable laws, including federal and state securities laws, and the Operating Agreement. The rights, preferences and privileges of the Units are as set forth in the Operating Agreement.

(b) Except for the FMC Units and the Schilling Units, (i) there are no equity interests of the Company issued or outstanding; (ii) there are no existing options, warrants, calls, preemptive rights, rights of first refusal, equity appreciation, phantom stock or similar rights, indebtedness having general voting rights or debt convertible into securities having such rights ("Voting Debt") or subscriptions or other rights, agreements, arrangements or commitments of any character, relating to the issued or unissued equity interests of the Company obligating the Company to issue, transfer or sell or cause to be issued, transferred or sold any equity interests or Voting Debt of, or other equity interest in, the Company or securities convertible into or exchangeable for such equity interests, or obligating the Company to grant, extend or enter into any such option, warrant, call, subscription or other right, agreement, arrangement or commitment and (iii) there are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any Units or other equity interests or to provide funds to make any investment (in the form of a

loan, capital contribution or otherwise) in any other entity.

(c) Except for the Operating Agreement, there are no voting trusts or other agreements or understandings to which any Seller is a party with respect to the voting of the equity interests of the Company.

(d) Newco has been liquidated and dissolved in accordance with Delaware law, and all assets of Newco, including any Units owned by Newco, have been distributed to Schilling Inc.

Section 2.4 No Conflict; Consents.

(a) No notice to or filing with, and no permit, authorization, waiver, consent or approval of, any arbitrator, court, nation, government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial regulatory or administrative functions of, or pertaining to, government (in each case, whether foreign or domestic) (a "Governmental Entity"), or any other Person is necessary for the execution, delivery or performance of this Agreement and the other agreements contemplated hereby by the Sellers or the consummation by the Sellers of the transactions contemplated by this Agreement, except for (i) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable state securities laws and the securities laws of any foreign country; (ii) such antitrust filings as may be required in any jurisdiction and which have been obtained; and (iii) such other consents, authorizations, filings, approvals and registrations which, if not obtained or made, could not be reasonably expected to have a Company Material Adverse Effect.

(b) No consent, order, authorization, approval, declaration or filing is required on the part of any Seller for or in connection with the execution, delivery or performance of this Agreement and the other agreements, documents and instruments of such Seller contemplated hereby. Neither the execution and delivery of this Agreement by any Seller, the consummation by such Seller of the transactions contemplated hereby nor compliance by such Seller with any of the provisions hereof will (i) conflict with or result in any breach of any provision of Schilling Inc.'s certificate of incorporation or bylaws, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration or result in the creation of any mortgage, pledge, charge, security interest, lien, claim or encumbrance of any kind (collectively, a "Lien")) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, permit, authorization, franchise, contract, agreement or other instrument or obligation to which such Seller is a party or by which it or any of its properties or assets may be bound or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to such Seller, or its properties or assets.

Section 2.5 Litigation. There is no action, suit, proceeding, arbitration or investigation pending before any Government Entity or arbitration or mediation panel or, to any Seller's Knowledge, threatened in which Schilling Inc. or Schilling is a party that challenges this Agreement or any of the transactions contemplated herein or could reasonably be expected to prevent, or materially alter or delay, any of the transactions contemplated by this Agreement.

Section 2.6 Validity and Enforceability. This Agreement, and the documents to be delivered by each Seller pursuant to Article V, shall be, when executed and delivered by such Seller, the valid and binding obligations of such Seller enforceable in accordance with their respective terms, subject to (a) laws of general application relating to specific performance, injunctive relief or other equitable remedies, (b) applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights generally and (c) federal or state laws limiting enforceability of the indemnification provisions in Article VI of this Agreement.

Section 2.7 No Other Activities. Schilling Inc. has not engaged in any business activities, held any assets or incurred any liabilities since its formation, other than holding Class A Units solely as a unitholder of the Company.

Section 2.8 Taxes.

(a) For federal income Tax purposes, Schilling Inc. is, and has been at all times since its inception, properly classified as an "S corporation" under Section 1361 of the Code and the Treasury Regulations thereunder, and is and has been so classified for state income Tax purposes pursuant to analogous state provisions. Each of the subsidiaries of Schilling Inc. is either (i) properly classified as an entity disregarded as separate from Schilling Inc. for U.S. federal income Tax purposes in accordance with Treas. Reg. § 301.7701-3 or (ii) properly classified as a "qualified subchapter S subsidiary" within the meaning of Section 1361 of the Code. Schilling Inc. will not be liable for any Tax under Section 1374 of the Code or any other applicable state or local law as a result of the transactions contemplated by this Agreement, including the making of a Section 338(h)(10) Election. Schilling Inc. has not, since its inception, acquired assets from another corporation in a transaction in which Schilling Inc.'s Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or acquired the stock of any corporation which is or became a "qualified subchapter S subsidiary" within the meaning of Section 1361(b)(3)(B) of the Code;

(b) Schilling Inc. is not required to make payments, dividend distributions or loans to any shareholder in regard to taxes owed by that shareholder with respect to its share of taxable income earned by Schilling Inc.;

(c) Each of Schilling Inc. and the Company has timely filed with the appropriate Tax Authorities all Tax Returns required to be filed, and such Tax Returns are true, correct and complete;

(d) Each of Schilling Inc. and the Company has paid in full all Taxes which are or have become due (whether or not shown on any Tax Return). There are no liens for Taxes upon any property or assets of either of Schilling Inc. or the Company except for liens for personal property Taxes not yet due and payable. No Audits are presently pending with regard to any Taxes or Tax Returns of Schilling Inc. or the Company, and no such Audit is threatened, and no deficiency or adjustment for any Taxes has been proposed, asserted, or assessed against Schilling Inc. or the Company. No material adjustments have been asserted as a result of any Audit which have not been resolved and fully paid, and no issue has been raised by any Tax Authority in any

Audit of Schilling Inc. or the Company that, if raised with respect to any other period not so audited, could be expected to result in a proposed deficiency for any period not so audited. Neither Schilling Inc. nor the Company has ever received any notice of any claim made by a Tax Authority in a jurisdiction where Schilling Inc. or the Company, as applicable, does not file a Tax Return, that Schilling Inc. or the Company, as applicable, is or may be subject to taxation by that jurisdiction. There are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any Taxes or deficiencies against Schilling Inc. or the Company, and no power of attorney granted by Schilling Inc. or the Company with respect to any Taxes or Tax Returns is currently in force. Neither Schilling Inc. nor the Company has any liability for or in respect of the Taxes of, or determined by reference to the Tax liability of, another Person. Neither Schilling Inc. nor the Company is a party to, bound by, obligated under, any Tax sharing agreement, Tax allocation agreement, Tax indemnification agreement, agreement where liability is determined by reference to the Tax liability of a third party, or any similar agreement, contract, or arrangement;

(e) Neither Schilling Inc. nor the Company has ever had a permanent establishment in any foreign country, as defined in any applicable Tax treaty or convention between the United States of America and such foreign country; and

(f) Neither Schilling Inc. nor the Company has ever engaged in any transaction that gives rise to: (i) a registration obligation under Section 6111 of the Code or the Treasury Regulations promulgated thereunder; (ii) a list maintenance obligation under Section 6112 of the Code or the Treasury Regulations promulgated thereunder; or (iii) a disclosure obligation as a "reportable transaction" under Section 6011 of the Code or the Treasury Regulations promulgated thereunder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Except as set forth in the SEC Documents of Purchaser filed since January 1, 2010, the Purchaser represents and warrants to each of the Sellers as of the date hereof as set forth below.

Section 3.1 Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Purchaser is duly qualified or licensed and in good standing to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except in such other jurisdictions where the failure to be so duly qualified or licensed and in good standing would not have a Purchaser Material Adverse Effect. For purposes of this Agreement, "Purchaser Material Adverse Effect" with respect to Purchaser means any event or occurrence that has had or could reasonably be expected

to have, individually or in the aggregate, a material adverse effect (i) on the business, capitalization, assets, liabilities, properties, results of operations or condition (financial or otherwise) of Purchaser, or (ii) that would prevent or materially alter or delay the Transaction or any of the other transactions contemplated hereby.

Section 3.2 Authority Relative to this Agreement. Purchaser has full power and corporate authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Board of Directors of Purchaser, and no other corporate proceedings on the part of Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. Purchaser has reserved the funds necessary to complete the Transaction and will not be required to obtain the approval of any Person to satisfy its financial obligations on the Closing Date. This Agreement, when executed and delivered by Purchaser, will constitute a valid and binding agreement of Purchaser enforceable in accordance with its terms, subject to (a) law of general application relating to specific performance, injunctive relief or other equitable remedies, (b) applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights generally and (c) federal or state laws limiting enforceability of the indemnification provisions in Article VI of this Agreement.

Section 3.3 No Conflict; Consent.

(a) No notice to, filing with, and no permit, authorization, consent or approval of any Governmental Entity or any private third party is necessary for the consummation by Purchaser of the transactions contemplated by this Agreement, except for (a) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable state securities laws and the securities laws of any foreign country; (b) such filings and approvals as may be required in any foreign jurisdiction; (c) such consents, approvals, orders, authorizations, registrations, declarations and filings as may have already been filed or obtained; and (d) such other consents, authorizations, filings, approvals and registrations which, if not obtained or made, could not be reasonably expected to have a Purchaser Material Adverse Effect.

(b) No consent, order, authorization, approval, declaration or filing is required on the part of Purchaser for or in connection with the execution, delivery or performance of this Agreement and the other agreements, documents and instruments of Purchaser contemplated hereby. Neither the execution and delivery of this Agreement by Purchaser, the consummation by Purchaser of the transactions contemplated hereby nor compliance by Purchaser with any of the provisions hereof will (i) conflict with or result in any breach of any provision of Purchaser's certificate of incorporation or bylaws, (ii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration or result in the creation of any Lien) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, permit, authorization, franchise, contract, agreement or other instrument or obligation to which Purchaser is a party or by which it or any of its properties or assets may be bound or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Purchaser, or its properties or assets.

Section 3.4 Litigation. There is no action, suit, proceeding, arbitration, investigation pending before any Government Entity or arbitration or mediation panel or, to Purchaser's Knowledge, threatened in which Purchaser is a party that challenges this Agreement or any of the transactions contemplated herein or could reasonably be expected to prevent, or materially alter or delay, any of the transactions contemplated by this Agreement.

Section 3.5 Investment Representations.

(a) Relationship to Company; Sophistication; Experience. Purchaser either (i) has a preexisting business or personal relationship with the Company and/or any of its officers, directors or controlling persons or (ii) the Purchaser has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective purchase of the Schilling Units.

(b) Restrictions on Transfer. Purchaser acknowledges that the Schilling Units must be held indefinitely unless subsequently registered under the Securities Act or the Company receives an opinion of counsel satisfactory to the Company that such registration is not required. Purchaser is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of securities purchased in a private placement subject to the satisfaction of certain conditions, including, among other things, the existence of a public market for the securities, the availability of certain current public information about the Company, the resale occurring not less than six months after a party has purchased and paid for the securities to be sold, and, in the case of sales by affiliates of the Company, the sale being made through a "broker's transaction" or a transaction directly with a "market maker" and the number of securities being sold during any three-month period not exceeding specified limitations. Purchaser further acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time Purchaser wishes to sell the Schilling Units and, if so, Purchaser would be precluded from selling the Schilling Units under Rule 144 even if the six-month minimum holding period has been satisfied.

(c) No Public Market. Purchaser understands that no public market now exists for the Units, that there can be no assurance that a public market will ever exist for the Units and that the Company is under no obligation to register the Units.

(d) Exemption from Registration. Purchaser further acknowledges that, in the event all of the requirements of Rule 144 are not met, compliance with another registration exemption will be required; and that, although Rule 144 is not exclusive, the staff of the SEC has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and other than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, that such persons and the brokers who participate in the transactions do so at their own risk, and that, therefore, there is no assurance that any exemption from registration under the Securities Act will be available or, if available, will allow such person to dispose of, or otherwise transfer, all or any portion of the Units.

(e) Access to Information. Purchaser has had an opportunity to discuss

the Company's business, management and financial affairs with the Company's management and the opportunity to inspect Company facilities and such books and records and material contracts as Purchaser deemed necessary to its determination to purchase the Schilling Units; *provided, however*, that such discussions or inspections shall not limit the ability of the Purchaser to seek recovery for Damages in accordance with Article VI.

(f) Purchaser's Liquidity. Purchaser (i) has no need for liquidity in Purchaser's investment, (ii) is able to bear the substantial economic risks of an investment in the Schilling Units for an indefinite period and (iii) at the present time, can afford a complete loss of such investment.

(g) Offer and Sale. Purchaser understands that the transfer of the Schilling Units has not been registered under the Securities Act in reliance upon an exemption therefrom. Purchaser was not offered or sold the Schilling Units, directly or indirectly, by means of any form of general solicitation or general advertisement, including (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or (ii) any seminar or other meeting whose attendees had been invited by general solicitation or general advertising.

(h) Risks. Purchaser is aware that the Schilling Units are highly speculative and that there can be no assurance as to what return, if any, there may be. Purchaser is aware that the Company may issue additional securities in the future which could result in the dilution of Purchaser's ownership interest in the Company.

(i) Reliance. Purchaser has not relied and is not relying on any warranties, representations or other statements whatsoever, whether written or oral (from or by any Seller, the Company or any Person acting on their behalf) other than those expressly set out in this Agreement.

(j) Investment Entity. Purchaser is authorized and otherwise duly qualified to purchase and hold the Schilling Units; such entity has its principal place of business as set forth in Section 8.4 hereof; and such entity has not been formed for the specific purpose of acquiring the Schilling Units.

(k) Accredited Investor. Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

ARTICLE IV

COVENANTS

Section 4.1 Company Property. If, after the Closing, any Seller owns or shall at any time hereafter acquire any rights in any assets, contracts or property relating to the Business,

such Seller shall, and hereby does, transfer all of its rights, title and interest in such assets, contracts or property to the Company for no additional consideration. Each Seller shall execute and deliver such additional documents and instruments and take such other actions as Purchaser shall reasonably request to give effect to the provisions of this Section 4.1.

Section 4.2 Tax Returns.

(a) Purchaser shall cause the Company to prepare the Tax Returns of the Company that are due after the Closing Date. With respect to any Company Federal and state income Tax Returns that are due after the Closing Date but that relate to periods ending prior to the Closing Date (a "Pre-Closing Tax Period"), however, Purchaser shall cause the Company to use McDougal & Co., Incorporated, Certified Public Accountants ("McDougal") to prepare those Federal and state income Tax Returns. Purchaser shall, at least ten (10) Business Days prior to the due date of such Tax Returns (after taking into account all extensions), cause the Company to provide copies of the proposed Federal and state income Tax Returns, prepared by McDougal for the Pre-Closing Tax Period, to Sellers for their review and approval, which may not be unreasonably withheld or delayed and, upon request, shall provide Sellers copies of such of the Company's books and records as are relevant to such Tax Returns. Purchaser shall be not be responsible for accuracy of said Tax Returns so long as said Tax Returns are filed in the manner prepared by McDougal (after giving effect to any reasonably acceptable changes proposed by the Sellers).

(b) No Party shall cause the Company to amend any Tax Returns for Pre-Closing Tax Period without the express approval of the other Parties, which approval may not be unreasonably withheld, delayed or conditioned.

ARTICLE V

CLOSING DELIVERABLES

Section 5.1 Closing Deliverables of Schilling Inc. and Schilling. At or prior to Closing, Schilling Inc. and Schilling shall deliver the following to Purchaser:

(a) An executed Assignment of Membership Interests evidencing the transfer of the Schilling Units to Purchaser, in substantially the form attached hereto as Exhibit A;

(b) An executed counterpart to the EBITDA Letter Agreement describing the calculations regarding the parties' respective EBITDA calculations, as required by the Unitholders Agreement;

(c) Evidence reasonably satisfactory to Purchaser that certain intangible property listed on Annex II to that certain Letter Agreement dated as of December 28, 2011, between Purchaser, Schilling Inc. and Schilling, has been transferred to the Company;

(d) All other consents and approvals required in order for the Sellers and the Company to consummate the Transaction, as required by the Unitholders Agreement;

(e) A certificate of good standing of Schilling Inc. from the Secretary of State of the State of Delaware and all other jurisdictions in which Schilling Inc. is required to do business; and

(f) A certificate executed by a duly authorized representative of each of the Sellers setting forth the amount of the Schilling Counsel Fees.

ARTICLE VI

INDEMNIFICATION

Section 6.1 Indemnification by the Sellers.

(a) Subject to the limitations set forth in this Article VI, the Sellers shall, jointly and severally, indemnify, hold harmless and reimburse Purchaser, the Affiliates of Purchaser and any employee, director, member, manager, officer, affiliate (other than the Company), or agent of the foregoing (the "Purchaser Indemnified Parties") for any demand, claim, payment, obligation, action or cause of action, assessment, loss, Tax, liability, damages (but excluding exemplary or punitive damages other than such damages arising in connection with or relating to patent or trademark laws or otherwise paid to any third party), reasonable cost or expense (including reasonable attorneys' fees and expenses for a single counsel representing Purchaser Indemnified Parties) or other damages (collectively, "Damages") which may be sustained or suffered by any such Purchaser Indemnified Parties arising from or relating to, directly or indirectly, or in connection with: (i) any inaccuracy in any of the warranties or representations set forth in Article II of this Agreement (including any Third Party Claim arising from or relating to this clause (a)(i)), (ii) any failure by any of the Sellers to perform or comply with any covenant or obligation in this Agreement (including any Third Party Claim arising from or relating to this clause (a)(ii)), (iii) any Schilling Inc. Taxes or (iv) any Schilling Counsel Fees to the extent not set forth on the certificate delivered pursuant to Section 5.1(f).

(b) Subject to the limitations set forth in this Article VI, Purchaser shall indemnify, hold harmless and reimburse each of the Sellers and their respective Affiliates and any employee, director, manager, officer, affiliate, relative, spouse or agent of the foregoing (the "Seller Indemnified Parties" and together with the Purchaser Indemnified Parties, the "Indemnified Parties.") for any Damages which may be sustained or suffered by any such Seller Indemnified Parties arising from or relating to, directly or indirectly, or in connection with: (i) any inaccuracy in any of the warranties or representations set forth in Article III of this Agreement (including any Third Party Claim arising from or relating to this clause (b)(i)), or (ii) any failure by Purchaser to perform or comply with any covenant or obligation in this Agreement (including any Third Party Claim arising from or relating to this clause (b)(ii)).

Section 6.2 Claims Procedure.

(a) Promptly after any Indemnified Party discovers circumstances or claims that would reasonably be expected to lead to Damages or any Damages actually incurred, including any Third Party Claims that might give rise to indemnification hereunder, such Indemnified Party shall promptly deliver to the Party alleged to be liable for indemnification hereunder (an "Indemnitor"), with a copy to each of the Sellers and Purchaser, a certificate signed by the Indemnified Party (a "Claim Certificate") that such Damages exist or are reasonably expected to occur and specifying in reasonable detail the individual items of such Damages included in the amount so stated, the date each such item was paid, or properly accrued or arose, and the nature of the misrepresentation or breach to which such item is related; *provided*, *however*, that an Indemnified Party's failure to send or delay in sending a Claim Certificate shall not relieve an Indemnitor from liability hereunder with respect to such Claim Certificate except to the extent and only to the extent the Indemnitor is materially prejudiced by such failure or delay (in each case, subject to any applicable time limitation on the delivery of a Claim Certificate in Section 6.5).

(b) The Indemnitor shall have fifteen (15) days after delivery of a Claim Certificate to object to any claim or claims made in such Claim Certificate in a written statement delivered to the Indemnified Party. In case the Indemnitor shall so object in writing to any claim or claims made by the Indemnified Party in the Claim Certificate, the Indemnified Party shall have fifteen (15) days to respond in a written statement to the objection of the Indemnitor. If after such second fifteen (15) day period there remains a dispute as to any claims, the Parties shall attempt in good faith for sixty (60) days to agree upon the rights of the respective Parties with respect to each of such claims. If the Parties should so agree, a memorandum setting forth such agreement shall be prepared and signed by the Indemnitor and the Indemnified Party.

(c) Claims for Damages specified in any Claim Certificate to which an Indemnitor shall not object in writing within fifteen (15) days of receipt thereof, claims for Damages covered by a memorandum of agreement of the nature described in Section 6.2(b), claims for Damages the validity and amount of which have been the subject of final determination as described in Section 6.3 and claims for Damages the validity and amount of which shall have been the subject of a final judicial determination (or shall have been settled with the consent of the Indemnifying Party) as described in Section 6.3 are hereinafter referred to as "Agreed Claims".

(d) Subject to Section 6.7, within ten (10) Business Days after the determination of the amount of any Agreed Claims, the Indemnitor shall pay to the Indemnified Party an amount equal to the Agreed Claim by wire transfer of immediately available funds to the bank account or accounts designated in writing by the Indemnified Party not less than three (3) Business Days prior to such payment.

Section 6.3 Resolution of Conflicts and Arbitration.

(a) If no agreement can be reached with respect to any claim for Damages under this Article VI after good faith negotiation by the Parties pursuant to Section 6.2(b), any Party may, by written notice to the other Parties, demand arbitration of the matter unless the amount of the Damages is at issue in pending litigation with a third party, in which event arbitration shall not

be commenced until such amount is ascertained or the Parties agree to arbitration; such arbitration shall be administered by the Center for Public Resources Institute for Conflict Prevention and Resolution (the "CPR") in accordance with its then prevailing Rules for Non-Administered Arbitration of Business Disputes, by an arbitrator or arbitrators as selected and described in Section 6.3(b). The arbitrator(s) shall set a limited time period and establish procedures designed to reduce the cost and time for discovery while allowing the Parties an opportunity, adequate in the sole judgment of the arbitrator(s), to discover relevant information from the opposing Parties about the subject matter of the dispute. The arbitrator(s) shall rule upon motions to compel or limit discovery and shall have the authority to impose sanctions, including, without limitation, attorneys' fees and costs, to the same extent as a court of competent jurisdiction, should the arbitrator(s) determine that discovery was sought without substantial justification or that discovery was refused or objected to without substantial justification. The decision of the arbitrator(s) shall be written, shall be in accordance with applicable law, including, without limitation, the United States Arbitration Act, 9 U.S.C. § 1 *et seq.* (the "USAA"), and with this Agreement, and shall be supported by written findings of fact and conclusions of law which shall set forth the basis for such decision. The decision of the arbitrator(s) as to the validity and amount of any claim in any Claim Certificate shall be final and not subject to judicial review and judgment thereon may be entered in any court of competent jurisdiction, and the Parties shall be entitled to act in accordance with such decision.

(b) For all disputes for which the aggregate disputed dollar amount is equal to or less than $3,000,000, the Parties shall agree upon a single arbitrator to oversee such dispute. If the Parties cannot agree on such arbitrator within 20 days after submitting the dispute for arbitration, then the dispute shall be managed by a single independent arbitrator to be chosen by the CPR. For all disputes for which the aggregate disputed dollar amount exceeds $3,000,000, such dispute shall be managed and ruled upon by a panel of three arbitrators. Purchaser and Schilling Inc. shall each name one of the arbitrators, and the third arbitrator shall be chosen by Purchaser and Schilling Inc. or, if Purchaser and Schilling Inc. cannot agree on such arbitrator within 20 days after submitting the dispute for arbitration, then the third arbitrator shall be an independent arbitrator selected by the CPR.

(c) Any arbitration under this Article VI shall be governed by the USAA and shall be held in Wilmington, Delaware. The non-prevailing Party to an arbitration shall pay its own expenses, the fees of the arbitrator, any fees and expenses of the CPR, and the expenses, including attorneys' fees and costs, reasonably incurred by the other Party to the arbitration.

Section 6.4 Third Party Claims. Promptly after receipt by an Indemnified Party of notice of the commencement of any action or demand or claim by a third party (a "Third Party Claim") which may give rise to Damages, the Indemnitor may assume and diligently pursue the defense thereof with counsel reasonably satisfactory to such Indemnified Party and the Indemnified Party shall cooperate in all reasonable respects in such defense. The Indemnified Party shall have the right to employ separate counsel in any action or claim and to participate in the defense thereof; *provided, however*, that the fees and expenses of counsel employed by the Indemnified Party shall be at the expense of the Indemnitor only if such counsel is retained pursuant to the following sentence or if the employment of such counsel has been specifically authorized by the Indemnitor, and *provided, further*, that in the event there are multiple Indemnified Parties in any matter the Indemnitor

shall be obligated to pay the fees and expenses of only one counsel unless an Indemnified Party has been advised in writing by counsel that there may be one or more legal defenses available to the Indemnified Party which are not available to the other Indemnified Parties. If the Indemnitor does not notify the Indemnified Party within fifteen (15) days after receipt of the Claim Certificate (or such shorter period of time if the Indemnified Party is required to take action by applicable law) that the Indemnitor elects to undertake the defense thereof, the Indemnified Party or if the named parties to any such action (including any impleaded parties) include both such Indemnified Party and the Indemnitor and such Indemnified Party shall have been advised in writing by such counsel that there may be one or more legal defenses available to the Indemnified Party which are not available to the Indemnitor, or available to the Indemnitor, but the assertion of which would be adverse to the interests of the Indemnitor, shall have the right to defend at the expense of the Indemnitor the claim with counsel of its choosing. Prior to any settlement, the Indemnified Party shall send a written notice to the Indemnitor of any proposed settlement of any claim, which settlement the Indemnitor may reject, in its reasonable judgment within fifteen (15) days of receipt of such notice. Failure to reject such notice within such fifteen (15)-day period shall be deemed an acceptance of such notice. Whether the Indemnified Party, on the one hand, or the Indemnitor, on the other hand, shall have undertaken the defense of a Third Party Claim, such Person that has undertaken the defense of a Third Party Claim shall not admit any liability with respect to, consent to the entry of any judgment, or settle, compromise or discharge, any Third Party Claim without the prior written consent of the Indemnitor or the Indemnified Party, respectively (which consent in either case shall not be unreasonably withheld, delayed or conditioned). So long as the Indemnitor is conducting the defense of any Third Party Claim in accordance with the terms hereof, the Indemnified Party agrees that Indemnitor shall have full and complete control over the conduct of such proceeding.

Section 6.5 Indemnity Period. No claim for indemnification under Section 6.1(a)(i) or Section 6.1(b)(i) of this Agreement may be made unless a Claim Certificate is given by the Party seeking such indemnification to the Party from whom indemnification is sought on or prior to April 1, 2013; *provided, however*, that the indemnity period for claims for indemnification from and against Damages arising, directly or indirectly, from or in connection with: (i) any inaccuracy in any of the warranties or representations contained in Sections 2.1 (Title), 2.2 (Organization and Authority), 2.3 (Capitalization), 2.4 (No Conflict; Consent), 2.5 (Validity and Enforceability), 2.7 (No Other Activities), 3.1 (Organization), 3.2 (Authority Relative to this Agreement) and 3.3 (No Conflict; Consent) will survive indefinitely and (ii) any inaccuracy in any of the warranties or representations contained in Sections 2.8 (Taxes), or any fraud or intentional misrepresentation shall survive until thirty (30) days after the applicable statute of limitations and (iii) Schilling Inc. Taxes shall survive until thirty (30) days after the applicable statute of limitations.

Section 6.6 Indemnification Basket.

(a) The provisions for indemnity contained in Section 6.1(a)(i) shall become effective only in the event that the aggregate amount of all Agreed Claims for which Schilling Inc. and Schilling are liable under this Article VI exceeds in the aggregate $500,000 (the "Indemnification Basket"), and then only for the amount by which such Agreed Claims exceed the Indemnification Basket; *provided, however*, that once Agreed Claims with respect to

indemnification from and against Damages arising, directly or indirectly, from or in connection with any inaccuracy in any of the warranties or representations of Schilling Inc. contained in Section 2.8 (Taxes) or Section 6.1(a)(iii) exceed the Indemnification Basket, Purchaser shall be entitled to indemnification for such Agreed Claims for the aggregate amount of all such Agreed Claims, regardless of the Indemnification Basket, and *provided, further*, that the Indemnification Basket shall not apply to any claim for indemnification from and against Damages arising, directly or indirectly, from or in connection with: (i) any inaccuracy in any of the warranties or representations of Schilling Inc. contained in Sections 2.1 (Title), 2.2 (Organization and Authority), 2.3 (Capitalization), 2.4 (No Conflict; Consent), 2.5 (Validity and Enforceability), 2.7 (No Other Activities), or (ii) any fraud or intentional misrepresentation by the Indemnitor.

(b) The provisions for indemnity contained in Section 6.1(b)(i) shall become effective only in the event that the aggregate amount of all indemnifiable damages for which Purchaser is liable under this Article VI exceeds the Indemnification Basket, and then only for the amount by which such indemnifiable damages exceed the Indemnification Basket; *provided, however*, that the Indemnification Basket shall not apply to any claim for indemnification from and against Damages arising, directly or indirectly, from or in connection with (i) any inaccuracy in any of the warranties or representations of Purchaser contained in Sections 3.1 (Organization), 3.2 (Authority Relative to this Agreement) or 3.3 (No Conflict; Consent) or (ii) any fraud or intentional misrepresentation by the Purchaser.

Section 6.7 Limitations on Indemnity. The Indemnified Parties entitlement to recover any Damages pursuant to Sections 6.1(a) and (b) shall be limited by the provisions of this Section 6.7 as follows:

(a) With respect to any Agreed Claims for indemnification from and against Damages arising, directly or indirectly, from or in connection with (i) any inaccuracy in any of the warranties or representations of the Sellers contained in Article II, (ii) any claims pursuant to Section 6.1(a)(iii) or (iii) any fraud or intentional misrepresentation by any of the Sellers (collectively, the "Excluded Claims"), the maximum aggregate amount payable with respect to such Agreed Claims shall be the Purchase Price.

(b) With respect to any Agreed Claims for indemnification from and against Damages arising, directly or indirectly, from or in connection with (i) any inaccuracy in any of the warranties or representations of Purchaser contained in Article III and (ii) and any fraud or intentional misrepresentation by Purchaser, the maximum aggregate amount payable with respect to such Agreed Claims shall be the Purchase Price.

Section 6.8 Contribution. To the extent amounts related to Agreed Claims are paid by Schilling or Schilling Inc., Schilling or Schilling Inc., as the case may be, shall not be entitled to recover such amounts by contribution from the Company. The Parties acknowledge and agree that Schilling shall be prohibited from seeking indemnification from the Company or any indemnification agreement between Schilling and the Company as a result of the payment by Schilling of any Agreed Claims under this ARTICLE VI.

Section 6.9 Exclusive Remedy. After the Closing, absent fraud or intentional

misrepresentation, the provisions of this Article VI shall be the sole and exclusive remedy of the Parties for any Damages incurred by any Indemnified Party.

ARTICLE VII

DEFINITIONS AND INTERPRETATION

Section 7.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly requires otherwise:

"Affiliate" shall have the meaning set forth in Rule 12b-2 of the Exchange Act.

"Agreed Claims" shall have the meaning set forth in Section 6.2(c) hereof.

"Agreement" or "this Agreement" shall mean this Purchase Agreement, together with the Exhibits hereto.

"Audit" or "Audits" shall mean any audit, assessment, or other examination relating to Taxes by any Tax Authority or any judicial or administrative proceedings relating to Taxes.

"Business" shall mean the business of the Company and its Subsidiaries, taken as a whole, as conducted and currently contemplated to be conducted.

"Business Day" shall mean any day other than a Saturday, a Sunday or a holiday on which banks in the State of California are closed for business.

"Claim Certificate" shall have the meaning set forth in Section 6.2(a) hereof.

"Class A Units" shall have the meaning ascribed to such term in the Operating Agreement.

"Class A-1 Units" shall have the meaning ascribed to such term in the Operating Agreement.

"Closing" shall mean the closing referred to in Section 1.1 hereof.

"Closing Date" shall have the meaning set forth in Section 1.1 hereof.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended.

"Company" shall have the meaning set forth in the preamble hereto.

"Company Material Adverse Effect" shall have the meaning set forth in Section 2.2 hereof.

"CPR" shall have the meaning set forth in Section 6.3(a).

"Damages" shall have the meaning set forth in Section 6.1 hereof.

"EBITDA" shall have the meaning given such term in the Unitholders Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"FMC Units" shall have the meaning set forth in the Recitals hereof.

"Governmental Entity" shall have the meaning set forth in Section 2.4(a) hereof.

"Indemnified Parties" shall have the meaning set forth in Section 6.1(b) hereof.

"Indemnification Basket" shall have the meaning set forth in Section 6.6(a) hereof.

"Indemnitor" shall have the meaning set forth in Section 6.2(a) hereof.

"Knowledge" with respect to Schilling Inc. shall mean the knowledge of Tyler Schilling and each officer of Schilling Inc., the Company or any Subsidiary with a title of Vice President or above after due inquiry, with respect to Schilling shall mean the knowledge of Tyler Schilling after due inquiry, and with respect to Purchaser shall mean the knowledge of each officer of Purchaser, with a title of Vice President or above after due inquiry.

"Lien" shall have the meaning set forth in Section 2.4(b) hereof.

"McDougal" shall have the meaning set forth in Section 4.2(a) hereof.

"Multiple" shall have the meaning given such term in the Unitholders Agreement.

"Newco" shall have the meaning set forth in the Recitals hereof.

"Net Debt" shall have the meaning given such term in the Unitholders Agreement.

"Operating Agreement" means the Amended and Restated Operating Agreement of Schilling Robotics, LLC, dated as of December 26, 2008 and in effect as of the date hereof.

"Party" and "Parties" shall have the meanings set forth in the preamble hereto.

"Person" shall mean a natural person, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Entity or other entity or organization.

"Pre-Closing Tax Period" shall have the meaning set forth in Section 4.2(a) hereof.

"Proposed Calculation" shall have the meaning set forth in Section 1.4(a).

"Purchase Price" shall have the meaning set forth in Section 1.3.

"Purchaser" shall have the meaning set forth in the preamble hereto.

"Purchaser Indemnified Party" shall have the meaning set forth in Section 6.1(a) hereof.

"Purchaser Material Adverse Effect" shall have the meaning set forth in Section 3.1 hereof.

"Schilling" shall have the meaning set forth in the preamble hereto.

"Schilling Counsel Fees" shall have the meaning given such term in the Unitholders Agreement.

"Schilling Inc." shall have the meaning set forth in the preamble hereto.

"Schilling Inc. Taxes" shall mean any liability for Taxes of the Company (to the extent of Sellers' allocable portion of such Taxes in accordance with Section 5.5 of the Operating Agreement), Schilling Inc., Schilling or a stockholder of Schilling Inc. with respect to Taxes attributable to periods (or portions of periods) ending on or before the Closing Date. For the avoidance of doubt, Schilling Inc. Taxes includes (i) any Taxes arising from the Transaction, and (ii) any obligation of the Company or Schilling Inc. to pay any amounts that relate to the Schilling Inc. Tax liability of Schilling or any stockholder of Schilling Inc.

"Schilling Units" shall have the meaning set forth in the Recitals hereof.

"SEC" means the U.S. Securities and Exchange Commission.

"SEC Documents" means those documents filed with the SEC pursuant to the Securities Act or the Exchange Act.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Securities Purchase Agreement" shall have the meaning set forth in the Recitals hereof.

"Seller Indemnified Parties" shall have the meaning set forth in Section 6.1(b) hereof.

"Subsidiary" means each subsidiary of the Company.

"Tax" or "Taxes" means any taxes, assessments, fees, unclaimed property and escheat obligations and other governmental charges imposed by any Governmental Entity, including income, profits, gross receipts, gains, net proceeds, net worth, alternative or add on minimum, ad valorem, value added, turnover, sales, use, property, personal property (tangible and intangible), environmental, stamp, leasing, lease, user, excise, duty, franchise, capital stock, transfer, registration, license, withholding, social security (or similar), unemployment, workers compensation, disability, payroll, employment, social contributions, fuel, excess profits, occupancy, occupational, premium, windfall profit, severance, estimated, or other charge of any kind whatsoever, including any interest,

penalty, or addition thereto, whether disputed or not.

"Tax Authority" means the Internal Revenue Service and any other domestic or foreign governmental authority responsible for the collection and administration of any Taxes.

"Tax Returns" mean all federal, state, local, and foreign tax returns, declarations, statements, claims for refunds, reports, schedules, forms, and information returns and any amendments thereto.

"Third Party Claim" shall have the meaning set forth in Section 6.4 hereof.

"Transaction" shall have the meaning set forth in the Recitals hereof.

"Transaction Expenses" shall have the meaning set forth in Section 8.1 hereof.

"Unitholders Agreement" shall have the meaning set forth in the Recitals hereof.

"Units" means the Class A Units and the Class A-1 Units.

"USAA" shall have the meaning set forth in Section 6.3(a).

"Voting Debt" shall have the meaning set forth in Section 2.3(b) hereof.

Section 7.2 Interpretation.

(a) When a reference is made in this Agreement to a section or article, such reference shall be to a section or article of this Agreement unless otherwise clearly indicated to the contrary.

(b) Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(c) The words "hereof", "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified.

(d) The plural of any defined term shall have a meaning correlative to such defined term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(e) A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(f) A reference to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefor

and all regulations and statutory instruments issued thereunder or pursuant thereto.

(g) The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Survival. Except as otherwise specifically provided in Article VI of this Agreement, the representations, warranties, covenants and agreements made by the Sellers herein shall survive any investigation made by Purchaser and the closing of the transactions contemplated hereby. All statements as to factual matters contained in any certificate or other instrument delivered by or on behalf of any of the Sellers pursuant to this Agreement shall be deemed to be representations and warranties by such Seller hereunder.

Section 8.2 Fees and Expenses. Except as specifically provided to the contrary in this Agreement, all fees, costs and expenses (including but not limited to, all brokers' fees, data room costs and the fees, costs and expenses of legal counsel, financial advisors and accountants and all fees and expenses incurred in connection with the antitrust matters in foreign jurisdictions), incurred or accelerated in connection with this Agreement and the consummation of the Transaction or any of the other transactions contemplated hereby (the "Transaction Expenses") shall be paid by the Party incurring such expenses.

Section 8.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of Purchaser and the Sellers.

Section 8.4 Notices. All notices and other communications hereunder shall be in writing (and shall be deemed given upon receipt) if delivered personally, sent by facsimile transmission (receipt of which is confirmed) or by mail to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

(a) if to Schilling Inc., to

SCHILLING ROBOTICS, INC.
260 Cousteau Place
Davis, CA 95618
Attention: Tyler Schilling
Facsimile No.: (530) 753-8092

with a copy to

DLA PIPER LLP (US)
400 Capitol Mall, Suite 2400
Sacramento, CA 95814
Attention: Gilles S. Attia
Facsimile No.: (916) 930-3201

(b) if to Schilling, to

Tyler Schilling
c/o SCHILLING ROBOTICS, INC.
260 Cousteau Place
Davis, CA 95616
Facsimile No.: (530) 753-8092

(c) if to Purchaser, to

FMC TECHNOLOGIES, INC.
1803 Gears Road
Houston, TX 77067
Attention: General Counsel
Facsimile No.: (281) 591-4102

with a copy to

Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, TX 77002
Attention: W. Matthew Strock
Facsimile No.: (713) 615-5650

Section 8.5 Descriptive Headings. The descriptive headings herein are inserted for convenience only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 8.6 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective

when two or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart.

Section 8.7 Entire Agreement. This Agreement (including the Exhibits attached hereto) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

Section 8.8 Assignment. This Agreement shall not be assigned by operation of law or otherwise except that Purchaser may assign, in its sole discretion, (i) its indemnification and other rights hereunder to any bank or other financial institution which is or becomes a lender to Purchaser or the Company or any of their respective successors and assigns, (ii) any or all of its rights, interests and obligations to any Person acquiring a material portion of the assets, business or securities of the Company or Purchaser, whether by merger, consolidation, sale of assets or otherwise, or (iii) any or all of its rights, interests and obligations hereunder to any direct or indirect wholly or majority owned subsidiary or Affiliate of Purchaser; *provided*, *however*, that such assignment pursuant to this clause (iii) shall not relieve Purchaser of its obligations hereunder.

Section 8.9 Governing Law; Forum. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware without regard to any applicable principles of conflicts of law. Any judicial proceeding arising out of or relating to this Agreement shall be brought in the courts of the State of Delaware, and, by execution and delivery of this Agreement, each of the Parties to this Agreement accepts the exclusive jurisdiction of such courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each of the Parties further agrees that a summons and complaint commencing an action or proceeding in any of such courts shall be properly served and shall confer personal jurisdiction if served to it at the address and in the manner set forth in Section 8.4 or as otherwise provided under the laws of the State of Delaware. This provision may be filed with any court as written evidence of the knowing and voluntary irrevocable agreement between the Parties to waive any objections to jurisdiction, to venue or to convenience of forum. The foregoing consents to jurisdiction and appointments of agents to receive service of process shall not constitute general consents to service of process in the State of Delaware for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective Parties to this Agreement.

Section 8.10 Specific Performance. The Parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

Section 8.11 Parties in Interest. Except as set forth in Section 6.1 hereof, this Agreement shall be binding upon and inure solely to the benefit of each Party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person or Persons any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

Section 8.12 Severability. This Agreement shall be interpreted in such a manner

as to be effective and valid under applicable law, but if any provision hereof shall be prohibited or invalid under any such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating or nullifying the remainder of such provision or any other provisions of this Agreement. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, such provisions shall be construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by applicable law.

Section 8.13 Waiver of Jury Trial. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

SELLERS:

SCHILLING ROBOTICS, INC.

/s/ Tyler Schilling
By: Tyler Schilling
Its: Chief Executive Officer

/s/ Tyler Schilling
Tyler Schilling

PURCHASER:

FMC TECHNOLOGIES, INC.
Principal Place of Business:

/s/ Jeffrey W. Carr
By: Jeffrey W. Carr
Its: Vice President, General Counsel & Secretary

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EXHIBIT A

FORM OF

ASSIGNMENT OF MEMBERSHIP INTERESTS

This Assignment of Membership Interests (this "***Assignment***") is made and entered into as of April 25, 2012, by and between **[__________]**, a **[__________]** ("***Assignor***"), and **FMC Technologies, Inc.**, a Delaware corporation ("***Assignee***").

WITNESSETH:

WHEREAS, Assignor owns [ ] Class A Units (as defined in the Amended and Restated Operating Agreement of Schilling Robotics, LLC, a Delaware limited liability company (the "***Company***"), dated as of December 26, 2008), which Class A Units represent all of the issued and outstanding membership interests in the Company owned by Assignor;

WHEREAS, pursuant to the Securities Purchase Agreement dated as of April 25, 2012 (the "***Purchase Agreement***") by and among Assignor, Assignee and **[__________]**, (as defined in the Purchase Agreement), Assignor has agreed to sell to Assignee, and Assignee has agreed to purchase from Assignor, all of the Class A Units owned by Assignor (the "***Subject Interests***"); and

WHEREAS, capitalized terms used herein but not otherwise defined in this Assignment shall have the meanings ascribed to them in the Purchase Agreement.

NOW, THEREFORE, for and in consideration of the above stated premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the parties hereto do hereby agree as follows:

1 . Assignment. Assignor hereby sells, assigns, transfers and conveys to Assignee, its successors and assigns, to have and to hold forever, and Assignee hereby accepts, effective as of the Closing, all of Assignor's right, title and interest in and to the Subject Interests.

2 . Successor and Assigns. This Assignment may not be assigned by either party hereto without the prior written consent of the other party hereto. Subject to the foregoing, this Assignment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

3 . Entire Agreement. This Assignment, together with the Purchase Agreement, supersedes any prior or contemporaneous understandings or agreements between the parties hereto respecting the subject matter hereof and constitute the entire understanding and agreement between such parties with respect to the assignment of the Subject Interests. In the event of a conflict or inconsistency between the terms and conditions of this Assignment and the Purchase Agreement, the terms and conditions of the Purchase Agreement shall control.

4. Governing Law. This Assignment shall be governed by and construed in accordance

with the laws of the State of Delaware without regard to any conflict or choice of law principles that would apply the substantive law of another jurisdiction.

5 . Counterparts. This Assignment may be executed in any number of counterparts and by each party hereto on separate counterparts, all of which together shall for all purposes constitute one agreement, binding on all parties hereto, notwithstanding that all the parties hereto have not signed the same counterpart. Facsimile or scanned and emailed transmission of any signed original counterpart of this Assignment or retransmission of any signed facsimile or scanned and emailed transmission of any such counterpart will be deemed the same as delivery of an original counterpart. At the request of either party hereto, the other party hereto will confirm facsimile or scanned and emailed transmission by signing a duplicate original counterpart of this Assignment.

[REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Assignment has been duly executed by each of the parties hereto as of the date and year first above written.

ASSIGNOR:

[ ]

By:____________
Name:
Title:

ASSIGNEE:

FMC TECHNOLOGIES, INC.

By:____________
Name:
Title:

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934

I, John T. Gremp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FMC Technologies, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 27, 2012

/s/ John T. Gremp

John T. Gremp
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Maryann T. Seaman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of FMC Technologies, Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 27, 2012

/s/ Maryann T. Seaman

Maryann T. Seaman
Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
UNDER SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002, 18 U.S.C. 1350**

I, John T. Gremp, Chairman, President and Chief Executive Officer of FMC Technologies, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended June 30, 2012, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 27, 2012

/s/ John T. Gremp

John T. Gremp
Chairman, President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
UNDER SECTION 906 OF THE SARBANES-OXLEY
ACT OF 2002, 18 U.S.C. 1350**

I, Maryann T. Seaman, Senior Vice President and Chief Financial Officer of FMC Technologies, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(a) the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended June 30, 2012, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 27, 2012

/s/ Maryann T. Seaman

Maryann T. Seaman
Senior Vice President and Chief Financial Officer

(Principal Financial Officer)