

FMC TECHNOLOGIES INC
Form 10-Q
August 08, 2007

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, 2007

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
(State or other jurisdiction of
incorporation or organization)

36-4412642
(I.R.S. Employer
Identification No.)

1803 Gears Road, Houston, Texas
(Address of principal executive offices)

(281) 591-4000

77067
(Zip code)

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(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

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 31, 2007
Common Stock, par value \$0.01 per share	64,785,121

PART I FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**FMC Technologies, Inc. and Consolidated SubsidiariesConsolidated Statements of Income (Unaudited)

(In millions, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Revenue	\$ 1,152.7	\$ 949.2	\$ 2,132.6	\$ 1,775.8
Costs and expenses:				
Cost of sales	916.0	764.6	1,684.1	1,412.2
Selling, general and administrative expense	112.8	101.5	218.1	197.3
Research and development expense	14.0	11.6	29.5	23.4
Total costs and expenses	1,042.8	877.7	1,931.7	1,632.9
Net gain (loss) on disposal of assets	0.5	(0.1)	2.8	0.1
Minority interests	0.1	(0.3)	(0.4)	(1.1)
Income before net interest expense and income taxes	110.5	71.1	203.3	141.9
Net interest expense	(3.7)	(2.3)	(5.6)	(3.8)
Income before income taxes	106.8	68.8	197.7	138.1
Provision for income taxes	33.7	23.0	62.9	49.2
Income from continuing operations	73.1	45.8	134.8	88.9
Income (loss) from discontinued operations, net of tax	(0.3)	19.7	(0.7)	23.6
Net income	\$ 72.8	\$ 65.5	\$ 134.1	\$ 112.5
Basic earnings per share (Note 2):				
Income from continuing operations	\$ 1.12	\$ 0.67	\$ 2.04	\$ 1.29
Income (loss) from discontinued operations		0.28	(0.01)	0.35
Basic earnings per share	\$ 1.12	\$ 0.95	\$ 2.03	\$ 1.64
Diluted earnings per share (Note 2):				
Income from continuing operations	\$ 1.10	\$ 0.65	\$ 2.00	\$ 1.26
Income (loss) from discontinued operations		0.28	(0.01)	0.34
Diluted earnings per share	\$ 1.10	\$ 0.93	\$ 1.99	\$ 1.60
Weighted average shares outstanding (Note 2):				
Basic	65.1	68.7	66.2	68.7
Diluted	66.4	70.4	67.5	70.4

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

FMC Technologies, Inc. and Consolidated SubsidiariesConsolidated Balance Sheets

(In millions, except per share data)

	June 30, 2007 (Unaudited)	December 31, 2006
Assets:		
Current assets:		
Cash and cash equivalents	\$ 167.4	\$ 79.5
Trade receivables, net of allowances of \$8.9 in 2007 and \$9.3 in 2006	996.6	903.4
Inventories (Note 3)	698.8	588.6
Prepaid expenses	38.5	28.1
Other current assets	102.7	76.1
Assets of discontinued operations	6.1	14.5
Total current assets	2,010.1	1,690.2
Investments	30.7	26.0
Property, plant and equipment, net of accumulated depreciation of \$518.4 in 2007 and \$488.4 in 2006	470.4	445.7
Goodwill	167.8	122.8
Intangible assets, net	90.3	64.6
Deferred income taxes	76.7	72.1
Other assets	128.5	66.4
Total assets	\$ 2,974.5	\$ 2,487.8
Liabilities and stockholders' equity:		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 75.5	\$ 5.8
Accounts payable, trade and other	460.7	422.7
Advance payments and progress billings	628.9	448.1
Other current liabilities	265.9	279.8
Income taxes payable	35.3	29.8
Current portion of accrued pension and other postretirement benefits	6.0	6.0
Deferred income taxes	19.6	11.1
Liabilities of discontinued operations	4.3	4.9
Total current liabilities	1,496.2	1,208.2
Long-term debt, less current portion	357.4	212.6
Accrued pension and other postretirement benefits, less current portion	99.5	97.8
Other liabilities	153.2	74.9
Minority interests in consolidated companies	7.0	8.3
Redeemable securities (Note 11)	10.0	
Commitments and contingent liabilities (Note 13)		
Stockholders' equity (Note 12):		
Preferred stock, \$0.01 par value, 12.0 shares authorized; no shares issued in 2007 or 2006		
Common stock, \$0.01 par value, 195.0 shares authorized; 71.6 and 71.4 shares issued in 2007 and 2006, respectively; 64.7 and 67.3 shares outstanding in 2007 and 2006, respectively	0.7	0.7
Common stock held in employee benefit trust, at cost; 0.1 shares outstanding in 2007 and 2006	(4.2)	(4.5)
Common stock held in treasury, at cost; 6.8 and 4.0 shares in 2007 and 2006, respectively	(394.1)	(195.9)
Capital in excess of par value of common stock	722.2	728.4
Retained earnings	602.9	469.5
Accumulated other comprehensive loss	(76.3)	(112.2)

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Total stockholders' equity	851.2	886.0
Total liabilities and stockholders' equity	\$ 2,974.5	\$ 2,487.8

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

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

(In millions)

	Six Months Ended	
	June 30,	
	2007	2006
Cash provided (required) by operating activities of continuing operations:		
Income from continuing operations	\$ 134.8	\$ 88.9
Adjustments to reconcile income to cash provided (required) by operating activities of continuing operations:		
Depreciation	30.9	27.6
Amortization	9.7	6.4
Employee benefit plan costs	30.1	26.9
Deferred income tax provision (benefit)	5.4	
Net gain on disposal of assets	(2.8)	(0.1)
Other	(4.0)	6.0
Changes in operating assets and liabilities, net of effects of acquisitions:		
Trade receivables, net	(71.1)	(16.7)
Inventories	(103.5)	(101.7)
Accounts payable, trade and other	20.7	(8.3)
Advance payments and progress billings	165.9	(7.1)
Other current assets and liabilities, net	(60.1)	(26.3)
Other assets and liabilities, net	(14.1)	1.7
Income taxes payable	(8.3)	10.5
Accrued pension and other postretirement benefits, net	(8.1)	(7.2)
Cash provided by operating activities of continuing operations	125.5	0.6
Net cash provided by discontinued operations — operating	5.4	16.9
Cash provided by operating activities	130.9	17.5
Cash provided (required) by investing activities:		
Capital expenditures	(71.3)	(61.2)
Acquisitions, net of cash acquired	(44.9)	
Proceeds from disposal of assets	63.7	1.1
Other		1.2
Cash required by investing activities of continuing operations	(52.5)	(58.9)
Net cash provided by discontinued operations — investing		0.2
Cash required by investing activities	(52.5)	(58.7)
Cash provided (required) by financing activities:		
Net increase in short-term debt and current portion of long-term debt	69.6	1.0
Net increase in commercial paper	137.8	
Proceeds from issuance of long-term debt	6.9	8.3
Proceeds from exercise of stock options	6.9	18.8
Purchase of treasury stock	(224.1)	(40.2)
Excess tax benefits	9.3	13.5
Other	0.3	(0.7)
Cash provided by financing activities	6.7	0.7

Effect of exchange rate changes on cash and cash equivalents	2.8	1.0
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