AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 4, 2001

REGISTRATION NO. 333-55920

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FMC TECHNOLOGIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	3533	36-4412642
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

200 EAST RANDOLPH DRIVE
CHICAGO, ILLINOIS 60601
(312) 861-6000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

WILLIAM H. SCHUMANN III
SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
FMC TECHNOLOGIES, INC.
200 EAST RANDOLPH DRIVE
CHICAGO, ILLINOIS 60601
(312) 861-6000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

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FMC CORPORATION	WACHTELL, LIPTON, ROSEN & KATZ	VINSON & ELKINS L.L.P.
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(312) 861-6000	(212) 403-1000	HOUSTON, TEXAS 77002-6760
		(713) 758-2222

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d)

under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(A), MAY DETERMINE.

EXPLANATORY NOTE

This registration statement contains two forms of prospectus to be used in connection with the offering of common stock, par value $.01 per share, of FMC Technologies, Inc.: one to be used in connection with an underwritten offering of the common stock in the United States and Canada and one to be used in a concurrent international offering of the common stock. The U.S. prospectus for the offering in the United States and Canada follows immediately after this explanatory note. After the U.S. prospectus are the alternate pages for the international prospectus. A copy of the complete U.S. prospectus and international prospectus in the forms in which they are used after effectiveness will be filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933, as amended.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED APRIL 4, 2001

PROSPECTUS

11,050,000 SHARES

FMC TECHNOLOGIES, INC.

COMMON STOCK

This is FMC Technologies, Inc.'s initial public offering. FMC Technologies is selling all of the shares. The U.S. underwriters are offering 8,840,000 shares in the U.S. and Canada, and the international managers are offering 2,210,000 shares outside the U.S. and Canada.

We expect the public offering price to be between $18 and $22 per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the New York Stock Exchange under the symbol "FTI."

INVESTING IN THE COMMON STOCK INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 10 OF THIS PROSPECTUS.

PER SHARE TOTAL

Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to FMC Technologies	$	$

The U.S. underwriters may also purchase up to an additional 1,326,000 shares from FMC Technologies at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments. The international managers may similarly purchase up to an additional 331,500 shares from FMC Technologies.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2001.

MERRILL LYNCH & CO.

CREDIT SUISSE FIRST BOSTON

SALOMON SMITH BARNEY

BANC OF AMERICA SECURITIES LLC

The date of this prospectus is , 2001.

[GRAPHIC: DEPICTION OF ENERGY SYSTEMS' SYSTEMS DEPLOYED OFFSHORE IN SURFACE AND SUBSEA APPLICATIONS]

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus or other date stated in this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

FMC Technologies, Inc., the logo and other trademarks, trade names and service marks of FMC Technologies mentioned in this prospectus, including Jetway(R), are the property of, or are licensed by, FMC Technologies, FMC Corporation or a subsidiary of FMC Technologies or FMC Corporation.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors" and combined financial statements and related notes. The terms "we," "us," "our" and "FMC Technologies" refer to the issuer in this offering and our predecessor, the Energy Systems and Specialty Systems businesses of FMC Corporation. The term "FMC Corporation" refers to FMC Corporation, a Delaware corporation. This prospectus gives effect to the expected execution of intercompany agreements between FMC Technologies and FMC Corporation. Unless we specifically state otherwise, the information in this prospectus does not take into account the possible issuance of up to 1,657,500 additional shares of our common stock, which the underwriters have the option to purchase from us solely to cover over-allotments.

OUR COMPANY

We design, manufacture and service technologically sophisticated systems and products for our customers through our Energy Systems and Specialty Systems segments. Energy Systems is a leading supplier of systems and services used in the offshore, particularly deepwater, exploration and production of crude oil and natural gas. Specialty Systems provides technologically advanced handling and processing systems to industrial customers. During the year ended December 31, 2000, we generated $1,875.2 million of revenue, after intercompany eliminations. In the year 2000, Energy Systems generated $1,037.3 million of revenue, resulting in a 14.5% compound annual growth rate since 1994, and Specialty Systems generated $839.5 million of revenue, resulting in an 8.5% compound annual growth rate over the same period.

Energy Systems is a global leader in the provision of subsea drilling and production systems, including subsea tree systems that control the flow of crude oil and natural gas from the well, systems for floating production solutions and surface drilling and production systems, to oil and gas companies involved in the exploration and production of crude oil and natural gas. Many of the systems that we provide are for use in the exploration, development and production of crude oil and natural gas reserves located in technologically challenging deepwater environments, which involve water depths of greater than 1,000 feet. Worldwide exploration and production spending is expected to increase an estimated 19.1% in 2001 to approximately $103.2 billion. More specifically, an external industry survey published in early 2000 projected that subsea tree installations would increase at a compound annual growth rate of 17.0% between 2000 and 2004.

We are also a leading provider of specialized systems and products to customers involved in the transportation and processing of crude oil, natural gas and refined petroleum-based products.

In subsea systems, our largest business area:

- We are a major supplier of subsea tree systems and associated services

to six of the eight companies that are projected to be the most active developers of subsea oil and gas over the next five years based on projected subsea tree installations. Those six companies are BP Amoco p.l.c., ExxonMobil Corporation, Petroleo Brasileiro S.A., Shell Exploration and Production Company (USA), Statoil A.S. and Total Fina Elf S.A.

- Since 1995, we have installed, or been awarded contracts for the installation of, more subsea tree systems than any other manufacturer.

- We set six of the ten water depth records established since 1987 for subsea tree installations.

Although trends in the demand for and price of crude oil and natural gas affect oil and gas industry activity and expenditure levels and thereby the demand for Energy Systems' systems and services, short-term

market cycles and volatile commodity prices generally have affected Energy Systems' financial performance less than the financial performance of companies operating in other sectors of the oilfield services industry. We believe that, due to their long lead times and high potential returns, the deepwater projects in which our systems are used typically are not the marginal projects that are more likely to be subject to cancellation or delay during periods of low crude oil and natural gas prices. In addition, we believe that Energy Systems is less capital intensive than companies operating in other sectors of the oilfield services industry due to factors such as high engineering content, outsourcing of certain low value-added manufacturing and advance payments received from customers.

Specialty Systems is a leading supplier of specialized handling and processing systems and services to industrial companies. We design, manufacture and service technologically sophisticated food handling and processing systems used for, among other things, convenience food preparation and citrus juice extraction for food processors such as Nestle S.A., Tyson Foods, Inc. and Cargill, Incorporated. In addition, we design, manufacture and service technologically advanced ground support equipment and systems for airlines, airports and air freight companies, such as United Airlines, Inc., Delta Air Lines, Inc. and FedEx Corporation. Our products include citrus juice extraction and commercial freezing systems, as well as air cargo loaders and Jetway(R) brand passenger boarding bridges.

We are a leading supplier of many of these systems and services:

- We estimate that our equipment processes approximately 75% of the global production of orange juice, freezes approximately 50% of commercially frozen foods on a global basis and sterilizes a significant portion of the world's canned foods.

- We invented airline passenger boarding bridges and remain the leading supplier of this product. We believe that we also have the largest installed base of air cargo loaders.

OUR INDUSTRIES

The primary factor influencing demand for the exploration and production systems and services that we provide is the level of exploration and production spending by oil and gas companies, particularly with respect to offshore activities worldwide. Exploration and production spending levels, in turn, depend primarily on current and anticipated future crude oil and natural gas prices, production volumes and oil and gas company operating costs.

Worldwide spending for the exploration and production of crude oil and natural gas is expected to increase an estimated 19.1% in 2001. More specifically, subsea tree installations are projected to increase at a compound annual growth rate of 17.0% between 2000 and 2004.

In addition, exploration and production companies are increasingly focusing their efforts on more remote deepwater areas where geological formations have been less explored. The recent and anticipated increase in exploration and production activity in deepwater areas is evidenced by:

- an increase in major oil and gas company spending for deepwater exploration and production from approximately 23% of total exploration and production budgets in 1994 to approximately 50% in 2000;

- since 1994, the addition of 41 new drilling rigs that are capable of operating in water depths greater than 5,000 feet at a typical cost of between $160 million and $380 million per rig, representing approximately a six-fold increase from 1994 levels of drilling rigs with equivalent water depth capabilities; and

- an increase in the number of deepwater crude oil and natural gas discoveries, from 16 in 1994 to 68 in 1999.

The reduction in development costs of crude oil and natural gas and the development of efficient technological solutions in response to the extreme environmental and logistical challenges posed by deepwater have been, and we believe will continue to be, major factors influencing the growth of the subsea oilfield services industry. Also, consolidation among oil and gas companies, and the resulting cost cutting initiatives, have led oil and gas companies to outsource more functions that they previously performed internally. These factors have driven three principal ongoing trends:

- technological improvements and refined installation techniques;

- growth in the use of subsea systems and services; and

- delivery of more integrated systems of related products and services for subsea developments.

As with the exploration and production industry, the primary industries that Specialty Systems serves--food processing and air transportation--are also undergoing change.

- Demand in several segments of the convenience food industry that we serve is expected to continue to grow. For example, worldwide retail sales of frozen ready-meals are forecast to increase at a compound annual rate of 4.5% through 2005.

- Food retailers are consolidating and increasing their purchasing power. In response, our food processing customers are seeking technologically sophisticated integrated systems and services like those we provide to maximize the efficiency of their operations while maintaining high standards of food safety.

- The worldwide fleet of airplanes is expected to grow at a compound annual rate of 4.3% through 2019.

- The airline industry has become increasingly consolidated through mergers and alliances. For example, five alliances currently represent approximately 50% of total worldwide passenger traffic.

We believe that these trends will continue to result in food processors, airlines, airports and air freight companies outsourcing an increasing amount of non-core services and seeking suppliers to provide integrated systems and products that are technologically advanced, cost-efficient and supported by extensive service capabilities.

OUR GROWTH STRATEGY

We intend to pursue a growth strategy based on maintaining leading positions in our markets by providing differentiated technological solutions for our customers and capitalizing on our extensive customer relationships.

From 1994 to 2000, Energy Systems' revenue and segment operating profit increased at compound annual rates of 14.5% and 31.8%, respectively. During that same period, Specialty Systems' revenue and segment operating profit increased at compound annual rates of 8.5% and 25.3%, respectively.

We believe that growth in Energy Systems is based upon our ability to supply the integrated systems required by the high-growth deepwater sector of the exploration and production industry. We expect that demand for these

systems will continue to increase as exploration and production of crude oil and natural gas in technologically challenging deepwater and remote areas increases. In addition to benefiting from the expected growth in the business areas we serve, we intend to pursue select, complementary acquisitions and the following internal growth strategy:

- FOCUS ON TECHNOLOGICAL INNOVATION. We have increased Energy Systems' research and development spending by a compound annual rate of 15.7% from 1994 to 2000 to $33.8 million in 2000. We believe that our technological innovations have optimized product performance and led to breakthrough installation techniques, yielding substantial cost savings that have helped to make deepwater production and development of smaller fields an economic reality.

- DEVELOP AND MAINTAIN ALLIANCES WITH KEY CUSTOMERS. We intend to expand our current alliances and form new alliances with other companies active in the oil and gas industry. Our current key subsea alliance customers include Agip Exploration and Production, which is a subsidiary of ENI S.p.A., BP Amoco, Norsk Hydro Production, A.S., Shell Exploration and Production, Statoil and Unocal Corporation.

- PROVIDE A BROAD PACKAGE OF SYSTEMS AND SERVICES. We intend to develop and acquire additional systems and services that complement our current offerings and leverage our worldwide infrastructure in order to continue to provide integrated solutions to our customers' exploration and production needs through a single-source package of related systems and services.

We believe Specialty Systems' historical growth resulted from providing technology-based systems and products for food processing and air transportation companies. In addition to benefiting from the expected growth in many of the industry segments we serve, we intend to continue to broaden the scope of systems, equipment and services that we provide. We further intend to leverage our large installed base of products and systems to enhance customer relationships, generate new business and grow our aftermarket equipment and services operations. From 1994 to 2000, Specialty Systems' aftermarket revenue increased at a compound annual rate of approximately 10.9%. We intend to continue to develop our aftermarket business by providing retrofits to accommodate changing operating requirements and by providing continuous, proactive service, including in some cases by placing our personnel at the operating sites of our customers.

OUR RELATIONSHIP WITH FMC CORPORATION

We are currently a wholly owned subsidiary of FMC Corporation, which, in addition to our operations, is a diversified producer of industrial chemicals, specialty chemicals and agricultural products. After the completion of this offering, FMC Corporation will own approximately 82.3% of our outstanding common stock, or 80.3% if the underwriters exercise their over-allotment option in full.

FMC Corporation has advised us that it currently intends to distribute its remaining ownership interest in us to common stockholders of FMC Corporation. If completed, the distribution, as previously announced, is expected to take the form of a spin-off in which FMC Corporation distributes all of our common stock that it owns through a special dividend to FMC Corporation common stockholders. If circumstances change, FMC Corporation may distribute its remaining ownership interest in us through an exchange offer by FMC Corporation, in which its common stockholders would be offered the option of tendering some or all of their shares in exchange for our common stock, and a subsequent spin-off of FMC Corporation's remaining ownership interest in us. FMC Corporation has advised us that it does not intend to complete the distribution unless it receives a favorable tax ruling from the Internal Revenue Service as to the tax-free nature of the distribution for U.S. federal income tax purposes and the final approval of the Board of Directors of FMC Corporation, among other conditions. FMC Corporation has also advised us that it currently anticipates that this distribution will occur by the end of

calendar year 2001.

FMC Corporation has advised us that the final determination as to the completion, timing, structure and terms of the distribution will be based on financial and business considerations and prevailing market conditions. In addition, FMC Corporation has advised us that, as permitted by the separation and distribution agreement, it will not complete the distribution if its Board of Directors determines that the distribution is not in the best interests of FMC Corporation and its stockholders. FMC Corporation has the sole discretion to determine whether or not to complete the distribution and, if it decides to complete the distribution, to determine the timing, structure and terms of the distribution.

We believe that we will realize benefits from our separation from FMC Corporation, including the following:

- MORE FOCUSED, ENTREPRENEURIAL APPROACH. As a smaller company with fewer business units and a Board of Directors and management team focused on our business, we expect to be in a better position to grow our business areas and serve our customers more effectively through quicker decision making, more efficient deployment of resources, increased operational agility and enhanced responsiveness to customers and markets.

- BETTER MARKET RECOGNITION OF THE VALUE OF OUR BUSINESS. As a separate, stand-alone company, we will offer a more focused investment opportunity in Energy Systems and Specialty Systems than that currently presented by a diversified FMC Corporation. We expect that this will promote a more efficient equity valuation of our business than if we were to be valued as a part of a larger, diversified company.

- INCENTIVES FOR EMPLOYEES MORE DIRECTLY LINKED TO OUR PERFORMANCE. We expect to enhance our employees' motivation and to strengthen our management's focus through incentive compensation programs tied to the market performance of our common stock. The separation will enable us to offer our employees compensation more directly linked to the performance of our business than when we were a part of FMC Corporation, which we expect will enhance our ability to attract and retain qualified personnel.

- INCREASED ABILITY TO PURSUE STRATEGIC ACQUISITIONS. With enhanced market recognition of the value of our businesses, we expect to be better positioned to pursue strategic acquisitions to grow our businesses.

Prior to this offering, we will enter into agreements with FMC Corporation related to the separation of our business operations from FMC Corporation. These agreements provide for, among other things, the transfer from FMC Corporation to us of assets, and the assumption by us of liabilities, primarily relating to our business. At the closing of this offering, the transfer of assets and liabilities in the United States will be complete, and the foreign transfers of assets and liabilities will be substantially complete. For more information regarding the assets and liabilities to be transferred to us, see "Arrangements Between FMC Technologies and FMC Corporation" and our combined financial statements and the notes to those statements that are included elsewhere in this prospectus.

The agreements between FMC Corporation and us also will govern our various interim and ongoing relationships. All of the agreements relating to the separation were made in the context of a parent-subsidiary relationship and were negotiated in the overall context of the separation from FMC Corporation. The terms of these agreements may be more or less favorable to us than if they had been negotiated with unaffiliated third parties. See "Risk Factors--Risks Related to Our Relationship with FMC Corporation" and "Arrangements Between FMC Technologies and FMC Corporation."

We were incorporated on November 13, 2000 as a wholly owned subsidiary of FMC Corporation. Our principal executive offices are located at 200 East

Randolph Drive, Chicago, Illinois 60601, and our telephone number is (312) 861-6000.

THE OFFERING

Common stock offered by FMC Technologies:

U.S. offering..........	8,840,000 shares
International offering.............	2,210,000 shares
Total.................	11,050,000 shares
Shares to be held by FMC Corporation after the offering........	53,505,000 shares
Shares outstanding after the offering.............	65,000,000 shares
Use of proceeds...........	We estimate that our net proceeds from this offering without the exercise of the over-allotment option will be approximately $205.0 million. We intend to use these estimated net proceeds to pay off all borrowings outstanding under a $200 million 180-day revolving credit facility and a portion of the borrowings outstanding under the $150 million 364-day revolving credit facility, both of which we will assume from FMC Corporation in connection with this offering. Our use of proceeds is more fully described under "Use of Proceeds."
Risk factors..............	See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
Proposed New York Stock Exchange symbol..........	"FTI"

The number of shares of our common stock to be outstanding after this offering includes an estimated 445,000 shares of our restricted stock that we expect to issue in connection with this offering to replace all shares of FMC Corporation restricted stock that will vest prior to January 1, 2003 held by our employees. The estimated number of shares of our restricted stock to be issued in respect of FMC Corporation restricted stock in connection with this offering is based on the number of shares of FMC Corporation restricted stock that would have been replaced had this offering occurred on March 30, 2001, the closing price per share of FMC Corporation common stock of $73.64 on March 30, 2001 and the assumed offering price per share of our common stock in this offering of $20.00. See "Management--Treatment of FMC Corporation Restricted Stock."

The number of shares of our common stock to be outstanding after this offering listed above does not include options that we expect to grant in connection with the offering or FMC Corporation restricted stock or options that we expect to replace with our stock awards in connection with the distribution. In connection with the offering, we expect to grant options to employees and directors to purchase an aggregate of approximately 2,250,000 shares of our common stock at an exercise price equal to the initial public offering price. See "Management--Incentive Plans--The Stock Plan" and "Management--Executive Compensation." In connection with the distribution, we will replace FMC Corporation options held by our employees and a portion of the FMC Corporation options held by our directors with options to acquire our common stock. See "Management--Treatment of FMC Corporation Options." We will also replace all remaining FMC Corporation restricted stock held by our employees and not replaced in connection with this offering and a portion of the FMC Corporation restricted stock held by our directors with our restricted

stock in connection with the distribution. See "Management--Treatment of FMC Corporation Restricted Stock."

SUMMARY HISTORICAL COMBINED FINANCIAL DATA

The following table presents summary historical and pro forma combined financial data for FMC Technologies for the periods and dates indicated. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and notes to those statements included elsewhere in this prospectus. The combined operating results data for the years ended December 31, 1998, 1999 and 2000 and the combined balance sheet data as of December 31, 1999 and 2000 are derived from, and are qualified by reference to, our audited combined financial statements included elsewhere in this prospectus. The combined operating results data for the years ended December 31, 1996 and 1997 are derived from our unaudited combined financial data that are not included in this prospectus. The unaudited pro forma financial information gives effect to specified transactions as if those transactions had been consummated on January 1, 2000 or December 31, 2000, as described in "Unaudited Pro Forma Financial Information."

The historical combined financial information has been carved out from the consolidated financial statements of FMC Corporation using the historical results of operations and bases of the assets and liabilities of the transferred businesses and gives effect to allocations of expenses from FMC Corporation. Our historical combined financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during the periods presented.

	YEAR ENDED DECEMBER 31,				
	1996	1997	1998	1999	2000
	(IN MILLIONS, EXCEPT PER SHARE DATA)				
COMBINED STATEMENTS OF INCOME DATA:					
Revenue	$ 1,689.7	$ 2,031.6	$ 2,185.5	$ 1,953.1	$1,875.2
Cost of sales or services	1,312.9	1,551.1	1,669.3	1,479.8	1,421.1
Selling, general and administrative expenses	299.9	324.1	337.8	302.4	291.2
Research and development	41.5	46.7	50.7	51.8	56.7
Asset impairments	--	27.0	--	6.0	1.5
Restructuring and other charges	--	27.9	--	3.6	9.8
Interest expense (income), net	2.8	3.8	1.9	(0.5)	4.3
Income from continuing operations before income taxes	32.6	51.0	125.8	110.0	90.6
Provision for income taxes	5.4	34.1	38.6	33.5	22.7
Income from continuing operations	$ 27.2	$ 16.9	$ 87.2	$ 76.5	$ 67.9
Net income	$ 35.0	$ 16.9	$ 87.2	$ 71.0	$ 67.9
Pro forma unaudited as adjusted diluted earnings per common share from continuing operations (1)					$ 0.89
OTHER FINANCIAL DATA:					
Depreciation	$ 48.1	$ 48.9	$ 49.0	$ 46.2	$ 41.2
Amortization	16.3	18.6	17.6	16.1	17.9
EBITDA from continuing operations (2)	99.8	122.3	194.3	171.8	154.0
Capital expenditures	93.5	66.3	59.4	40.9	43.1
Cash flows provided by (used in):					
Operating activities of continuing operations	(270.1)	268.9	196.2	154.3	9.5
Investing activities	(64.2)	(33.1)	(128.6)	(6.5)	63.4

Financing activities.........	328.3	(237.9)	(65.2)	(135.5)	(90.4)
Order backlog (at year end) (3)..........................	923.0	988.8	1,133.9	840.6	644.3
Average segment operating capital employed (4).........	998.1	1,062.4	917.8	832.8	868.4

	DECEMBER 31, 2000	
	HISTORICAL	PRO FORMA AS ADJUSTED
	(IN MILLIONS)	
COMBINED BALANCE SHEET DATA:		
Working capital..	$ 127.9	$ 103.5
Total assets...	1,373.7	1,373.7
Total long-term debt...................................	--	250.0
Stockholder's equity...................................	642.0	367.6

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(1) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Pro forma unaudited as adjusted diluted earnings per common share from continuing operations is computed using unaudited pro forma as adjusted income from continuing operations divided by 65,117,249, which for pro forma diluted earnings per share purposes is the assumed number of shares of our common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,505,000 shares of our common stock are outstanding, (b) 11,050,000 shares are sold in this offering and (c) the pro forma dilutive effect of our restricted stock to be issued to our employees in replacement of FMC Corporation restricted stock is 562,249 shares, calculated based on the weighted average number of shares of FMC Corporation restricted stock outstanding at any time during 2000 and vesting prior to January 1, 2003 and using FMC Corporation's average 2000 stock price and our assumed offering price of $20.00 per share.

(2) EBITDA from continuing operations consists of income from continuing operations before interest and income taxes plus depreciation of property, plant and equipment and amortization of other long-term assets, primarily intangibles of acquired companies. EBITDA from continuing operations is not a measure of financial performance under generally accepted accounting principles. You should not consider it in isolation from, or as a substitute for, net income or cash flow measures prepared in accordance with generally accepted accounting principles or as a measure of profitability or liquidity. Additionally, our EBITDA from continuing operations calculation may not be comparable to other similarly titled measures of other companies. We have included EBITDA from continuing operations as a supplemental disclosure because it may provide useful information regarding our ability to service debt and to fund capital expenditures. Our ability to service debt and fund capital expenditures in the future, however, may be affected by other operating or legal requirements.

(3) Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date.

(4) Average segment operating capital employed is a two-point average of segment operating capital employed as of the beginning and end of the year. Segment operating capital employed represents segment assets less segment liabilities. Segment assets exclude corporate and other assets, which are principally cash equivalents, last-in, first-out inventory reserves, deferred income tax benefits, intercompany eliminations, property, plant and equipment not attributable to a specific segment and credits relating to the sale of receivables. Segment liabilities exclude substantially all

debt, income taxes, pension and other postretirement benefit liabilities, restructuring reserves, intercompany eliminations, reserves for discontinued operations and deferred gains on the sale and leaseback of equipment. Average segment operating capital employed is not a measure of financial position under generally accepted accounting principles. You should not consider it in isolation from, or as a substitute for, stockholder's equity prepared in accordance with generally accepted accounting principles or as a measure of financial position. Our management views average segment operating capital employed as a primary measure of segment capital.

RISK FACTORS

You should carefully consider the following risks and the other information contained in this prospectus, including the combined financial statements and related notes, before investing in our common stock. If any of the events described below were to occur, our business, prospects, financial condition, results of operations or cash flow could be materially adversely affected. In that case, the trading price of our common stock could decline, and you could lose all or part of your investment.

INDUSTRY-RELATED RISKS

DEMAND FOR ENERGY SYSTEMS' SYSTEMS AND SERVICES DEPENDS ON OIL AND GAS INDUSTRY ACTIVITY AND EXPENDITURE LEVELS, WHICH ARE DIRECTLY AFFECTED BY TRENDS IN THE DEMAND FOR AND PRICE OF CRUDE OIL AND NATURAL GAS.

Energy Systems is substantially dependent on conditions in the oil and gas industry and that industry's willingness and ability to spend capital on the exploration for and development of crude oil and natural gas. Any substantial or extended decline in these expenditures may result in the reduced discovery and development of new reserves of crude oil and natural gas, which could adversely affect demand for Energy Systems' systems and services. The level of these capital expenditures is generally dependent on current and anticipated crude oil and natural gas prices, which have been characterized by significant volatility in recent years. Crude oil and natural gas prices are affected by many factors, including:

- the level of exploration and production activity;
- worldwide economic activity;
- interest rates and the cost of capital;
- environmental regulation;
- the policies of national governments with respect to energy and crude oil and natural gas exploration and production, including taxation and other related legislation;
- actions taken by, and effectiveness of coordination among, members of the Organization of Petroleum Exporting Countries, or OPEC;
- the cost of producing crude oil and natural gas;
- the cost of developing alternative energy sources;
- weather conditions; and
- technological advances.

DEMAND FOR SPECIALTY SYSTEMS' SYSTEMS AND SERVICES IS SIGNIFICANTLY DEPENDENT UPON OUR CUSTOMERS' EXPENDITURES FOR CAPITAL EQUIPMENT, AND A PROLONGED, SUBSTANTIAL REDUCTION IN THOSE EXPENDITURES COULD ADVERSELY AFFECT THE DEMAND FOR OUR SYSTEMS AND SERVICES.

Specialty Systems is greatly affected by changes in the levels of expenditures by food processing companies and air transportation companies for capital equipment. These changes are influenced by a number of factors, many of which are beyond our control, such as our customers' overall profitability. Other factors influencing food processing companies' expenditures for capital equipment include the demand for processed and frozen foods, conditions in the

agricultural sector affecting food prices and public perception of food safety and contamination. In the air transportation industry, the level of expenditures for capital equipment depends on, among other factors, jet fuel prices, the level of passenger and air freight activity and changes in foreign and domestic regulation of the air transportation industry. If these expenditures by our customers decline, Specialty Systems may experience reduced demand for its systems and services. A prolonged or widespread reduction in the demand for Specialty Systems' systems and services could have a significant adverse impact on our results of operations or our financial condition.

WE MAY LOSE MONEY ON FIXED-PRICE CONTRACTS.

As is customary for several of the business areas in which we operate, many of our long-term contracts with our customers are performed on a fixed-price basis. Under these contracts, we are typically responsible for all cost overruns, other than the amount of any cost overruns resulting from requested changes in order specifications. Our actual costs and any gross profit realized on these fixed-price contracts will often vary from the estimated amounts on which these contracts were originally based. This may occur for various reasons, including:

- errors in estimates or bidding;
- changes in availability and cost of labor and materials; and
- variations in productivity from our original estimates.

These variations and the risks inherent in our projects may result in reduced profitability or losses on projects. Depending on the size of a project, variations from estimated contract performance could have a significant impact on our operating results.

THE INDUSTRIES IN WHICH WE OPERATE OR HAVE OPERATED EXPOSE US TO POTENTIAL LIABILITIES THAT MAY NOT BE COVERED BY INSURANCE.

Energy Systems is subject to inherent risks, such as equipment defects, malfunctions and failures, equipment misuse and natural disasters that can result in uncontrollable flows of gas or well fluids, fires and explosions. These risks could expose us to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages. Through Specialty Systems, we are also subject to potential liabilities arising from sources, such as the manufacture and use of food processing and air transportation systems and services. The use of our systems or services could subject us to significant liability for personal injury, wrongful death, product liability or commercial claims. Although we have obtained insurance against many of these risks, we cannot assure you that our insurance will be adequate to cover our liabilities. Further, we cannot assure you that insurance will be generally available in the future or, if available, that premiums will be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we are not able to obtain liability insurance, our business, results of operations or financial condition could be materially adversely affected. In addition, under the terms of the separation and distribution agreement, we will retain specified self-insured product liabilities associated with selected discontinued businesses of FMC Corporation related to past operations, primarily the construction equipment, marine and rail and mining equipment divisions.

OUR CUSTOMERS' INDUSTRIES ARE UNDERGOING CONTINUING CONSOLIDATION THAT MAY IMPACT OUR RESULTS OF OPERATIONS.

Each of the oil and gas, food processing and air transportation industries is rapidly consolidating. As a result, some of our largest customers have consolidated and are using their size and purchasing power to seek economies of scale and pricing concessions. This consolidation may result in reduced capital spending by customers or the acquisition of one or more of our primary customers, which may lead to decreased demand for our systems and services. We cannot assure you that we will be able to maintain our level of sales to a customer that has consolidated or replace that revenue with increased business activity with other customers. As a result, the acquisition of one or more of our primary customers may have a significant negative impact

on our results of operations or our financial condition. We are unable to predict what effect consolidations in the industry may have on price, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers.

WE MAY BE UNABLE TO SUCCESSFULLY COMPETE WITH OTHER COMPANIES IN OUR INDUSTRIES.

The oilfield services, food processing equipment and air transportation equipment industries are highly competitive. Some of our competitors are large national and multinational companies that may have

significantly greater financial resources than we do. Like us, many of our competitors offer a wide variety of systems and services. If these competitors substantially increase the resources they devote to developing and marketing competitive systems and services, we may not be able to compete effectively. Similarly, consolidation among our competitors could enhance their system and service offerings and financial resources, further intensifying competition.

OUR OPERATIONS AND OUR CUSTOMERS' OPERATIONS ARE SUBJECT TO A VARIETY OF GOVERNMENTAL LAWS AND REGULATIONS THAT MAY INCREASE OUR COSTS, LIMIT THE DEMAND FOR OUR SYSTEMS AND SERVICES OR RESTRICT OUR OPERATIONS.

Our business and our customers' businesses may be significantly affected by:

- U.S. federal, state and local and foreign laws and other regulations relating to the oil and gas, food processing and air transportation industries and companies operating globally;

- changes in these laws and regulations; and

- the level of enforcement of these laws and regulations.

We depend on the demand for our systems and services from oil and gas companies. This demand is affected by changing taxes, price controls and other laws and regulations relating to the oil and gas industry. For example, the adoption of laws and regulations curtailing exploration and development for drilling for crude oil and natural gas in our areas of operation for economic, environmental or other policy reasons could adversely affect our operations by limiting demand for our systems and services.

In light of our foreign operations and sales, we are also subject to changes in foreign laws and regulations that may encourage or require hiring of local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. If we fail to comply with any applicable law or regulation, our business, results of operations or financial condition may be adversely affected.

OUR BUSINESSES AND OUR CUSTOMERS' BUSINESSES ARE SUBJECT TO ENVIRONMENTAL LAWS AND REGULATION THAT MAY INCREASE OUR COSTS, LIMIT THE DEMAND FOR OUR SYSTEMS AND SERVICES OR RESTRICT OUR OPERATIONS.

Our operations and the operations of our customers are also subject to U.S. federal, state and local and foreign laws and regulations relating to the protection of the environment. These environmental laws and regulations affect the systems and services we design, market and sell, as well as the facilities where we manufacture our systems. In addition, environmental laws and regulations could limit our customers' exploration and production activities. We are required to invest financial and managerial resources to comply with environmental laws and regulations and anticipate that we will continue to be required to do so in the future. These laws and regulations change frequently, which makes it impossible for us to predict their cost or impact on our future operations. The modification of existing laws or regulations or the adoption of new laws or regulations imposing more stringent environmental restrictions could adversely affect our operations.

Current environmental laws and regulations restrict the amount and types of substances that we can release into the environment. Compliance with these and any future environmental laws and regulations could require significant capital investments in pollution control equipment or changes in the way we

make our systems. In addition, because we use hazardous and other regulated materials in our product development programs and manufacturing processes, we are subject to risks of accidental contamination, personal injury claims and civil and criminal fines. For example:

- We are currently remediating two plant sites for which we have reserved approximately $3 million.

- We are a potentially responsible party at several disposal sites for which we estimate the aggregate liability will be immaterial.

- We have agreed to indemnify FMC Corporation for any liability associated with contamination from past operations at all properties to be transferred from FMC Corporation to us and at selected sites used in our former businesses for which we are not aware of any material liability.

Some environmental laws and regulations provide for joint and several liability for remediation of spills and releases of hazardous substances. In addition, we may be subject to claims alleging personal injury or property damage as a result of alleged exposure to hazardous substances, as well as damage to natural resources. These laws and regulations also may expose us to liability for the conduct of, or conditions caused by, others, or for our acts that were in compliance with applicable laws and regulations at the time the acts were performed. Any of these laws and regulations could result in claims, fines or expenditures that could be material to our earnings, financial condition or cash flow.

BUSINESS-RELATED RISKS

DISRUPTIONS IN THE POLITICAL AND ECONOMIC CONDITIONS OF THE FOREIGN COUNTRIES IN WHICH WE CONDUCT BUSINESS OR FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES COULD ADVERSELY AFFECT OUR BUSINESS OR RESULTS OF OPERATIONS.

We operate significant manufacturing facilities in 14 countries other than the United States, and our international operations account for approximately 60% of our 2000 revenue. Multiple factors relating to our international operations and to particular countries in which we operate could have an adverse effect on our financial condition or results of operations. These factors include:

- changes in political, regulatory or economic conditions;

- trade protection measures and price controls;

- import or export licensing requirements;

- economic downturns, civil disturbances or political instability;

- currency restrictions;

- nationalization and expropriation; and

- potentially burdensome taxation.

Because a significant portion of our revenue is denominated in foreign currencies, changes in exchange rates will result in increases or decreases in our costs and earnings, and may also affect the book value of our assets located outside the United States and the amount of our stockholders' equity. We prepare our combined financial statements in U.S. dollars, but a significant portion of our earnings and expenditures are denominated in other currencies. Although we may seek to minimize our currency exposure by engaging in hedging transactions where we deem it appropriate, we cannot assure you that our efforts will be successful. To the extent we sell our systems and services in foreign markets, currency fluctuations may result in our systems and services becoming too expensive for foreign customers.

WE EXPECT TO SUPPLEMENT OUR INTERNAL GROWTH THROUGH STRATEGIC COMBINATIONS, AND OUR SUCCESS DEPENDS ON OUR ABILITY TO SUCCESSFULLY INTEGRATE, OPERATE AND MANAGE THESE ACQUIRED BUSINESSES AND ASSETS.

We expect to supplement our internal growth through strategic

combinations, asset purchases and other transactions that complement or expand our existing businesses. Each of these transactions involves a number of risks, including:

- the diversion of our management's attention from our existing businesses to integrating the operations and personnel of the acquired or combined business or joint venture;

- possible adverse effects on our operating results during the integration process; and

- our possible inability to achieve the intended objectives of the transaction.

We may hire additional employees in connection with these acquisitions or joint ventures. We may not be able to successfully integrate all of the newly hired employees, or profitably integrate, operate, maintain and manage our newly acquired operations in a competitive environment. We may not be able to maintain uniform standards, controls, procedures and policies, and this may lead to operational inefficiencies.

We may seek to finance an acquisition through borrowings or through the issuance of new debt or equity securities. If we make a relatively large acquisition, we could deplete a substantial portion of our financial resources to the possible detriment of our other operations. Any future acquisitions could also dilute the equity interests of our stockholders, require us to write off assets for accounting purposes or create other undesirable accounting results, such as significant expenses for amortization or impairment of goodwill or other intangible assets.

DUE TO THE TYPE OF CONTRACTS WE ENTER INTO, THE CUMULATIVE LOSS OF SEVERAL MAJOR CONTRACTS MAY HAVE AN ADVERSE EFFECT ON OUR RESULTS OF OPERATIONS.

We often enter into large, project-oriented contracts or long-term equipment leases that, collectively, represent a significant portion of our revenues. These agreements may be terminated or breached, or our customers may fail to renew these agreements. If we were to lose several key agreements over a relatively short period of time and if we were to fail to develop alternative business opportunities, we could experience a significant adverse impact on our results of operations or our financial condition.

LOSS OF OUR KEY MANAGEMENT AND OTHER PERSONNEL COULD IMPACT OUR BUSINESS.

We depend on our senior executive officers and other key personnel. The loss of any of these officers or key personnel could adversely affect our operations. In addition, competition for qualified employees among companies that rely heavily on engineering and technology is intense, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the operation and expansion of our business could hinder our ability to conduct research activities successfully and develop marketable systems and services.

OUR BUSINESS COULD BE ADVERSELY AFFECTED BY COMPETING TECHNOLOGY.

Technology is an important component of our business and growth strategy, and our success as a company depends to a significant extent on the development and implementation of new product designs and improvements. Whether we can continue to develop systems and services and related technologies to meet evolving industry requirements and, if so, at prices acceptable to our customers will be significant factors in determining our ability to compete in the industries in which we operate. Many of our competitors are large national and multinational companies that may have significantly greater financial resources than us, and they may be able to devote greater resources to research and development of new systems, services and technologies than we are able to do. Moreover, some of our competitors operate in narrow business areas, allowing them to concentrate their research and development efforts directly on products and services for those areas.

OUR FAILURE TO COMPLY WITH THE LAWS AND REGULATIONS GOVERNING U.S. GOVERNMENT CONTRACTS OR THE TERMS OF ANY EXISTING OR FUTURE U.S. GOVERNMENT CONTRACTS THAT WE ENTER INTO COULD HARM OUR BUSINESS.

We have an agreement relating to the sale of our Next Generation Small Loader, which is a commercial air cargo loader, to the U.S. Air Force, and as a result we are subject to various laws and regulations that apply to companies doing business with the U.S. government. The laws governing U.S. government contracts differ in several respects from the laws governing private contracts. For example, many U.S. government contracts contain pricing terms and conditions that are not applicable to private contracts. Moreover, U.S. defense contracts, in particular, are unilaterally terminable at the option of the U.S. government with compensation for work completed and costs incurred. Contracts with the U.S. government are also subject

to special laws and regulations, the noncompliance with which may result in various sanctions. Contractors, sometimes without their knowledge, are subject to investigations by the U.S. government initiated in various ways.

RISKS RELATED TO OUR RELATIONSHIP WITH FMC CORPORATION

OUR HISTORICAL FINANCIAL RESULTS AS BUSINESS SEGMENTS OF FMC CORPORATION MAY NOT BE REPRESENTATIVE OF OUR RESULTS AS A SEPARATE, STAND-ALONE ENTITY.

The historical financial information we have included in this prospectus has been carved out from FMC Corporation's consolidated financial statements and does not reflect what our financial position, results of operations or cash flows would have been had we been a separate, stand-alone entity during the periods presented. FMC Corporation did not account for us, and we were not operated, as a separate, stand-alone entity for the historical periods presented. Our historical costs and expenses reflected on our combined financial statements include an allocation of the historical costs and expenses that FMC Corporation incurred in connection with corporate and general administrative services. This allocation is based on what we and FMC Corporation consider to be reasonable reflections of the historical utilization levels of these services required in support of our businesses. The historical information does not necessarily indicate what our results of operations, financial position, cash flows or costs and expenses will be in the future. We have not made adjustments to reflect many significant changes that may occur in our cost structure, funding and operations as a result of the separation, including changes in our employee base, changes in our technology support, changes in our tax structure, potential increased costs associated with reduced economies of scale and potential increased costs associated with being a publicly traded, stand-alone entity. For additional information, see "Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and notes to those statements.

OUR ABILITY TO OPERATE OUR BUSINESSES MAY SUFFER IF WE DO NOT, QUICKLY AND COST-EFFECTIVELY, ESTABLISH OUR OWN FINANCIAL, ADMINISTRATIVE AND OTHER SUPPORT FUNCTIONS TO SUCCESSFULLY OPERATE AS A STAND-ALONE ENTITY, AND WE CANNOT ASSURE YOU THAT THE TRANSITIONAL SERVICES FMC CORPORATION HAS AGREED TO PROVIDE US WILL BE SUFFICIENT FOR OUR NEEDS.

Historically, our businesses have relied on financial, administrative and other resources of FMC Corporation. After this offering, we will need to create our own financial, administrative and other support systems or contract with a third party to replace FMC Corporation's systems. We have entered into an agreement with FMC Corporation under which FMC Corporation will provide transitional services to us, including services related to information technology systems, treasury, legal, financial and accounting services. Although FMC Corporation is contractually obligated to provide us with these services until the distribution, these services may not be sufficient to meet our needs, and we may not be able to replace these services at all or obtain these services at prices and on terms as favorable as we currently have them, after our agreement with FMC Corporation expires. Any failure or significant downtime in our own financial or administrative systems or in FMC Corporation's financial or administrative systems during the transitional period could prevent us from paying our employees, billing our customers or performing other administrative services on a timely basis and could materially harm our business or operations.

AFTER THE SEPARATION, WE MAY EXPERIENCE INCREASED COSTS RESULTING FROM DECREASED PURCHASING POWER CURRENTLY PROVIDED BY OUR ASSOCIATION WITH FMC CORPORATION.

We have been able to take advantage of FMC Corporation's size and purchasing power in procuring goods, technology and services, including insurance, employee benefit support and audit services. Following the separation and this offering, we will be a smaller and less diversified company than FMC Corporation was prior to the separation, and there is no guarantee that we will have access to financial and other resources

comparable to those available to FMC Corporation prior to the separation. As a separate, stand-alone entity, we may be unable to obtain goods, technology and services at prices and on terms as favorable as those available to us prior to the separation.

OUR RELATIONSHIP WITH FMC CORPORATION MAY HINDER OUR ABILITY TO TAKE ADVANTAGE OF NEW BUSINESS OPPORTUNITIES SUCCESSFULLY.

Our ability to take advantage of specific business opportunities is subject to procedures in our Certificate of Incorporation relating to allocation of business opportunities between FMC Corporation and us. Although currently FMC Corporation does not directly compete with us, our Certificate of Incorporation provides that, unless otherwise provided in a written agreement between FMC Corporation and us, FMC Corporation will have no duty to refrain from engaging in the same or similar activities or lines of business as we engage in or propose to engage in at the time of this offering. Furthermore, subject to applicable law, FMC Corporation has no duty to communicate or offer to us any corporate opportunities that come to its attention. As a result, it may be more difficult for us to pursue successfully new business opportunities available to both FMC Corporation and us, which could limit our potential sources of revenue and growth. In addition, we have established procedures in our Certificate of Incorporation that govern the conduct of our directors or officers who also serve as directors or officers of FMC Corporation in the event that any of them acquires knowledge of a corporate opportunity for both FMC Corporation and us. Moreover, our ability to take advantage of specific business opportunities may be affected by FMC Corporation's representation on our Board of Directors and its voting control over us. See "Arrangements Between FMC Technologies and FMC Corporation--Allocation of Corporate Opportunities" for a description of allocation of business opportunities between FMC Corporation and us.

OUR RELATIONSHIP WITH FMC CORPORATION MAY LIMIT OUR ABILITY TO OBTAIN ADDITIONAL FINANCING.

Our business strategy anticipates future acquisitions and development of new technologies. Any acquisition or development project could be subject to our ability to access capital from outside sources on acceptable terms. Until the distribution to its stockholders, FMC Corporation will control our Board of Directors and be able to limit our ability to borrow funds or to issue additional equity. For the distribution of the remaining shares of our common stock to be tax free to FMC Corporation and its stockholders, FMC Corporation must, among other things, own at least 80% of all of our voting power at the time of the distribution. Therefore, prior to the distribution, we will not be able to issue equity, voting securities or convertible debt without FMC Corporation's prior consent, and FMC Corporation is unlikely to give that consent so long as it still intends to distribute the remaining shares. In addition, in certain cases, our ability to issue equity, voting securities and convertible debt will be limited during the thirty months following the date of the distribution due to our need to preserve the tax-free nature of the distribution.

WE MAY HAVE POTENTIAL BUSINESS CONFLICTS OF INTEREST WITH FMC CORPORATION WITH RESPECT TO OUR PAST AND ONGOING RELATIONSHIPS THAT COULD HARM OUR BUSINESS OPERATIONS.

Conflicts of interest may arise between FMC Corporation and us in a number of areas relating to our past and ongoing relationships, including:

- labor, tax, employee benefit, indemnification and other matters arising from the separation;
- intellectual property matters;
- solicitation and hiring of employees from each other and recruiting of new employees;

- business combinations involving us;
- business operations or business opportunities of FMC Corporation or us that would compete with the other party's business opportunities;
- sales or distributions by FMC Corporation of all or any portion of its ownership interest in us; and
- the nature, quality and pricing of transition services to be provided by FMC Corporation or us.

Our agreements with FMC Corporation may be amended upon agreement between FMC Corporation and us. During the time that we are controlled by FMC Corporation, FMC Corporation may be able to require us to agree to amendments to these agreements. We may not be able to resolve any potential conflicts, and even if we do so, the resolution may be less favorable to us than if we were dealing with an unaffiliated party.

CONTROL BY FMC CORPORATION WILL LIMIT YOUR ABILITY TO INFLUENCE THE OUTCOME OF MATTERS REQUIRING STOCKHOLDER APPROVAL AND COULD DISCOURAGE POTENTIAL ACQUISITIONS OF US BY THIRD PARTIES.

After the completion of this offering, FMC Corporation will own more than 80% of our outstanding common stock. Although FMC Corporation has advised us that it currently intends to distribute its remaining ownership interests in us to its stockholders prior to the end of 2001, we cannot assure you that this will occur. As long as FMC Corporation owns a majority of our outstanding common stock, FMC Corporation will have the power to elect our entire Board of Directors and take stockholder action without the vote of any other stockholder. As a result, FMC Corporation will control all matters affecting us, including:

- the composition of our Board of Directors and, through our Board of Directors, the making of decisions with respect to our business direction and policies, including the appointment and removal of our officers;
- any determinations with respect to mergers or other business combinations;
- our acquisition or disposition of any or all of our assets;
- our capital structure;
- changes to the agreements providing for the separation;
- the payment of dividends on our common stock;
- determinations with respect to our tax returns; and
- other aspects of our business direction and policies.

A majority of our directors following the offering will be directors or officers of FMC Corporation, including Robert N. Burt, who is Chairman and Chief Executive Officer of FMC Corporation, and Joseph H. Netherland, who is President and a director of FMC Corporation. FMC Corporation's voting control and board influence may discourage many types of transactions involving a change of control, including transactions in which you as a holder of our common stock might otherwise receive a premium for your shares over the then-current market price. Furthermore, FMC Corporation is not prohibited from selling a controlling interest in us to a third party.

OUR DIRECTORS AND EXECUTIVE OFFICERS MAY HAVE POTENTIAL CONFLICTS OF INTEREST BECAUSE OF THEIR OWNERSHIP OF FMC CORPORATION COMMON STOCK AND POSITIONS WITH FMC CORPORATION.

Our executive officers and some of our directors own a substantial amount of FMC Corporation common stock and options to purchase FMC Corporation common stock. In addition, a majority of our directors serve as officers or directors of FMC Corporation, and several of our executive officers may continue to serve as officers or directors of FMC Corporation until the distribution, if the

distribution occurs. For example, Robert N. Burt, our Chairman, will continue to be Chairman and Chief Executive Officer of FMC Corporation, Joseph H. Netherland, our President, Chief Executive Officer and a director, will continue to be President and Director of FMC Corporation and William H. Schumann III, our Senior Vice President, Chief Financial Officer and a director, will continue to be Senior Vice President and Chief Financial Officer of FMC Corporation. Ownership of FMC Corporation common stock by our directors and officers after the separation and the presence of FMC Corporation officers and directors on our Board of Directors and in our senior management could create, or appear to create, potential conflicts of interest when our directors and officers are faced with decisions that could have different implications for FMC Corporation than they do for us. In addition, our executive officers who are serving in officer positions at FMC Corporation may not be able to devote the same exclusive attention or efforts to our operations and business that individuals serving solely as our officers would be able to do.

OUR BUSINESS AND YOUR INVESTMENT IN OUR COMMON STOCK MAY BE ADVERSELY AFFECTED IF FMC CORPORATION DOES NOT COMPLETE THE DISTRIBUTION, BECAUSE WE WOULD REMAIN SUBJECT TO CONTROL BY FMC CORPORATION.

Although FMC Corporation has advised us that it currently intends to complete the distribution by the end of 2001, we cannot assure you whether or when the distribution will occur. In certain circumstances, FMC Corporation, in exercising its fiduciary duties to its stockholders, may need to alter or amend its course of action. FMC Corporation's obligation to complete the distribution is subject to receipt of a favorable ruling from the Internal Revenue Service to the effect that the distribution will be tax free to FMC Corporation and its stockholders for U.S. federal income tax purposes and final approval of the distribution by the FMC Corporation Board of Directors, among other conditions. At the time of this offering, FMC Corporation does not have a ruling from the IRS regarding the tax treatment of the distribution. If FMC Corporation does not obtain a favorable tax ruling, FMC Corporation may not make the distribution in the expected time frame or, perhaps, at all. In order for the distribution to be tax free, FMC Corporation must satisfy various requirements, including owning at least 80% of all of our voting power at the time of the distribution.

In addition, until the distribution occurs, the risks discussed in this prospectus relating to FMC Corporation's control of us and the potential business conflicts of interest between FMC Corporation and us will continue to be relevant to you. If the distribution is delayed or not completed at all, the liquidity of shares of our common stock in the market may be constrained unless and until FMC Corporation elects to sell some of its significant ownership into the public market. A lack of liquidity in our common stock may affect our stock price.

IF WE TAKE ACTIONS THAT CAUSE THE DISTRIBUTION TO FAIL TO QUALIFY AS A TAX-FREE TRANSACTION, WE WILL BE REQUIRED TO INDEMNIFY FMC CORPORATION FOR ANY RESULTING TAXES, WHICH MAY PREVENT OR DELAY A CHANGE OF CONTROL OF US AFTER THE DISTRIBUTION.

FMC Corporation has advised us that it intends to distribute its shares of our common stock to its stockholders before the end of 2001. Prior to completing the distribution, FMC Corporation has advised us that it intends to obtain a favorable ruling from the IRS to the effect that the distribution will be tax free to FMC Corporation and its stockholders for U.S. federal income tax purposes. Under the tax sharing agreement between FMC Corporation and us, if we breach any representations in the tax sharing agreement relating to the ruling, take or fail to take any action that causes our representations in the tax sharing agreement relating to the ruling to be untrue or engage in a transaction after the distribution that causes the distribution to be taxable to FMC Corporation, we will be required to indemnify FMC Corporation for any resulting taxes. The amount of any indemnification payments would be substantial, and we likely would not have sufficient financial resources to achieve our growth strategy after making those payments.

Current tax law generally provides for a presumption that the distribution, if it occurs, may be taxable to FMC Corporation if we undergo or enter into an agreement that would cause us to undergo a 50% or greater change in stock ownership during a four-year period beginning on the date that begins two years before the date of the distribution. Under the tax sharing agreement, FMC Corporation is entitled to require us to reimburse any tax costs incurred

by FMC Corporation as a result of a transaction resulting in a change in control of us. These costs may be so great that they delay or prevent a strategic acquisition or change of control of us. The applicable tax law is relatively new and undeveloped, and final interpretive regulations have not yet been issued.

OUR AGREEMENTS WITH FMC CORPORATION MAY BE LESS FAVORABLE TO US THAN IF THEY HAD BEEN NEGOTIATED AT ARM'S LENGTH.

We negotiated and signed our agreements with FMC Corporation while we were a wholly owned subsidiary of FMC Corporation. If each of these agreements had been negotiated at arm's length, they may have been more favorable to us. The allocation of assets and liabilities between FMC Corporation and us may not reflect what two unaffiliated parties would have agreed to, and it is possible that we may be required to indemnify FMC Corporation for liabilities, or may not receive assets, related to our business or that we may be responsible for liabilities unrelated to our business.

PERSONS MAY SEEK TO HOLD US RESPONSIBLE FOR LIABILITIES OF FMC CORPORATION THAT WE DID NOT ASSUME IN OUR AGREEMENTS.

In the separation, FMC Corporation will retain all of its liabilities that we do not assume under our agreements with FMC Corporation. Persons may seek to hold us responsible for FMC Corporation's retained liabilities, such as environmental contamination liabilities relating to FMC Corporation's discontinued businesses or environmental or other liabilities relating to FMC Corporation's chemical businesses. Under the agreements, FMC Corporation has agreed to indemnify us for claims and losses relating to its retained liabilities. However, if those liabilities are significant and we are held liable for them, we cannot assure you that we will be able to recover the full amount of our losses from FMC Corporation.

RISKS RELATED TO THE SECURITIES MARKETS AND OWNERSHIP OF OUR COMMON STOCK

THE PRICE OF OUR COMMON STOCK MAY BE SUBJECT TO WIDE FLUCTUATIONS AND MAY TRADE BELOW THE INITIAL PUBLIC OFFERING PRICE.

Before this offering, there has not been a public market for our common stock. We cannot assure you that an active public market for our common stock will develop or be sustained after this offering. The market price of our common stock could be subject to significant fluctuations after this offering and may decline below the initial public offering price. The initial public offering price of our common stock will be determined by negotiations between us and representatives of the underwriters, based on numerous factors which we discuss under "Underwriting." This price may not be indicative of the market price of our common stock after this offering. We cannot assure you that you will be able to resell your shares at or above the initial public offering price. Among the factors that could affect our stock price are the risk factors described in this section and other factors including:

- quarterly variations in our operating results compared to market expectations;

- changes in expectations as to our future financial performance, including financial estimates by securities analysts;

- strategic moves by us or our competitors, such as acquisitions or restructurings; and

- general market conditions.

Stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

PROVISIONS IN OUR ORGANIZATIONAL DOCUMENTS AND OUR RIGHTS AGREEMENT AS WELL AS DELAWARE LAW MAY DELAY OR PREVENT AN ACQUISITION OF US THAT STOCKHOLDERS MAY CONSIDER FAVORABLE, WHICH COULD DECREASE THE VALUE OF YOUR SHARES.

Our Certificate of Incorporation and Bylaws and Delaware law contain provisions that could make it harder for a third party to acquire us without

the consent of our Board of Directors. These provisions include supermajority voting requirements for our stockholders to remove directors and amend our organizational documents, a classified board of directors and limitations on actions by our stockholders by written consent. Some of these provisions, such as the limitation on stockholder actions by written consent, become effective once FMC Corporation no longer controls us. In addition, our Board of Directors has the right to issue preferred stock without stockholder approval, which could be used to dilute the stock ownership of a potential hostile acquiror. Delaware law also imposes some restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. Our rights agreement imposes a significant penalty on any person or group that acquires 15% or more of our outstanding common stock without the approval of our Board of Directors. These restrictions under Delaware law and our rights agreement do not apply to FMC Corporation so long as it holds 15% or more of our common stock. Although we believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics and thereby provide for

an opportunity to receive a higher bid by requiring potential acquirers to negotiate with our Board of Directors, these provisions apply even if the offer may be considered beneficial by some stockholders.

OUR SHARE PRICE MAY DECLINE BECAUSE OF THE ABILITY OF FMC CORPORATION AND OTHERS TO SELL SHARES OF OUR COMMON STOCK.

Sales of substantial amounts of our common stock after this offering, or the possibility of those sales, could adversely affect the market price of our common stock and impede our ability to raise capital through the issuance of equity securities. See "Shares Eligible for Future Sale" for a discussion of possible future sales of our common stock.

After this offering, we will have 65,000,000 shares of common stock outstanding, 82.3% of which will be owned by FMC Corporation, or, if the underwriters elect to exercise their over-allotment option in full, we will have 66,657,500 shares of common stock outstanding, 80.3% of which will be owned by FMC Corporation. Additionally, we will have reserved an additional 2,250,000 shares of our common stock for issuance pursuant to options we expect to grant in connection with this offering. In connection with the distribution, we will also issue options in replacement of all FMC Corporation options held by our employees and in replacement of a portion of the FMC Corporation options held by our directors. In connection with the distribution, we will also issue restricted stock in replacement of all remaining FMC Corporation restricted stock held by our employees and not replaced in connection with the offering and in replacement of a portion of the FMC Corporation restricted stock held by our directors. FMC Corporation has advised us that it currently intends to complete the distribution by the end of calendar year 2001, subject to receipt of a favorable ruling from the IRS that the distribution will be tax free to FMC Corporation and its stockholders for U.S. federal income tax purposes and final approval of the Board of Directors of FMC Corporation, among other conditions. Moreover, FMC Corporation has no contractual obligation to retain its shares of our common stock, except for a limited period described under "Underwriting" during which it will not sell any of its shares of our common stock without the underwriter's consent until 180 days after the date of this prospectus. Subject to applicable U.S. federal and state securities laws, after the expiration of this 180-day waiting period (or before, with consent of the underwriters), FMC Corporation may sell any and all of the shares of our common stock that it beneficially owns or distribute any or all of these shares of our common stock to its stockholders. The separation and distribution agreement grants FMC Corporation the right to require us to register the shares of our common stock it holds in specified circumstances. In addition, after the expiration of this 180-day waiting period, we could sell additional shares of our common stock, subject to FMC Corporation's consent. Any sale or distribution by FMC Corporation or us of our common stock in the public market or to FMC Corporation's stockholders, or the perception that any such sale or distribution could occur, could adversely affect prevailing market prices for the shares of our common stock.

In connection with this offering, we intend to file a registration statement on Form S-8 to register 12,000,000 shares of our common stock that are or will be reserved for issuance under our stock plan.

WE DO NOT EXPECT TO PAY DIVIDENDS.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. In addition, our ability to pay dividends may be restricted by any bank credit agreement or indenture we enter into in the future.

YOU WILL EXPERIENCE IMMEDIATE AND SUBSTANTIAL DILUTION IN NET TANGIBLE BOOK VALUE PER SHARE.

Dilution per share represents the difference between the initial public offering price and the net consolidated book value per share immediately after the offering of our common stock. Purchasers of our common stock in this offering will experience immediate dilution of $14.35 in pro forma net tangible book value per share.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

You should not rely on forward-looking statements in this prospectus. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement. These factors include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. In some cases, you can identify forward-looking statements by such words or phrases as "will likely result," "is confident that," "expected," "should," "could," "may," "will continue to," "believes," "anticipates," "predicts," "forecasts," "estimates," "projects," "intends" or similar expressions, including the negative of those words and phrases. Although these forward-looking statements are based on our management's current views and assumptions regarding future events, future business conditions and the outlook for us based on currently available information, these forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, these statements. We wish to caution readers not to rely on any of these forward-looking statements, which speak only as of the date made. Except as required by law, we assume no obligation to update any of the forward-looking statements after the date of this prospectus.

USE OF PROCEEDS

Our net proceeds from the sale of the 11,050,000 shares of our common stock in this offering, assuming an initial public offering price of $20.00 per share, are estimated to be approximately $205.0 million, after deducting underwriting discounts and commissions and estimated offering expenses. If the underwriters exercise their over-allotment option in full, we estimate that our net proceeds will be approximately $236.1 million. We expect to use the net proceeds from this offering to pay down all borrowings under a new $200 million 180-day revolving credit facility and to use the remaining net proceeds to pay down a portion of the borrowings under a new $150 million 364-day revolving credit facility, both of which facilities we will assume from FMC Corporation. As a part of FMC Corporation, we previously had access to funds available under FMC Corporation's revolving credit and other debt facilities, which will remain with FMC Corporation in the separation. In order to allocate debt between the remaining businesses of FMC Corporation and us in the separation, FMC Corporation and we entered into the $200 million 180-day revolving credit facility and the $150 million 364-day revolving credit facility, as well as a new $250 million 5-year credit agreement. FMC Corporation received all of the proceeds from, and we will assume the obligations under, those credit facilities. Our management believes that the amount of debt we will assume from FMC Corporation, as reduced by the application of the net proceeds from this offering, represents a reasonable and appropriate level of debt for our company. Under the terms of the $200 million 180-day revolving credit facility, the debt to be repaid matures at the earlier of August 23, 2001 or seven days after the closing of this offering and accrues interest at an annual rate of 75 basis points above the one-month London Interbank Offered Rate. Under the terms of the $150 million 364-day revolving credit facility, the debt to be repaid matures on   , 2002 and accrues at an annual rate of 100 basis points above the one-month London Interbank Offered Rate.

DIVIDEND POLICY

We do not intend to pay cash dividends on our common stock for the foreseeable future. Instead, we currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business. Our Board of Directors will make any future determination regarding the payment of dividends based upon various factors then existing, including:

- our financial condition, operating results and current and anticipated cash needs;
- general economic and business conditions;
- our strategic plans and business prospects;
- legal, contractual and regulatory restrictions on our ability to pay dividends; and
- other factors that our Board of Directors may consider to be relevant.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2000:

- on an historical basis; and
- on a pro forma as adjusted basis to reflect the assumption of debt in connection with this offering, the sale of 11,050,000 shares of our common stock in this offering at an assumed initial public offering price of $20.00 per share and the application of the net proceeds from this sale as described under "Use of Proceeds."

You should read this table together with "Selected Historical Combined Financial and Operating Data," our historical combined financial statements and the notes to those statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	AS OF DECEMBER 31, 2000	
	HISTORICAL	PRO FORMA AS ADJUSTED (UNAUDITED)
	(IN MILLIONS, EXCEPT FOR SHARE AND PAR VALUE AMOUNTS)	
Cash and cash equivalents	$ 17.8	$ 17.8
Short-term debt	$ 41.1	$ 65.5
Long-term debt, excluding current portion	--	$ 250.0
Stockholder's equity:		
Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding on an historical basis, and 65,000,000 shares issued and outstanding on a pro forma as adjusted basis (1)	--	0.7
Capital in excess of par value of common stock	--	478.3
Accumulated other comprehensive loss	(111.4)	(111.4)
Owner's net investment	753.4	--
Total stockholder's equity	642.0	367.6
Total capitalization	$ 683.1	$ 683.1

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(1) The pro forma as adjusted number of shares of our common stock issued and outstanding includes an estimated 445,000 shares of our restricted stock that we expect to issue in connection with this offering to replace all shares of FMC Corporation restricted stock that will vest prior to January 1, 2003 held by our employees. The estimated number of shares of our restricted stock to be issued in respect of FMC Corporation restricted stock in connection with this offering is based on the number of shares of FMC Corporation restricted stock that would have been replaced had this offering occurred on March 30, 2001, the closing price per share of FMC Corporation common stock of $73.64 on March 30, 2001 and an assumed offering price per share of our common stock in this offering of $20.00. See "Management--Treatment of FMC Corporation Restricted Stock." The number of shares of our common stock does not include options that we expect to grant in connection with the offering and FMC Corporation restricted stock and options we expect to replace with our stock awards in connection with the distribution.

SELECTED HISTORICAL COMBINED FINANCIAL DATA

The following table presents our selected historical and pro forma combined financial data for the periods and dates indicated. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical combined financial statements and notes to those statements included elsewhere in this prospectus. The combined operating results data for the years ended December 31, 1998, 1999 and 2000 and the combined balance sheet data as of December 31, 1999 and 2000 are derived from, and are qualified by reference to, our audited combined financial statements included elsewhere in this prospectus. The combined operating results data for the years ended December 31, 1996 and 1997 and the combined balance sheet data as of December 31, 1996, 1997 and 1998 are derived from our unaudited combined financial data that is not included in this prospectus. The unaudited pro forma financial information gives effect to specified transactions as if those transactions had been consummated on January 1, 2000 or December 31, 2000, as described in "Unaudited Pro Forma Financial Information."

The historical combined financial information has been carved out from the consolidated financial statements of FMC Corporation using the historical results of operations and bases of the assets and liabilities of the transferred businesses and gives effect to allocations of expenses from FMC Corporation. Our historical combined financial information may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a separate, stand-alone entity during the periods presented.

	YEAR ENDED DECEMBER 31,				
	1996	1997	1998	1999	2000
	(IN MILLIONS, EXCEPT PER SHARE DATA)				
COMBINED STATEMENTS OF INCOME DATA:					
Revenue......................	$ 1,689.7	$ 2,031.6	$ 2,185.5	$ 1,953.1	$1,875.2
Cost of sales or services....	1,312.9	1,551.1	1,669.3	1,479.8	1,421.1
Selling, general and administrative expenses.....	299.9	324.1	337.8	302.4	291.2
Research and development.....	41.5	46.7	50.7	51.8	56.7
Asset impairments............	--	27.0	--	6.0	1.5
Restructuring and other charges.....................	--	27.9	--	3.6	9.8
Interest expense (income), net.........................	2.8	3.8	1.9	(0.5)	4.3
Income from continuing operations before income taxes......................	32.6	51.0	125.8	110.0	90.6
Provision for income taxes...	5.4	34.1	38.6	33.5	22.7

Income from continuing operations	$ 27.2	$ 16.9	$ 87.2	$ 76.5	$ 67.9
Net income	$ 35.0	$ 16.9	$ 87.2	$ 71.0	$ 67.9
Pro forma unaudited as adjusted diluted earnings per common share from continuing operations (1)					$ 0.89
OTHER FINANCIAL DATA:					
Depreciation	$ 48.1	$ 48.9	$ 49.0	$ 46.2	$ 41.2
Amortization	16.3	18.6	17.6	16.1	17.9
EBITDA from continuing operations (2)	99.8	122.3	194.3	171.8	154.0
Capital expenditures	93.5	66.3	59.4	40.9	43.1
Cash flows provided by (used in):					
Operating activities of continuing operations	(270.1)	268.9	196.2	154.3	9.5
Investing activities	(64.2)	(33.1)	(128.6)	(6.5)	63.4
Financing activities	328.3	(237.9)	(65.2)	(135.5)	(90.4)
Order backlog (at year end) (3)	923.0	988.8	1,133.9	840.6	644.3
Total assets (at year end)	1,699.2	1,563.7	1,665.1	1,473.2	1,373.7
Long-term debt (at year end)	8.4	8.3	--	--	--
Average segment operating capital employed (4)	998.1	1,062.4	917.8	832.8	868.4

	DECEMBER 31, 2000	
	HISTORICAL	PRO FORMA AS ADJUSTED
	(IN MILLIONS)	
COMBINED BALANCE SHEET DATA:		
Working capital	$ 127.9	$ 103.5
Total assets	1,373.7	1,373.7
Total long-term debt	--	250.0
Stockholder's equity	642.0	367.6

(footnotes on following page)

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(1) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Pro forma unaudited as adjusted diluted earnings per common share from continuing operations is computed using unaudited pro forma as adjusted income from continuing operations divided by 65,117,249, which for pro forma diluted earnings per share purposes is the assumed number of shares of our common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,505,000 common shares are outstanding, (b) 11,050,000 shares are sold in this offering and (c) the pro forma dilutive effect of our restricted stock to be issued to our employees in replacement of FMC Corporation restricted stock is 562,249 shares, calculated based on the weighted average number of shares of FMC Corporation restricted stock outstanding at any time during 2000 and vesting prior to January 1, 2003 and using FMC Corporation's average 2000 stock price and our assumed offering price of $20.00 per share.

(2) EBITDA from continuing operations consists of income from continuing operations before interest and income taxes plus depreciation of property, plant and equipment and amortization of other long-term assets, primarily intangibles of acquired companies. EBITDA from continuing operations is not a measure of financial performance under generally accepted accounting principles. You should not consider it in isolation from, or as a

substitute for, net income or cash flow measures prepared in accordance with generally accepted accounting principles or as a measure of profitability or liquidity. Additionally, our EBITDA from continuing operations calculation may not be comparable to other similarly titled measures of other companies. We have included EBITDA from continuing operations as a supplemental disclosure because it may provide useful information regarding our ability to service debt and to fund capital expenditures. Our ability to service debt and fund capital expenditures in the future, however, may be affected by other operating or legal requirements.

(3) Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date.

(4) Average segment operating capital employed is a two-point average of segment operating capital employed as of the beginning and end of the year. Segment operating capital employed represents segment assets less segment liabilities. Segment assets exclude corporate and other assets, which are principally cash equivalents, last-in, first-out reserves, deferred income tax benefits, intercompany eliminations, property, plant and equipment not attributable to a specific segment and credits relating to the sale of receivables. Segment liabilities exclude substantially all debt, income taxes, pension and other postretirement benefit liabilities, restructuring reserves, intercompany eliminations, reserves for discontinued operations and deferred gains on the sale and leaseback of equipment. Average segment operating capital employed is not a measure of financial position under generally accepted accounting principles. You should not consider it in isolation from, or as a substitute for, stockholder's equity prepared in accordance with generally accepted accounting principles or as a measure of financial position. Our management views average segment operating capital employed as a primary measure of segment capital.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma combined statement of income and unaudited pro forma condensed combined balance sheet have been prepared to reflect the following adjustments to our historical results of operations and to give effect to the following transactions as if those transactions had been consummated on January 1, 2000 for statement of income purposes and on December 31, 2000 for balance sheet purposes:

- our assumption of $479.4 million of debt in connection with this offering;

- our sale of 11,050,000 shares of common stock in this offering at an assumed initial public offering price of $20.00 per share;

- our use of the assumed $205.0 million net proceeds from this offering to pay off a portion of the assumed debt; and

- the replacement of all FMC Corporation restricted stock that will vest prior to January 1, 2003 held by our employees with our restricted stock at the time of the closing of the offering.

The unaudited pro forma combined statement of income and unaudited pro forma condensed combined balance sheet should be read in connection with, and are qualified by reference to, our combined financial statements and related notes, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this prospectus. We believe that the assumptions used in the preparation of this unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the transactions discussed above. The unaudited pro forma combined statement of income and unaudited pro forma condensed combined balance sheet are not necessarily indicative of the results that would have been reported had such events actually occurred on the dates described above, nor are they indicative of our future results.

YEAR ENDED DECEMBER 31, 2000

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME	HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA AS ADJUSTED
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)		
Revenue	$1,875.2		$1,875.2
Cost of sales or services	1,421.1		1,421.1
Selling, general and administrative expenses	291.2		291.2
Research and development	56.7		56.7
Asset impairments, restructuring and other charges	11.3		11.3
Total costs and expenses	1,780.3		1,708.3
Income from continuing operations before interest income, interest expense and income taxes	94.9		94.9
Interest income	2.3		2.3
Interest expense	6.6	$ 16.5 (1)	23.1
Income from continuing operations before income taxes	90.6	(16.5)	74.1
Provision for income taxes	22.7	(6.4)(2)	16.3
Income from continuing operations	$ 67.9	$ (10.1)(5)	$ 57.8
Unaudited pro forma as adjusted basic earnings per common share from continuing operations			$ 0.89
Shares used in computing unaudited pro forma as adjusted basic earnings per common share from continuing operations			64.6(3)
Unaudited pro forma as adjusted diluted earnings per common share from continuing operations			$ 0.89
Shares used in computing unaudited pro forma as adjusted diluted earnings per common share from continuing operations			65.1(4)

(1) Reflects interest expense associated with approximately $479.4 million of debt that will be assumed in connection with this offering less amounts repaid with the proceeds of this offering as described in footnote (2) to the unaudited condensed combined balance sheet. The interest expense assumes that these amounts were outstanding as of January 1, 2000 and remained outstanding for the entire period. Such debt was assumed to carry an effective interest rate of 6.0%. A one-eighth percent variance in that interest rate would have increased or decreased interest expense by approximately $0.3 million.

(2) The effect of taxes on the pro forma adjustments has been recognized using a blended statutory U.S. federal and state rate of 39%.

(3) Unaudited pro forma as adjusted basic earnings per common share from continuing operations has been calculated in accordance with the Securities and Exchange Commission rules for initial public offerings. These rules require that the weighted average share calculation gives retroactive effect to any changes in our capital structure as well as the number of shares whose proceeds will be used to pay any dividend or repay any debt as reflected in the pro forma adjustments. It is anticipated that all of the proceeds from the initial public offering will be used to repay debt. Therefore, pro forma weighted average shares are comprised of 53,505,000 shares of our common stock outstanding prior to this offering and 11,050,000 shares of our common stock included in the proposed offering assuming all such shares are outstanding as of January 1, 2000.

(4) Our historical capital structure is not indicative of our prospective capital structure and, accordingly, historical earnings per share information has not been presented. Unaudited pro forma as adjusted diluted earnings per common share from continuing operations is computed using unaudited pro forma as adjusted income from continuing operations divided by 65,117,249, which for pro forma diluted earnings per share purposes is the assumed number of shares of our common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,505,000 shares of our common stock are outstanding, (b) 11,050,000 shares are sold in this offering and (c) the pro forma dilutive effect of our restricted stock to be issued to our employees in replacement of FMC Corporation restricted stock is 562,249 shares, calculated based on the weighted average number of shares of FMC Corporation restricted stock outstanding at any time during 2000 and vesting prior to January 1, 2003 and using FMC Corporation's average 2000 stock price and our assumed offering price of $20.00 per share.

(5) Subsequent to this offering, we expect to incur incremental compensation expense of approximately $2.3 million ($1.4 million after tax) over the period from the offering through December 31, 2001. This expense will result from the replacement of the approximately 121,000 shares of FMC Corporation restricted stock that will vest prior to January 1, 2003 held by our employees with our restricted stock in connection with this offering, and has been excluded from the calculation of our unaudited pro forma as adjusted income from continuing operations as this incremental expense represents a significant nonrecurring charge incurred subsequent to this offering.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET	AS OF DECEMBER 31, 2000		
	HISTORICAL	PRO FORMA ADJUSTMENTS	PRO FORMA AS ADJUSTED
	(IN MILLIONS, EXCEPT FOR SHARE AND PAR VALUE AMOUNTS)		
Assets			
Current assets:			
Cash and cash equivalents	$ 17.8		$ 17.8
Trade receivables, net	328.9		328.9
Inventories	254.8		254.8
Other current assets	91.8		91.8
Total current assets	693.3		693.3
Property, plant and equipment, net	257.3		257.3
Other assets	423.1		423.1
Total assets	$1,373.7		$1,373.7
Liabilities and stockholder's equity			
Current liabilities:			
Accounts payable, trade and other	$ 328.3		$ 328.3
Other current liabilities	237.1	$ 24.4 (1)(2)	261.5
Total current liabilities	565.4	24.4	589.8
Other liabilities	166.3		166.3
Long-term debt	--	250.0 (1)(2)	250.0
Stockholder's equity:			
Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding on an historical basis, and 65,000,000 shares issued and outstanding on a pro forma as adjusted basis	--	0.7	0.7
Capital in excess of par value of common stock	--	478.3 (2)	478.3
Accumulated other comprehensive loss	(111.4)		(111.4)

Owner's net investment..................	753.4	(753.4)(1)(2)	--
Total stockholder's equity.............	642.0	(274.4)	367.6
Total liabilities and stockholder's equity..............................	$1,373.7		$1,373.7

(1) Reflects the assumption by us in connection with the offering of $479.4 million of debt resulting in an increase in our short-term and long-term debt and a reduction in our owner's net investment.

(2) Reflects (a) our sale of 11,050,000 shares of common stock in this offering at an assumed initial public offering price of $20.00 per share, which, after deducting estimated underwriting discounts and offering expenses payable by us, will result in net offering proceeds of approximately $205.0 million, and (b) the use of these net proceeds to pay off a portion of our debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the selected historical combined financial and operating data and the accompanying combined financial statements and related notes included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this prospectus, particularly in "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information."

OVERVIEW

OUR SEPARATION FROM FMC CORPORATION

On October 31, 2000, FMC Corporation announced its intention to reorganize its Energy Systems and Specialty Systems businesses as a new company, FMC Technologies, Inc., and to cause us to sell up to 19.9% of our common stock in an initial public offering. FMC Technologies, Inc. was incorporated in Delaware on November 13, 2000 and currently is a wholly owned subsidiary of FMC Corporation. After the completion of this offering, FMC Corporation will own approximately 82.3% of our outstanding common stock, or 80.3% if the underwriters exercise their over-allotment option in full. FMC Corporation has advised us that it currently intends to distribute its remaining ownership interest in us to common stockholders of FMC Corporation. If completed, the distribution, as previously announced, is expected to take the form of a spin-off in which FMC Corporation distributes all of our common stock that it owns through a special dividend to FMC Corporation common stockholders. If circumstances change, FMC Corporation may distribute its remaining ownership interest in us through an exchange offer by FMC Corporation, in which its common stockholders would be offered the option of tendering some or all of their shares in exchange for our common stock, and a subsequent spin-off of FMC Corporation's remaining ownership interest in us. FMC Corporation has advised us that it does not intend to complete the distribution unless it receives a favorable tax ruling from the IRS as to the tax-free nature of the distribution for U.S. federal income tax purposes and the final approval of the Board of Directors of FMC Corporation, among other conditions. FMC Corporation has also advised us that it currently anticipates that this distribution will occur by the end of calendar year 2001.

FMC Corporation has advised us that the final determination as to the completion, timing, structure and terms of the distribution will be based on financial and business considerations and prevailing market conditions. In addition, FMC Corporation has advised us that, as permitted by the separation and distribution agreement, it will not complete the distribution if its Board of Directors determines that the distribution is not in the best interests of FMC Corporation and its stockholders. FMC Corporation has the sole discretion to determine whether or not to complete the distribution and, if it decides to complete the distribution, to determine the timing, structure and terms of the

distribution. FMC Corporation and we have entered into various agreements governing our relationship following the offering. For a description of these agreements, see "Arrangements Between FMC Technologies and FMC Corporation."

OUR BUSINESS

Energy Systems is a global leader in the provision of subsea drilling and production systems, floating production, surface drilling and production systems for oil and gas companies involved in the exploration and production of crude oil and natural gas. Many of the systems that we provide are for use in the exploration, development and production of crude oil and natural gas reserves located in technologically challenging deepwater environments, which involve water depths of greater than 1,000 feet. We are also a leading provider of specialized, high-performance fluid control systems and products, measurement systems, loading systems and blending and transfer systems to customers involved in the transportation and processing of crude oil, natural gas and refined petroleum-based products.

The primary factor influencing demand for the exploration and production systems and services that we provide is the exploration and production spending of oil and gas companies, particularly with respect to offshore activities worldwide. Exploration and production spending levels, in turn, depend primarily on current and anticipated future crude oil and natural gas prices, production volumes and oil and gas company operating costs. During 1998, crude oil prices declined to their lowest level in over 12 years, reaching $10.76 per barrel of West Texas Intermediate crude and averaging $14.38 per barrel for the year. This decline resulted in many exploration and production companies canceling or deferring a significant portion of their exploration and development activities. Crude oil prices substantially recovered during the second half of 1999, averaging $23.10 per barrel, and exploration and production companies enjoyed improved operating results and cash flows. Oil prices continued their upward trend through 2000, averaging $30.37 per barrel.

Although trends in the demand for and price of crude oil and natural gas affect oil and gas industry activity and expenditure levels and thereby the demand for Energy Systems' systems and services, Energy Systems' financial performance generally has been less affected by short-term market cycles and volatile commodity prices than the financial performance of companies operating in other sectors of the oilfield services industry. Most of the systems that we supply are highly engineered to meet the unique demands of our customers and are typically ordered one or two years prior to installation. We believe that, due to their long lead times and high potential returns, the deepwater projects in which our systems are used typically are not the marginal projects that are more subject to cancellation or delay during periods of low crude oil and natural gas prices. In addition, we believe that Energy Systems is less capital intensive than companies operating in other sectors of the oilfield services industry due to factors such as high engineering content, outsourcing of certain low value-added manufacturing and advance payments received from customers.

Specialty Systems is a leading supplier of specialized handling and processing systems and services to industrial companies. Demand for Specialty Systems' equipment, systems and services is greatly affected by changes in the levels of capital investment by the largest customers in this segment. These changes are influenced by a number of factors, many of which are beyond our control, such as our customers' overall profitability and general economic conditions. Other factors influencing capital expenditures by food processing customers include the demand for processed and frozen foods, conditions in the agricultural sector affecting price, and public perception of food safety and contamination. The level of expenditures by air transportation customers depends on, among other factors, jet fuel prices, labor costs, the level of passenger and air freight activity, and changes in foreign and domestic regulation of air transportation.

OUTLOOK

Worldwide exploration and production spending by oil and gas companies is expected to increase an estimated 19.1% in 2001 to approximately $103.2 billion from an estimated $86.6 billion in 2000. While revenues from large deepwater exploration and production contracts have been slower to materialize following the recent recovery of crude oil and natural gas prices than we previously expected, we have recently begun to realize benefits from increasing deepwater

production spending. During the first quarter of 2001, we entered into an alliance with BP Amoco p.l.c. regarding BP Amoco's deepwater development programs in the Gulf of Mexico. Hardware deliveries are expected to begin in late 2002, with the initial project management and engineering work beginning in the second quarter of 2001. During the third quarter of 2000, we entered into alliances with Agip Exploration and Production and Norsk Hydro to provide systems used in deepwater exploration and production and expect to begin realizing revenue from these agreements in the second half of 2001. In addition, recently we were awarded two orders from Petroleo Brasileiro S.A. for subsea tree systems: a $13 million order for the Marlim and Marlim Sul developments and a $15.3 million order for the Marimba Leste development, all of which are off the coast of Brazil. While we view the increased activity as a positive indicator of strengthening oil and gas industry exploration and production activity, pricing remains competitive. We believe that many of our major oil and gas customers that have announced mergers have essentially completed the integration of the merged entities, and that they will focus on exploration and development efforts, including the development of large offshore deepwater basins.

Although spending for airline ground support equipment and systems is not expected to change significantly in 2001 from the levels in 2000, increased operating costs for airlines may negatively impact airlines' purchases of capital assets, while more favorable fuel prices could generate incremental opportunities for sales of ground support equipment. In addition, revenues generated from the Next Generation Small Loader Contract with the U.S. Air Force could favorably impact our operating results in 2001 as compared with 2000. The five-year contract is valued at $135 million and has the potential to generate revenue of $458 million over the next 15 years. We also continue to maintain or grow our market share and improve our after-market services to food handling and processing equipment customers. Florida's citrus crops were subjected to below freezing temperatures early in 2001. The projected reduced citrus yields may negatively impact citrus equipment revenues and profitability.

BASIS OF PRESENTATION

FMC Corporation has operated the businesses it will transfer to us in the separation as internal units of FMC Corporation through various divisions and subsidiaries or through investments in unconsolidated affiliates. Our combined financial statements have been carved out from the consolidated financial statements of FMC Corporation using the historical results of operations and bases of the assets and liabilities of the transferred businesses. FMC Corporation has provided general and administrative services to our businesses, including accounting, treasury, tax, legal, human resources, information technology and other corporate and infrastructure services. The costs of these services have been allocated to us and included in our combined financial statements based upon the relative levels of use of those services causing the incurrence of the expenses. The expense allocations have been determined on the basis of assumptions and estimates that management believes to be a reasonable reflection of our utilization of those services. These allocations and estimates, however, are not necessarily indicative of the costs and expenses that would have resulted if we had operated as a separate entity in the past, or of the costs we may incur in the future. For information relating to our relationship with FMC Corporation and services and arrangements between FMC Corporation and us following the separation, see "Arrangements Between FMC Technologies and FMC Corporation." For more information regarding these or other allocations made in connection with the preparation of our combined financial statements, see Note 2 and the other notes to those statements.

The financial information presented in this prospectus does not reflect the debt or interest expense we would have incurred if we were a stand-alone entity. In addition, the financial information presented in this prospectus may not be indicative of our combined financial position, operating results or cash flows in the future or what our financial position, operating results and cash flows would have been had we been a separate, stand-alone entity during the periods presented. The financial information presented in this prospectus does not reflect any changes that will occur in our funding or operations as a result of this offering, the distribution and our becoming a stand-alone entity.

RESULTS OF OPERATIONS

The following table summarizes our combined operating results in 1998, 1999 and 2000, which were derived from our audited combined financial statements included elsewhere in this prospectus. The information contained in the table should be read in conjunction with the selected historical combined financial data and the historical combined financial statements and notes thereto included elsewhere in this prospectus. 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 debt facilities and investments, income taxes, asset impairments and restructuring and other charges (See Note 5 to our combined financial statements), last-in, first-out, or LIFO, inventory adjustments and other income and expense items.

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
	(IN MILLIONS)		
REVENUE			
Energy Systems	$1,320.9	$1,129.4	$1,037.3
Specialty Systems	868.2	826.3	839.5
Intercompany eliminations	(3.6)	(2.6)	(1.6)
Total revenue	$2,185.5	$1,953.1	$1,875.2
SEGMENT OPERATING PROFIT			
Energy Systems	$ 95.2	$ 97.1	$ 72.4
Specialty Systems	72.8	64.2	69.0
Total segment operating profit	168.0	161.3	141.4
Corporate expenses	(36.4)	(35.3)	(33.7)
Other expense, net	(3.9)	(6.9)	(1.5)
Operating profit, before asset impairments, restructuring and other charges, net interest income (expense) and income tax expense	127.7	119.1	106.2
Asset impairments	--	(6.0)	(1.5)
Restructuring and other charges	--	(3.6)	(9.8)
Net interest income (expense)	(1.9)	0.5	(4.3)
Income from continuing operations, before income taxes	125.8	110.0	90.6
Income tax expense	38.6	33.5	22.7
Income from continuing operations	87.2	76.5	67.9
Discontinued operations, net of income taxes	--	(5.5)	--
Net income	$ 87.2	$ 71.0	$ 67.9

YEAR ENDED DECEMBER 31, 2000 COMPARED WITH YEAR ENDED DECEMBER 31, 1999

Revenue. Our total revenue for the year ended December 31, 2000 decreased $77.9 million, or 4.0%, to $1,875.2 million, compared to $1,953.1 million for the year ended December 31, 1999, as a result of declines in Energy Systems' revenue, which were partially offset by increased Specialty Systems' revenue. Energy Systems' revenue in 2000 decreased $92.1 million, or 8.2%, to $1,037.3 million from $1,129.4 million in 1999. Specialty Systems' revenue in 2000 increased $13.2 million, or 1.6%, to $839.5 million, compared to $826.3 million in 1999.

Lower Energy Systems' revenue in 2000 reflected continued delays by oil and gas companies in the awarding of new contracts for large subsea projects. The delays were attributable in part to restructuring and merger activity in the oil and gas industry and to delays experienced by oil and gas companies in

obtaining required government approvals for subsea projects located offshore West Africa. Higher sales of surface wellhead and fluid control equipment in 2000, historically considered a leading indicator of market activity, partly offset the lower subsea revenue.

Specialty Systems' revenue increased in 2000 compared to 1999 by approximately $38.5 million due to the acquisition of Northfield Freezing Equipment in February 2000 and by $19.1 million due to continued growth in our aftermarket services. These increases were partly offset by a $21.7 million decrease in sales of agricultural machinery, a $12.1 million decrease in sales of domestic loaders and a $9.4 million decrease in sales of loaders in Europe and the Middle East. Reduced loader sales resulted as airlines responded to higher operating costs, primarily driven by higher fuel costs in 2000, by restricting capital purchases.

Segment Operating Profit. Total segment operating profit decreased $19.9 million, or 12.3%, to $141.4 million in 2000 from $161.3 million in 1999. Energy Systems' operating profit in 2000 decreased $24.7 million, or 25.4%, to $72.4 from $97.1 million in 1999. Operating profit for Specialty Systems increased $4.8 million, or 7.4%, to $69.0 million in 2000 from $64.2 million in 1999.

Energy Systems' operating profit in 2000 and 1999 included pre-tax gains of $0.5 million and $4.6 million, respectively, from the sale of assets. Excluding these gains, Energy Systems' operating profits decreased 22.3% to $71.9 million in 2000 from $92.5 million in 1999. This decrease was primarily the result of lower sales volumes of subsea and floating production systems due to delays in the awarding of new contracts by oil and gas companies, and an $8.1 million increase in research and development expense, primarily directed at new subsea market initiatives.

Specialty Systems' operating profit increased in 2000 as compared to 1999, due primarily to cost reductions, which resulted in part from then-current and prior restructuring activities. Also contributing to the increased operating profit were higher sales volumes of Jetway(R) systems and a cost overrun that occurred in 1999 associated with an international Jetway(R) project. The higher operating profit was partly offset by lower profits on ground support equipment due to reduced margins that were driven by lower sales volumes and changes in customer mix, as well as increased competitive pressure and lower profits on freezer sales, which were negatively affected by customer consolidation.

Corporate Expenses. Corporate expenses decreased $1.6 million, or 4.5%, to $33.7 million in 2000 from $35.3 million in 1999, due to ongoing and prior restructuring efforts.

Other Expense, net. Other income and expense is comprised primarily of LIFO inventory adjustments and pension income or expense. Pension and other postretirement benefit expense decreased from $8.7 million in 1999 to $5.2 million as a result of an increase in the discount rate used to calculate pension expense for 2000.

Asset Impairments and Restructuring and Other Charges. In the second quarter of 2000, we recorded asset impairments and restructuring and other one-time charges totaling $11.3 million before taxes, or $6.9 million after taxes. Asset impairments of $1.5 million were required to write down selected Energy Systems' machinery to its estimated recoverable amount after a decision was made to withdraw from several non-core manufacturing activities. An analysis of estimated future cash flows attributed to these assets indicated that an impairment of the assets had occurred. Restructuring and other one-time charges were $9.8 million before taxes, and included $8.0 million, which resulted primarily from strategic decisions to restructure selected Specialty Systems' operations due to economic downturns in a number of markets in which we participate as well as decisions to withdraw from several manufacturing activities which are no longer considered core competencies. The restructuring consisted of reductions in force of 236 individuals and is expected to result in reduced compensation expense beginning in 2001. Restructuring charges of $1.4 million at Energy Systems consisted of severance costs related to reductions in force of 68 individuals as a result of the delay in orders received from oil and gas companies for major systems. The Energy Systems restructuring is also expected to result in reduced compensation expense

beginning in 2001. Restructuring charges of $0.4 million related to a corporate reduction in force. The remaining 53 workforce reductions associated with these restructuring programs were completed during the first quarter of 2001.

Net Interest Income (Expense). Net interest is associated with cash balances and third-party debt in our operating companies. Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies have been minimal and are not representative of what our actual

debt or cash balances would have been had we been a separate, stand-alone entity. Net interest expense in 2000 was $4.3 million, compared to interest income of $0.5 million in 1999. The increase in net interest expense in 2000 was primarily the result of a reduction of short-term marketable securities in foreign businesses.

Income Tax Expense. Income tax expense in 2000 was $22.7 million, resulting in an effective tax rate of 25.0%, as compared to income tax expense of $33.5 million and an effective tax rate of 30.4% in 1999. The differences between the effective tax rates for these periods and the statutory U.S. federal income tax rate relate primarily to differing foreign tax rates, foreign sales corporation benefits, incremental state taxes and non-deductible goodwill amortization and expenses. A greater benefit from lower foreign tax rates in 2000 accounted for the overall decreased effective rate compared to 1999.

Discontinued Operations. In 1999, we recorded a provision for discontinued operations of $9.0 million ($5.5 million after tax) to increase our actuarially-determined product liability reserves associated with discontinued machinery businesses. See Note 12 to our combined financial statements for further information regarding this provision, our discontinued operations reserves and related product liability claims.

Net Income. Net income in 2000 decreased $3.1 million, or 4.4%, to $67.9 million, compared to $71.0 million in 1999.

Order Backlog. Our combined order backlog as of December 31, 2000 was $644.3 million, of which $425.1 million was related to Energy Systems and $219.2 million was related to Specialty Systems. Our combined order backlog as of December 31, 1999 was $840.6 million, of which $593.4 million was related to Energy Systems and $247.2 million was related to Specialty Systems. The decline in Energy Systems' order backlog in 2000 as compared with 1999 was primarily related to delays by oil and gas companies in the awarding of new contracts for large subsea projects. The decline in order backlog for Specialty Systems in 2000 as compared with 1999 was primarily due to lower orders for food processing equipment in 2000.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

Revenue. Our total revenue for the year ended December 31, 1999 decreased $232.4 million, or 10.6%, to $1,953.1 million, compared to $2,185.5 million for the year ended December 31, 1998, as a result of declines in both segments' revenue. Energy Systems' revenue in 1999 decreased $191.5 million, or 14.5%, to $1,129.4 million from $1,320.9 million in 1998. Specialty Systems' revenue in 1999 decreased $41.9 million, or 4.8%, to $826.3 million, compared to $868.2 million in 1998.

Lower Energy Systems' revenue reflected reduced customer exploration and production spending in 1999 compared to 1998, due to lower crude oil and natural gas prices in 1998 and in the first half of 1999. In addition, market uncertainty related to the direction of oil and natural gas prices and consolidation by major oil companies resulted in delays in subsea projects. Energy Systems' revenue in 1999 also declined following the disposition of our Crosby Valve business to a subsidiary of Tyco International Ltd. in 1998. Crosby Valve, which had revenue of $52.5 million through the date of divestiture in July 1998, was not strategically aligned with other Energy Systems businesses. Partly offsetting these declines were higher deliveries relating to the Elf Girassol Angola and Terra Nova Canada projects and higher sales to several of Energy Systems' alliance customers, including Shell Exploration and Production U.S.A. and Exxon.

The decline in Specialty Systems' revenue in 1999 compared to its revenue in 1998 was partly due to lower domestic sales of cargo loaders, as most of the major airlines completed replacement programs of older fleets in 1998 and returned to more normal purchasing patterns in 1999. In addition, lower sales of freezing systems and the divestiture of our converting equipment product line in 1998 also contributed to the decline in revenue in 1999. These reductions were partially offset by increased sales of food processing equipment to major food processors and increased sales of ground support equipment to European airports and airlines.

Segment Operating Profit. Total segment operating profit decreased $6.7 million, or 4.0%, in 1999 to $161.3 million, compared to $168.0 million in 1998. Energy Systems' operating profit in 1999 increased $1.9 million, or 2.0%, to $97.1 million from $95.2 million in 1998. Operating profit for Specialty Systems declined $8.6 million, or 11.8%, to $64.2 million in 1999 from $72.8 million in 1998.

Energy Systems' operating profit in 1999 and 1998 included pre-tax gains of $4.6 million and $16.0 million, respectively, from the sale of assets. Excluding these gains, Energy Systems' operating profit increased by 16.8% from $79.2 million in 1998 to $92.5 million in 1999. Energy Systems' increased operating profit in 1999 compared to 1998 resulted from improved margins driven by product mix and cost reduction efforts.

Specialty Systems' lower operating profit in 1999 compared to 1998 was a result of lower sales volumes, particularly for loaders, and lower margins for passenger boarding bridge projects due to a cost overrun in 1999 associated with an international Jetway(R) project. These lower revenue and margins were partially offset by higher margins resulting from a higher percentage of Specialty Systems' sales to the food and citrus processing industries and continued growth within our after-market services.

Corporate Expenses. Corporate expenses decreased $1.1 million, or 3.1%, to $35.3 million in 1999 from $36.4 million in 1998, due to ongoing and prior cost reduction efforts.

Other Expense, net. Other income and expense is comprised primarily of LIFO inventory adjustments and pension income or expense. Pension and postretirement benefit expense of $8.7 million in 1999 increased from $2.9 million in 1998 because of a decrease in the discount rate used to calculate pension expense in 1999 and a 1999 provision for nonqualified pension benefits.

Asset Impairments and Restructuring and Other Charges. In the third quarter of 1999, we recorded asset impairments and restructuring and other one-time charges totaling $9.6 million before taxes, or $5.9 million after taxes. Asset impairments of $6.0 million before taxes were required to write-down selected Specialty Systems' assets as estimated future cash flows attributed to these assets indicated that an impairment of the assets had occurred. The restructuring and other one-time charges of $3.6 million before taxes resulted primarily from strategic decisions to divest or restructure selected corporate departments and a number of businesses, including selected Energy Systems and Specialty Systems operations.

Net Interest Income (Expense). Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies have been minimal and are not representative of what our actual debt or cash balances would have been had we been a separate, stand-alone entity. Net interest income in 1999 was $0.5 million, compared to net interest expense in 1998 of $1.9 million. The reduced net interest expense in 1999 resulted from lower average debt balances.

Income Tax Expense. Income tax expense in 1999 was $33.5 million, resulting in an effective tax rate of 30.4%, compared to income tax expense of $38.6 million and an effective tax rate of 30.7% in 1998. The differences between the effective tax rates for these periods and the statutory U.S. federal income tax rate relate primarily to differing foreign tax rates, foreign sales corporation benefits, incremental state taxes and non-deductible goodwill amortization and expenses.

Discontinued Operations. In 1999, we recorded a provision for discontinued operations of $9.0 million ($5.5 million after tax) to increase our actuarially-determined product liability reserves associated with

discontinued businesses. See Note 12 to our combined financial statements for further information regarding this provision, our discontinued operations reserves and related product liability claims.

Net Income. Net income in 1999 decreased $16.2 million, or 18.6%, to $71.0 million, compared to $87.2 million in 1998.

Order Backlog. Our combined order backlog as of December 31, 1999 was $840.6 million, of which $593.4 million was related to Energy Systems and $247.2 million was related to Specialty Systems. Our combined order backlog as of December 31, 1998 was $1,133.9 million, of which $877.9 was related to Energy Systems and $256.0 million was related to Specialty Systems. The lower order backlog for Energy Systems reflected reduced customer exploration and production spending in 1999 as compared to 1998.

LIQUIDITY AND CAPITAL RESOURCES

We had cash and cash equivalents of $17.8 million and $40.1 million at December 31, 2000 and 1999, respectively. We generated cash from operating activities of $9.5 million in 2000, compared to $154.3 million in 1999 and $196.2 million in 1998. Operating working capital, which excludes cash and cash equivalents, short-term debt and income tax balances, increased $110.4 million from $40.6 million at December 31, 1999 to $151.0 million at December 31, 2000. Our working capital balances vary significantly depending on the payment terms and timing of delivery on key contracts, particularly for Energy Systems' customers. During 1998 and 1999, working capital requirements declined significantly due to favorable advance payment terms on key contracts, many of which were approaching completion in 2000. Working capital requirements rose significantly in 2000 due to the delay by oil and natural gas companies in awarding significant new long-term contracts, and a trend toward lower advance payments.

During the fourth quarter of 1999, FMC Corporation entered into an accounts receivable financing facility under which accounts receivable are sold without recourse through a wholly owned, bankruptcy remote subsidiary. As part of FMC Corporation, we have participated in the receivable financing facility, which resulted in a reduction of accounts receivable of $38.0 million and $22.3 million on our combined balance sheets at December 31, 2000 and 1999, respectively. Net discounts recognized on sales of receivables are included in selling, general and administrative expenses in the combined statements of income and amounted to $0.1 million and $0.3 million for the years ended December 31, 2000 and 1999, respectively.

Cash provided by investing activities was $63.4 million in 2000, compared to cash used in investing activities of $6.5 million in 1999 and $128.6 million in 1998. Cash inflows in 2000 include the redemption of Tyco preferred stock received in conjunction with the sale of Crosby Valve for $128.7 million, including dividends of $1.2 million. In addition, in 2000, we acquired Northfield Freezing Equipment for $39.8 million in cash and the assumption of liabilities. In 1998, we acquired a majority interest in an energy services business for $82.8 million, net of cash acquired, and in 1999, we acquired additional outstanding shares of the same business for $21.7 million and now own approximately 98%. We continue to evaluate other potential acquisitions, divestitures and joint ventures on an ongoing basis. We are not currently in negotiations regarding any material acquisition, divestiture or joint venture.

During 2000 and 1999, we entered into agreements for the sale and leaseback of $13.7 million and $29.1 million of equipment, respectively. We received net proceeds of $22.5 million in 2000 and $52.1 million in 1999 in connection with these transactions. Non-amortizing deferred credits were recorded in conjunction with the sale transactions. These credits totaled $31.8 and $23.4 million at December 31, 2000 and 1999, respectively, and are included in other long-term liabilities. For more information on these sale and leaseback transactions, see Note 7 to our combined financial statements.

Total borrowings were $41.1 million and $12.0 million at December 31, 2000 and 1999. Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies has been minimal and is not representative of what our actual debt balances would have been had we been a separate stand-alone entity.

We anticipate that our debt after giving effect to this offering will be

approximately $315.5 million or $284.4 million if the underwriters' over-allotment option is fully exercised. In addition, the amount of debt we will assume will be adjusted for the cash flow from operations from January 1, 2001 to the closing of this offering. After this offering, our committed credit will consist of two revolving credit facilities: a $250 million five-year credit agreement and a $150 million 364-day revolving credit facility, both of which we will assume from FMC Corporation. As a part of FMC Corporation, we previously had access to funds available under FMC Corporation's revolving credit and other debt facilities, which will remain with FMC Corporation in the separation. In order to allocate debt between the remaining businesses of FMC Corporation and us in the separation, FMC Corporation and we entered into the $250 million five-year credit agreement and the $150 million 364-day revolving credit facility, as well as a $200 million 180-day revolving credit facility. FMC Corporation received all of the proceeds from, and we will assume the obligations under, those credit facilities.

We expect to use the estimated $205.0 million of net proceeds from this offering to pay down all borrowings outstanding under the $200 million 180-day revolving credit facility and to use the remaining net proceeds to pay down a portion of the borrowings outstanding under the $150 million 364-day revolving credit facility. Our management believes that the amount of debt that we will assume, reduced by the application of the net proceeds from this offering, represents a reasonable and appropriate level of debt for our company.

We expect to meet our operating needs, fund capital expenditures and potential acquisitions and meet debt service requirements through cash generated from operations and the credit facilities discussed above. On or before the completion of this offering, we will discontinue selling accounts receivable. Consequently, it is expected that receivables will subsequently increase by the amount of receivables sold as of this offering, with a corresponding increase in debt. As of December 31, 2000, approximately $38 million of accounts receivable were sold. Capital spending is forecast to be approximately $60 million for 2001, compared with $43.1 million in 2000.

DERIVATIVE FINANCIAL INSTRUMENTS AND MARKET RISKS

We are subject to financial market risks, including fluctuations in currency exchange rates. In managing our exposure to these risks, we may use derivative financial instruments in accordance with the established policies and procedures discussed below. We do not use derivative financial instruments for trading purposes. At December 31, 2000, our derivative holdings consisted primarily of foreign currency forward contracts.

When we sell or purchase products or services outside the United States, transactions are frequently denominated in currencies other than U.S. dollars. We mitigate our exposure to variability in currency exchange rates when possible through the use of natural hedges, whereby purchases and sales in the same foreign currency and with similar maturity dates offset one another. Additionally, we initiate hedging activities by entering into foreign exchange forward or options contracts with third parties when natural hedges are not feasible. The maturity dates of the currency exchange agreements that provide hedge coverage are substantially synchronized with those of the underlying purchase or sales commitments.

To monitor our currency exchange rate risks, we use a sensitivity analysis, which measures the impact on earnings of an immediate 10% devaluation in the foreign currencies to which we have exposure. This calculation assumes that each exchange rate would change in the same direction relative to the U.S. dollar. Based on the sensitivity analysis at December 31, 2000, such a fluctuation in currency exchange rates in the near term would not materially affect our combined operating results, financial position or cash flows. We believe that our hedging activities have been effective in reducing our risks related to historical currency exchange rate fluctuations.

As of December 31, 1999 and 2000, we held foreign exchange forward contracts with notional amounts of approximately $388.7 million and $417.8 million, respectively, in which foreign currencies (primarily Norwegian krone, Singapore dollars and British pounds) were purchased. As of those same dates, we also held foreign exchange forward contracts with notional amounts of approximately $254.2 million and $335.7 million, respectively, in which foreign currencies (primarily Singapore dollars, British pounds, euros and Norwegian

krone in 1999 and Norwegian krone, Swedish krona, Singapore dollars and British pounds in 2000) were sold. Notional amounts are used to measure the volume of derivative financial instruments and do not represent potential gains or losses on these instruments.

During September 1998, we entered into $33.0 million of forward contracts to offset risks associated with the portions of our Brazilian investments denominated in the Brazilian real. During the first quarter of 1999, the Brazilian real devalued. Losses from the decline in value of our real-denominated investments during the 1999 devaluation, as well as 1999 economic losses related to the Brazilian economic crisis, were offset by gains on these forward contracts.

In connection with the separation, we expect to enter into one or more debt instruments that will subject us to the risk of loss associated with movements in interest rates. We may from time to time enter into arrangements to manage or mitigate interest rate risk utilizing derivative financial instruments.

For more information on derivative financial instruments, see Notes 3 and 14 to the combined financial statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, is effective for our combined financial statements beginning January 1, 2001. This statement will require us to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged item through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be recognized in earnings immediately. We expect that our adoption of this statement on January 1, 2001 will result in the recognition of a net loss of approximately $7.2 million after tax in the combined statement of income and a charge of approximately $2.3 million to other comprehensive income in the first quarter of 2001, both of which will be accounted for as the cumulative effect of a change in accounting principle.

CONVERSION TO THE EURO

On January 1, 1999, 11 European Union member states adopted the euro as their common national currency. During the transition period ending January 1, 2002, either the euro or a participating country's present currency will be accepted as legal tender. Beginning on January 1, 2002, euro-denominated bills and coins will be issued, and by July 1, 2002, the euro will be the only currency that the member states will use.

We continue to address the strategic, financial, legal and systems issues related to the various phases of the transition. We are evaluating customer and business needs on a timely basis and are attempting to anticipate and prevent complications related to the conversion. Throughout the transition period, we have incurred and will continue to incur minor costs related primarily to programming changes in our information systems.

BUSINESS

OVERVIEW

We design, manufacture and service technologically sophisticated systems and products for our customers through our Energy Systems and Specialty Systems segments. Energy Systems is a leading supplier of systems and services used in the offshore, particularly deepwater, exploration and production of crude oil and natural gas. In addition, Specialty Systems provides technologically advanced handling and processing systems to industrial customers. During the year ended December 31, 2000, we generated $1,875.2 million of revenue, after intercompany eliminations. In the year 2000, Energy Systems generated $1,037.3

million of revenue, resulting in a 14.5% compound annual growth rate since 1994, and Specialty Systems generated $839.5 million of revenue, resulting in an 8.5% compound annual growth rate over the same period.

ENERGY SYSTEMS

Energy Systems is a global leader in the provision of subsea drilling and production systems, including subsea tree systems that control the flow of crude oil and natural gas from the well, systems for floating production solutions and surface drilling and production systems, to oil and gas companies involved in the exploration and production of crude oil and natural gas. Many of the systems that we provide are for use in the exploration, development and production of crude oil and natural gas reserves located in technologically challenging deepwater environments, which involve water depths of greater than 1,000 feet. Worldwide exploration and production spending is expected to increase an estimated 19.1% in 2001 to approximately $103.2 billion. More specifically, an external industry survey published in early 2000 projected that subsea tree installations would increase at a compound annual growth rate of 17.0% between 2000 and 2004.

We are also a leading provider of specialized, high-performance fluid control systems and products, measurement systems, loading systems and blending and transfer systems to customers involved in the transportation and processing of crude oil, natural gas and refined petroleum-based products.

We supply subsea systems to leading exploration and production companies. We are a major supplier of subsea tree systems and associated services to ExxonMobil Corporation, BP Amoco p.l.c., Shell Exploration and Production Company (USA), Statoil A.S., Total Fina Elf S.A. and Petroleo Brasileiro S.A. These six companies are projected to be among the eight most active developers of subsea oil and gas over the next five years based on projected subsea tree installations. We believe that the continuing consolidation in the oil and gas industry will lead to further outsourcing by the major oil companies and the selection of a limited number of vendors. We believe our customers prefer vendors that can provide comprehensive systems and services that are engineered to fit their individual needs--particularly for highly capital-intensive and technologically challenging subsea deepwater projects.

With our integrated systems for subsea exploration and production, we have aggressively pursued alliances with oil and gas companies that are actively engaged in the subsea development of crude oil and natural gas. Development of subsea fields, particularly in deepwater environments, involves substantial capital investments by our customers. Our customers have sought the security of alliances with us to ensure timely and cost-effective delivery of subsea and other energy-related systems that provide an integrated solution to their needs. Our key subsea alliance customers include Agip Exploration and Production, which is a subsidiary of ENI S.p.A., BP Amoco, Norsk Hydro, Shell Exploration and Production Company, Statoil and Unocal Corporation. In addition to these alliances, we are currently supplying subsea trees to Amerada Hess Corporation, Anadarko Petroleum Corporation, ExxonMobil, Kerr-McGee Corporation, Petrobras, Petro-Canada, Total Fina Elf, Vietsopetro and Woodside Petroleum Ltd.

We have an established presence in more than 30 countries and are involved in all of the world's major subsea crude oil and natural gas basins currently under development. Since 1995, we have installed, or been awarded contracts for the installation of, more subsea tree systems than any other manufacturer. Since 1994, we have installed more than 315 subsea trees, which reside on the ocean floor and are used to control

and regulate the flow of crude oil and natural gas from wells. Of the trees that we have installed since 1994, approximately 89% are located off the coast of Brazil, in the Gulf of Mexico, off the coast of West Africa or in the North Sea. Deepwater fields are forecasted to account for 90% of the reserves to be developed in fields off the coast of Brazil, 89% in the Gulf of Mexico and 45% off the coast of West Africa.

We have developed our leadership position through our investment in and application of technology to our systems and products. In 1987, we set a world record for the deepest subsea tree completion at 1,348 feet off of the coast of Brazil. Between 1987 and 2000, we set another five world records, and, in March

2001, we expect to set yet another deepwater world record by installing a subsea tree at a depth of approximately 6,200 feet, also off of the coast of Brazil. To maintain our leading technology, between 1994 and 2000, we have increased our research and development spending by an average of 15.7% per year. Our research and development teams have focused on introducing new systems and services that lower our customers' operating costs and capital requirements to access deepwater reserves. To meet the demands of crude oil and natural gas production in increasingly deeper water, we are currently focusing on developing subsea systems for use in up to 10,000 feet of water under conditions that involve extreme well pressures and temperatures. In addition, to enhance the recovery of subsea crude oil and natural gas reserves and improve the financial returns associated with subsea developments, we are developing systems that are intended to lower the cost of intervening into subsea wells and to put subsea processing and other production-related activities on the ocean floor.

Although trends in the demand for and price of crude oil and natural gas affect oil and gas industry activity and expenditure levels and thereby the demand for Energy Systems' systems and services, Energy Systems' financial performance generally has been less affected by short-term market cycles and volatile commodity prices than the financial performance of companies operating in other sectors of the oilfield services industry. Most of the systems that we supply are highly engineered to meet the unique demands of our customers and are typically ordered one or two years prior to installation. We believe that, due to their long lead times and high potential returns, the deepwater projects in which our systems are used typically are not the marginal projects that are more subject to cancellation or delay during periods of low crude oil and natural gas prices. In addition, we believe that Energy Systems is less capital intensive than companies operating in other sectors of the oilfield services industry due to factors such as high engineering content, the outsourcing of certain low value-added manufacturing and advance payments received from customers.

GROWTH STRATEGY

Worldwide exploration and production spending is expected to increase an estimated 19.1% in 2001 to approximately $103.2 billion. More specifically, an external industry survey published in early 2000 projected that subsea tree installations would increase at a compound annual growth rate of 17.0% between 2000 and 2004.

From 1994 to 2000, Energy Systems' revenue and segment operating profit increased at compound annual rates of 14.5% and 31.8%, respectively. Energy Systems' revenue for 1994 includes the first full year of its ownership of two acquired subsea businesses, Kongsberg Offshore A.S. and SOFEC, Inc. These two acquisitions substantially expanded Energy Systems' scope of subsea products and contributed to the development of our subsea systems and floating production offerings.

We believe that growth in Energy Systems is based upon our ability to supply the integrated systems required by the high-growth deepwater sector of the exploration and production industry. We expect that demand for these systems will continue to increase as exploration and production of crude oil and natural gas in technologically challenging deepwater and remote areas increases. In addition to benefiting from the expected growth in the business areas we serve, we intend to pursue select, complementary acquisitions and the following internal growth strategy:

- FOCUS ON TECHNOLOGICAL INNOVATION. We have increased Energy Systems' research and development spending by a compound annual rate of 15.7% from 1994 to 2000 to $33.8 million in 2000. We believe that our technological innovations have optimized product performance and led to breakthrough installation techniques, yielding substantial cost savings that have helped to make deepwater production and the development of smaller fields an economic reality. We believe that reductions in the total cost of production of an offshore field and the technological challenges posed by ultra-deepwater production have been, and will continue to be, major factors influencing the development of subsea products and services.

- DEVELOP AND MAINTAIN ALLIANCES WITH KEY CUSTOMERS. We intend to

expand our current alliances and form new alliances with other companies active in the oil and gas industry. Our current key subsea alliance customers include Agip Exploration and Production, Norsk Hydro, Shell Exploration and Production Company, Statoil and Unocal. Through our relationships with our customers, we are able to refine and standardize our systems and services over many projects and to optimize offshore installation techniques for the lowest total cost and maximum reservoir recovery.

- PROVIDE A BROAD PACKAGE OF SYSTEMS AND SERVICES. We intend to develop and acquire additional systems and services that complement our current offerings and leverage our worldwide infrastructure. As major oil companies increasingly outsource non-core operations, we believe that they will continue to seek suppliers, like us, that can provide an integrated solution to their exploration and production needs through a single-sourced package of related systems and services.

INDUSTRY

The primary factor influencing demand for the exploration and production systems and services that we provide is the exploration and production spending of oil and gas companies, particularly with respect to offshore activities worldwide. Exploration and production spending levels, in turn, depend primarily on current and anticipated future crude oil and natural gas prices, production volumes and oil and gas company operating costs.

The oil and gas industry has increasingly focused on deepwater field development. This heightened focus has resulted in increases in new deepwater discoveries, deepwater exploration and production spending, offshore crude oil and natural gas production volume and the number of deepwater drilling rigs. For example, the number of deepwater crude oil and natural gas discoveries has increased from 16 during 1994 to 68 during 1999. Deepwater fields are forecast to account for 90% of the reserves to be developed in fields off the coast of Brazil, 89% in the Gulf of Mexico and 45% off the coast of West Africa. Since 1978, a total of 40 billion barrels of oil equivalent has been discovered in deepwater locations, and only 4% of those barrels have been produced.

We estimate that, in 1994, the major oil and gas companies spent approximately 23% of their exploration and production budgets on deepwater activities. We further estimate that, in 2000, they spent approximately 50% of their exploration and production budgets on deepwater activities. This increased exploration and production activity in offshore fields has resulted in significant increases in the amount of crude oil and natural gas produced from offshore areas in recent years. In 1990, worldwide non-OPEC offshore oil production was 10.9 million barrels of oil per day, representing 26% of the worldwide non-OPEC production.

In 2000, worldwide non-OPEC offshore oil production was 19.3 million barrels of oil per day, representing 40% of the worldwide non-OPEC production.

The oilfield services industry has recognized this movement to offshore and deepwater exploration and production and are investing the capital required to meet the demands of this increasing activity. For example, offshore drilling contractors are increasing the number of drilling rigs capable of operating in deepwater. A drilling rig capable of operating in ultra-deepwater, which involves depths beyond 5,000 feet, represents a significant investment, typically between $160 million and $380 million for a new rig. Since 1994, 41 new drilling rigs were added to operate in ultra-deepwater. This represents approximately a six-fold increase from 1994 levels of drilling rigs with equivalent water depth capabilities.

The reduction in development costs of crude oil and natural gas and the development of efficient technological solutions in response to the extreme environmental and logistical challenges presented by deepwater have been, and we believe will continue to be, major factors influencing the growth of the subsea oilfield services industry. In addition, consolidation among oil and gas companies, and the cost cutting initiatives that have resulted, have led to more outsourcing of functions previously performed by the oil and gas companies. These factors have driven three principal ongoing trends:

- technological improvements and refined installation techniques;

- growth in the use of subsea systems and services; and

- delivery of more integrated systems of related products and services for subsea developments.

Technological improvements and refined installation techniques. Oil and gas companies have increasingly relied upon more sophisticated technologies to reach remote crude oil and natural gas reserves deep below the ocean's surface. Advances in exploration and production techniques, such as three-dimensional seismic data collection and interpretation, directional drilling, deepwater completion technology and floating production facilities, have contributed significantly to the ability of oil and gas companies to economically recover these remote reserves. For example, oil and gas companies have increasingly used technologically sophisticated floating production platforms, as opposed to fixed platforms, as they permit oil and gas companies to produce, process and offload crude oil and natural gas from offshore fields having widely differing production characteristics and water depths. These include:

- floating production, storage and offloading vessels, or FPSOs, which are ships fitted with crude oil and natural gas production and processing systems;

- tension leg platforms, or TLPs, which are floating production and drilling structures that are anchored to the ocean floor with tendons; and

- SPARs, which are cylindrical floating production and drilling structures anchored to the seabed by a spread mooring pattern of cables.

In 1994, there were only four TLPs and no SPARs in operation worldwide. In 2001, it is anticipated that the number of units in operation worldwide will increase to 14 TLPs and four SPARs. Likewise, currently, there are 72 FPSOs in operation or under construction, as compared to 23 in 1994.

Technological improvements and refined installation techniques provide opportunities for Energy Systems to expand our subsea offerings to new, complementary technologies that are used in deepwater production.

Growth in the use of subsea products and services. As improved subsea technology has increased the water depths at which this technology may be applied, the number of subsea completions installed each year on a worldwide basis has increased significantly, from 123 in 1994 to an estimated 206 in 2000, representing a 9.0% compound annual growth rate. In addition, oil and gas companies have used subsea technology in conjunction with floating production technology to develop reservoirs where a fixed platform is not economical or practical. These techniques have become increasingly important as cost-efficient methods to recover crude oil and natural gas reserves.

In response to this trend, we intend to continue to expand and improve our capabilities for engineering, project management, global procurement, manufacturing, construction and testing, as well as field

support for installation, commissioning, intervention and maintenance of subsea developments throughout the life of the field.

Delivery of more integrated solutions for subsea developments. To further reduce the cost of subsea developments, oil and gas companies are increasingly relying on a primary subsea contractor to provide extensive project coordination and management. As a result of this trend, engineering, procurement, installation and commissioning, or EPIC, turnkey contracting has emerged as one alternative to customary, segmented contracts. One form of subsea EPIC turnkey contracting involves a single contractor providing global project coordination and management for a broad range of products and services. In EPIC turnkey contracting, significant cost efficiencies can be realized by a primary contractor with extensive internal resources. As such, a primary contractor like us is generally able to engineer and design integrated systems that have a minimum number of interface gaps between otherwise independent products and systems.

Consolidation among oil and gas companies, as evidenced by the publicly-

announced mergers and acquisitions within the oil and gas sector, has also driven the demand for integrated solutions for subsea developments. These consolidations and the resulting cost-cutting initiatives have led to more outsourcing of functions previously performed by the oil and gas companies, such as project engineering and project management. We believe this will lead to a greater demand for integrated subsea systems and services like those we provide.

In addition to the total level of exploration and production of crude oil and natural gas, the spending of oil and gas companies on the delivery and distribution of crude oil and natural gas influences the demand for transportation and processing systems and products. Economic factors influencing this spending include the demand for natural gas, the need for liquid petroleum and natural gas custody transfer solutions, the importation of liquid natural gas, facility upgrades in refineries and distribution terminals and new pipeline construction.

SYSTEMS, PRODUCTS AND SERVICES

Energy Systems provides customers with systems consisting of a package of technologically sophisticated products and services. We design and manufacture each system to provide our customers with a customized combination of products and services that offer integrated solutions to help solve the problems they face in the exploration, production, transportation and processing of crude oil and natural gas.

We market our systems through our own sales force comprised of over 150 technically-oriented sales personnel, as well as agents in selected countries who operate on a commission basis. Approximately 39% of Energy Systems' sales are made on a percentage of completion basis as opposed to a "ship and bill" basis.

Subsea Systems. We are a leading supplier of systems used in the production of crude oil and natural gas reserves located below the ocean's surface. Subsea systems are placed on the seafloor and are used to control the flow of crude oil and natural gas from the reservoir to a host facility, such as an FPSO, TLP, SPAR or fixed platform. A host facility remotely controls the subsea equipment and acts as a distribution hub to receive the crude oil and natural gas produced from the subsea wells. The distance between a subsea system and the host facility can vary from near proximity to 20 or more miles. Subsea systems require sophisticated technology, requiring a high degree of technical expertise and innovation. These systems are designed to withstand exposure to the extreme atmospheric pressure that deepwater environments present as well as internal pressures of up to 15,000 pounds per square inch from the well. For deepwater developments, subsea systems are installed with the assistance of remotely operated vehicles that are deployed from a drilling rig or support vessel.

We provide integrated subsea development systems, including the initial engineering design studies, subsea completion systems, control systems, manifolds, templates, flow line connection and tie-in systems, installation and workover tools and wellheads. In order to provide these systems and services, we have developed capabilities, such as system and detail engineering, project management and global procurement,

manufacturing, construction and testing, as well as field support for installation, commissioning, intervention and maintenance of subsea developments throughout the life of the field.

Floating Production. We are a global supplier of turret and mooring systems for FPSOs. We also design and supply marine import and export terminals.

A key component of the economical development of offshore crude oil and natural gas reserves is the use of floating production systems as the host facility. An FPSO is one type of floating production system that permits oil and gas companies to produce, process and offload crude oil and natural gas from offshore fields having widely differing production characteristics and water depths. FPSOs typically perform the same function as fixed offshore platforms in the production of crude oil and natural gas, but FPSOs cannot be used as a platform for drilling and heavy well maintenance. In many circumstances, FPSOs provide a number of advantages over fixed platforms. For

example, FPSOs are suitable for a wide range of field sizes and water depths, may be reused on more than one development, generally cost less and are easier to install and remove than fixed platforms and may reduce the time from the discovery of crude oil and natural gas to production.

A typical field development involving an FPSO consists of wells completed using subsea systems that are connected to the FPSO by flexible or rigid pipes referred to as "risers" that carry the crude oil and natural gas from the ocean floor to the vessel. The risers are connected to a turret, which is anchored in place by a mooring system, allowing the FPSO to rotate according to the prevailing weather and sea conditions. The FPSO controls the flow of crude oil and natural gas from the subsea wells through a subsea control system that communicates with each subsea well through an umbilical line. The crude oil and natural gas are pre-processed onboard the FPSO and are exported to shuttle tankers via off-take systems.

In addition to our capabilities for designing and producing turret and mooring systems, we own a 37.5% interest in MODEC International LLC, a joint venture with a wholly owned subsidiary of Mitsui Group. MODEC International designs and supplies FPSOs and TLPs. Like FPSOs, TLPs provide a number of advantages over fixed platforms, including the ability to operate in a wider range of water depths, generally lower installation and operating costs, ability to reuse on other fields, easier installation and removal and, potentially, a shorter period of time to construct and install. FPSOs are currently used in operations off the coast of West Africa and Brazil and in the North Sea. Although FPSOs currently are prohibited from being used off the coast of the United States, we believe they will be approved for use in the Gulf of Mexico within the next several years.

Surface. We provide a full range of surface wellheads and trees for standard and critical service applications. Surface wellhead equipment is used to support the casing and tubing strings in a well. In addition, the surface wellhead equipment contains the well pressure, while the surface tree is used to control and regulate the flow from the well. Our surface products and systems are used worldwide on both land and offshore applications, including TLP and SPAR platforms. Our technical and engineering expertise makes us a leading supplier of critical service products used in difficult climatic conditions, such as Arctic cold or high temperatures. Our surface business supports its customers through leading engineering, manufacturing, field installation support and aftermarket services.

Fluid Control. We are a leading supplier of flowline products, reciprocating pumps and compact manifold systems for a range of oilfield applications.

Our flowline products include high-pressure swivels, fittings and valves used by other oilfield services companies in pressure pumping applications. These products provide the conduit between the well service pumps and the wellhead during cementing or well stimulation operations. The high-pressure and corrosive nature of the chemicals used in cementing and well stimulation operations dictates that flow line products typically are replaced frequently.

Our reciprocating pump product line includes duplex, triplex and quintuplex pumps utilized in a variety of applications. Typical applications include charge pumps for blow-out preventor accumulators, injection pumps for enhanced production and pumps utilized in reverse osmosis systems for producing potable

water on offshore and other remote locations. In addition, we are a leading supplier of pumps to the trenchless drilling industry, which has emerged as the primary means of laying fiber optic cable.

We are a leading supplier of compact production manifolds for the offshore industry. Building upon a uniquely designed family of compact valves and fittings, we assume turnkey responsibility for the design, engineering, manufacturing, fabrication and installation of high-pressure production manifolds suited for applications where weight and space are of paramount importance. As a result, our systems are used throughout the world on offshore fixed platforms, TLPs, SPARs and FPSOs.

Loading Systems. We are a leading supplier of land and marine-based fluid loading and transfer systems to the oil and gas industry. Our systems are

capable of loading and offloading marine vessels transporting a wide range of fluids, such as crude oil, liquefied natural gas and refined products. While these systems are typically constructed on a fixed jetty platform, we also supply advanced loading systems that can be mounted on a vessel to facilitate ship-to-ship loading and offloading operations.

Measurement Systems. We are a leading supplier of precision measurement systems for use in custody transfer of crude oil, natural gas and refined products. We combine the strength of advanced metering technology with state-of-the-art electronics and supervisory control systems to provide the precise measurement of fluids for purposes such as verifying ownership and determining revenue or tax obligations.

Blending and Transfer. We are a leading supplier of blending systems for the petroleum industry, and we supply bulk conveying systems to the power industry. Our process and software engineering, mechanical design and project management expertise enables us to execute these projects on a turnkey basis.

SPECIALTY SYSTEMS

Specialty Systems is a leading supplier of specialized handling and processing systems and services to industrial companies. We design, manufacture and service technologically sophisticated food handling and processing systems used for, among other things, convenience food preparation and citrus juice extraction for food processors such as Nestle S.A., Tyson Foods, Inc., and Cargill, Incorporated. In addition, we design, manufacture and service technologically advanced ground support equipment and systems for airlines, airports and air freight companies, such as United Airlines, Inc., Delta Air Lines, Inc. and FedEx Corporation. Our products include citrus juice extraction and commercial freezing systems as well as air cargo loaders and Jetway(R) brand passenger boarding bridges.

Our historical and current strong positions in business areas in which we operate have provided us with a large installed base of systems and equipment, including what we believe to be the largest installed base of air cargo loaders. We currently have an installed base of more than 5,800 industrial freezers, 1,200 sterilizer units, 1,000 coating systems, 2,850 juice extractors, 5,500 cargo loaders and 5,000 passenger boarding bridges.

Specialty Systems' equipment is located in more than 110 countries around the world. We estimate that our equipment processes approximately 75% of the global production of orange juice, freezes approximately 50% of commercially frozen foods on a global basis and sterilizes a significant portion of the world's canned foods. Through our global presence, we are able to follow the geographical expansion and consolidation of our customers and continue to provide the same high level of service and aftermarket support around the world.

We believe that we have leading positions in most of the business areas in which we operate as a result of our application of superior technology to create solutions for our customers' specific requirements. For example, we invented airline passenger boarding bridges and remain the leading supplier of this product. Our flat product freezer is a leading technology used for freezing products such as hamburgers. We estimate that our freezers process approximately 60% of the hamburgers sold by McDonald's restaurants. Our continuing presence with our customers in our aftermarket business enables us to tailor our research and development efforts to fit our customers' specific requirements.

GROWTH STRATEGY

From 1994 to 2000, Specialty Systems' revenue and segment operating profit increased at compound annual rates of 8.5% and 25.3%, respectively.

We believe Specialty Systems' historical growth resulted from providing technology-based systems and products for food processing and air transportation companies. In addition to benefiting from the expected growth in many of the industry segments we serve, we intend to continue to broaden the scope of systems, equipment and services that we provide. We further intend to leverage our large installed base of products and systems to enhance customer relationships, generate new business and grow our aftermarket equipment and services operations.

- PROVIDE BROADER SOLUTIONS. We intend to grow through increasing the scope of systems, equipment and services that we provide to our customers. As our customers continue to consolidate and expand geographically, they are reducing their supplier base and developing stronger relationships with their remaining suppliers. In the fragmented food equipment industry, our strong customer relationships, strong industry position and large installed base give us a unique opportunity to provide our customers additional systems and support. Similarly, as our air transportation customers consolidate, expand geographically and form alliances, our existing customer relationships and technologically advanced systems provide us the customer knowledge, reputation and installed base that will help to further broaden our product, leasing, maintenance, operation and parts supply offerings.

- INCREASE AFTERMARKET OPERATIONS. We intend to continue to leverage our large installed base of equipment to grow our aftermarket equipment and services operations to provide improved operational efficiency for our customers. From 1994 to 2000, Specialty Systems' aftermarket revenue increased at a compound annual rate of approximately 10.9%. We provide retrofits to accommodate changing operational requirements and continuous, proactive service, including in some cases on-site personnel.

INDUSTRY

We currently provide specialized handling and processing systems, primarily to the food processing and air transportation industries.

These industries are undergoing continuing consolidation. Major food retailers are increasing their purchasing power through combinations. To maintain profitability, food processors are being pressured to become more efficient and to lower costs. As a result, they are consolidating and are seeking technologically sophisticated integrated systems and services, such as those we provide, to maximize the efficiency of their operations, while maintaining high standards of food safety. Significant consolidations and strategic alliances are reshaping the air transportation industry. Five alliances currently represent approximately 50% of the total worldwide passenger traffic. As with the food processors, the air transportation industry is seeking broader solutions to support the efficient use of the airplane fleets.

The worldwide fleet of airplanes is forecast to grow at a compound annual rate of 4.3% through 2019, primarily driven by global economic development, increased trade and the deregulation of airline markets and supported by growth in both passenger traffic and air cargo. To accommodate this growth, airports, airlines and air freight companies are expected to expand their existing infrastructure. As a result of the projected airline fleet growth and the demand that this growth is placing on current systems and infrastructure, airports, airlines and air freight companies are seeking suppliers that can provide total solutions such as integrated systems and processes to support their primary operations.

Consumer demand in several segments of the convenience food industry we serve has increased during the last decade, and is expected to continue to grow. For example, worldwide retail sales of frozen ready-meals are forecast to increase at a compound annual rate of 4.5% through 2005. In addition, the fast-food industry is

growing, and fast-food companies are expanding geographically. For example, McDonald's international restaurant sales grew at a compound annual rate of 17.0% from 1985 through 1999. This has increased the demand for systems and services that we supply to food processors like H.J. Heinz Company, Tyson, Del Monte Foods Company, Nestle, ConAgra Foods, Inc. and Unilever p.l.c., which in turn supply processed food to food retailers and fast food restaurants.

We believe that projected growth in these industries and the trend toward consolidation will continue to result in food processors, airlines, airports and air transportation companies outsourcing an increasing amount of non-core services and seeking suppliers to provide integrated systems and products that are technologically advanced, cost-efficient and supported by extensive service

capabilities.

SYSTEMS, PRODUCTS AND SERVICES

We offer a broad portfolio of systems, products and services to our customers. We market our systems through our own sales force comprised of approximately 185 technically oriented sales personnel as well as in some cases, through independent distributors and sales representatives. The majority of Specialty Systems' sales are made on a ship and bill basis as opposed to under percentage of completion contracts. Most of the citrus processing equipment is provided to our customers under full-service leases for which we are paid fixed rates, plus payments based on actual production volumes. The majority of these full-service leases are three to five years in duration and incorporate the provision of equipment and, in many cases, full-time, on-site maintenance personnel. Our customers typically renew these contracts upon expiration.

Fruit and Vegetable Processing Systems. We are a leading supplier of commercial citrus processing equipment. We estimate that our citrus extraction equipment processes approximately 75% of the global production of orange juice. Our primary products and services include citrus juice extractors, by-product systems and processing plants, and aseptic juice and pulp systems.

We are also a leading global supplier of sterilization systems used for the production of shelf-stable and pasteurized packaged foods, including fruits, vegetables, soups, milk and a broad range of ready meals. Components of these systems include a filler, a closer, a sterilizer and a control system. In addition, we are among the leading suppliers of tomato processing equipment.

Freezing Systems. We are the largest supplier of industrial freezing equipment to the world's food processing industry. We estimate that our industrial freezer equipment freezes about 50% of commercially frozen foods on a global basis. We design, assemble and sell a number of industry-leading freezing technologies, including fluidization, self-stacking spiral and flat product freezing technologies. Our equipment is used for a variety of frozen food products, such as meat, seafood, poultry, bakery products, ready-meals, fruits, vegetables and dairy products.

Convenience Food Systems. We manufacture and supply an array of equipment and services that enable us to provide integrated coating and cooking systems for a variety of convenience foods. We believe that our installed base of systems produces more meat, seafood and poultry products in North America than that of any other supplier. Our products include continuous batter-breading, frying and oven-cooking equipment. In addition, we supply complete processing lines for the production of french fries and potato chips.

Air Cargo Loaders. We are a leading supplier of air cargo loaders to commercial airlines and airfreight service providers. Our loaders service wide-body jet aircraft and can be configured to lift up to 30 tons. We provide what we believe to be the loader of choice for most major customers. From 1995 to present, we have been the sole supplier of cargo loaders to FedEx. Our installed base of approximately 5,500 loaders in operation around the world is greater than that of any of our competitors. In addition, in 2000, we were awarded a contract to supply the U.S. Air Force with a commercial air cargo loader known as the Next Generation Small Loader, which is expected to generate revenue of approximately $135 million over the next five years.

Passenger Boarding Bridges. We manufacture Jetway(R) passenger boarding bridges, which have been a market leader for more than 40 years. We have an installed base of more than 5,000 Jetway(R) passenger boarding bridges.

Aftermarket Services. We also provide aftermarket services and products for our systems and equipment. We provide retrofits to accommodate changing operational requirements and continuous, proactive service, including, in some cases, on-site personnel. These systems and other services enable us to provide an integrated approach to addressing critical problems faced by our customers. As a result of our relationship with Jetway(R) customers, we developed additional features, such as power and preconditioned air generators and potable water suppliers, that provide comfort for our customers' passengers and are intended to simplify and expedite airplane turn-around at gates.

RESEARCH AND DEVELOPMENT

The objectives of our research and development programs are to discover new products and business opportunities in relevant fields, and to improve existing products. Worldwide expenditures for research and development by business segment for the three most recent fiscal years were as follows:

	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
	(IN MILLIONS)		
Energy Systems	$24.7	$25.7	$33.8
Specialty Systems	26.0	26.1	22.9
Total	$50.7	$51.8	$56.7

INTELLECTUAL PROPERTY

We own a number of U.S. and foreign patents, trademarks and licenses that are cumulatively important to our business. We own approximately 1,460 U.S. and foreign patents and have approximately 850 patent applications pending in the United States and abroad. Further, we license certain intellectual property rights to or from third parties. We also own numerous U.S. and foreign trademarks and trade names and have approximately 1,040 registrations and pending applications in the United States and abroad. We do not believe that the loss of any one or group of related patents, trademarks or licenses would have a material adverse effect on our overall business.

COMPETITION

We market our products primarily through our own technically-oriented sales organization, and, in some cases, through independent distributors and sales representatives. We conduct business worldwide in more than 100 countries. Energy Systems competes with other companies that supply subsea systems and floating production products, and with smaller companies that are focused on a specific application, technology or geographical area in our other product areas. Specialty Systems competes with a variety of local and regional companies, which typically are focused on a specific application, technology or geographical area, and with a few large multinational companies.

We compete by leveraging our industry experience to provide advanced technology, integrated systems, high product quality and reliability and quality aftermarket service. In Energy Systems, we differentiate ourselves by the depth of our industry experience, engineering and design capabilities, product performance, integrated systems, global manufacturing capability, quality, reliability, service and price. In Specialty Systems, we differentiate ourselves on many of the same bases as in Energy Systems--the depth of our industry experience, engineering and design capabilities, product performance, integrated systems, reliability, service and price--and, in the food processing industry in particular, on the basis of yield and hygiene.

ORDER BACKLOG

Our combined order backlog as of December 31, 2000 was $644.3 million, of which $425.1 million was related to Energy Systems and $219.2 million was related to Specialty Systems. Our combined order backlog as of December 31, 1999 was $840.6 million, of which $593.4 million was related to Energy Systems and $247.2 million was related to Specialty Systems. Although we provide many of our systems, equipment and services pursuant to long-term agreements entered into in advance of the delivery of those items to our customers, orders are not entered into order backlog until formally recognized by receipt of a confirmed customer order.

EMPLOYEES

As of December 31, 2000, approximately 9,300 people were employed in our

U.S. and foreign operations. Approximately 500 of our employees are represented by collective bargaining agreements in the United States. Outside the United States, various local agreements apply. In 2000, three of our collective bargaining agreements in the United States covering approximately 360 employees were renegotiated. In 2001, one additional contract will expire, which is under negotiation at the present time. We maintain good employee relations and have successfully concluded virtually all of our recent negotiations without a work stoppage. In those rare instances where a work stoppage has occurred, there has been no material effect on our combined revenue and earnings. We, however, cannot predict the outcome of future contract negotiations.

FACILITIES AND PROPERTIES

We lease executive offices in Chicago, Illinois. Most of our plant sites are owned. We believe our properties and facilities meet our current operating requirements and are in good operating condition and that each of our significant manufacturing facilities is operating at a level consistent with the industry in which we operate. The significant production properties for our Energy Systems operations currently are:

LOCATION	SQ. FEET (APPROXIMATE)	LEASED OR OWNED
United States:		
Longmont, Colorado	8,000	Leased
Tupelo, Mississippi	330,000	Owned
Oklahoma City, Oklahoma	40,000	Owned
Erie, Pennsylvania	350,000	Owned
Corpus Christi, Texas	15,000	Owned
Houston, Texas	390,000	Owned
Stephenville, Texas	300,000	Owned
International:		
Rio de Janeiro, Brazil	225,000	Owned
Sens, France	185,000	Owned
Ellerbek, Germany	200,000	Owned
Jakarta, Indonesia	44,000	Owned
Pasir Gudang, Malaysia	34,000	Owned
Villahermosa, Mexico	30,000	Owned
Kongsberg, Norway	568,000	Leased
Singapore, RS	97,000	Owned
Dunfermline, Scotland	152,000	Owned
Maracaibo, Venezuela	60,000	Owned

The significant production properties for our Specialty Systems operations currently are:

LOCATION	SQ. FEET (APPROXIMATE)	LEASED OR OWNED
United States:		
Madera, California	250,000	Owned
Stockton, California	58,000	Owned/Leased
Orlando, Florida	253,000	Owned
Lakeland, Florida	208,000	Owned
Hoopeston, Illinois	359,000	Owned
Northfield, Minnesota	48,000	Owned
Sandusky, Ohio	140,000	Owned
Smithville, Ohio	52,000	Owned
Newberg, Oregon	101,000	Leased
Chalfont, Pennsylvania	350,000	Leased
Homer City, Pennsylvania	267,000	Owned
Ogden, Utah	350,000	Owned

International:		
St. Niklaas, Belgium	539,000	Owned
Araraquara, Brazil	94,000	Owned
Collecchio, Italy	34,000	Leased
Parma, Italy	68,000	Owned
Madrid, Spain	27,000	Owned
Helsingborg, Sweden	227,000	Owned/Leased
Fakenham, United Kingdom	117,000	Owned

Additionally, we have in excess of 50 service centers in various locations throughout the world.

LEGAL PROCEEDINGS

Pursuant to the separation and distribution agreement, at the time of our separation from FMC Corporation, we will assume liabilities related to specified legal proceedings. As a result, although FMC Corporation will remain the named defendant, we will manage the litigation and indemnify FMC Corporation for costs, expenses and judgments arising from this litigation. The following describes legal proceedings to which FMC Corporation or we are a party and for which we will assume any liabilities or receive any benefits.

We are involved in a patent infringement lawsuit entitled IMODCO Inc. v. FMC Corporation and SOFEC, Inc., CA No. H-99-2174, involving FPSO turret mooring systems. Pursuant to the separation and distribution agreement, we will assume any and all liabilities of FMC Corporation that have arisen or may arise in the future in connection with this lawsuit. There are currently no specific, quantified liabilities that have arisen in connection with this lawsuit. IMODCO brought this action against FMC Corporation and our wholly owned subsidiary SOFEC in the U.S. District Court for the Southern District of Texas on July 7, 1999. The relief IMODCO seeks includes preliminary and permanent injunctions to stop the alleged infringement, damages, attorney's fees, costs and interest. FMC Corporation and SOFEC filed a counterclaim seeking a declaratory judgment that the patent is invalid and that no infringement has occurred as well as attorney's fees and costs. We believe that our design does not infringe the IMODCO patent and that the IMODCO patent is invalid and unenforceable. We are confident that we will prevail in this litigation, but, like all litigation, the ultimate result cannot be reliably predicted. If we do not prevail, significant damages could be assessed against SOFEC and us, but would be limited to two systems installed to date. Even in these two cases, there are additional defenses to any award. In addition, any recovery supporting the validity of the IMODCO patent could affect the types of products SOFEC or we could offer to the oil and gas industries. Nevertheless, we do not believe this lawsuit will have a material effect on our results of operations, financial condition or liquidity.

We are aware of other potential claims that may arise in the ordinary course of our business. For example, Cooper Cameron Corporation has brought a patent infringement action against Kvaerner Oilfield Products, Inc. alleging that a Cooper Cameron patent on a horizontal tree system has been infringed. While FMC Corporation and we are not parties to that litigation, we produce a similar system. We believe, however, that the Cooper Cameron patent is invalid and unenforceable. If the Cooper Cameron patent is found to be valid and enforceable, however, they could demand significant royalty costs from us for installed and future systems, and they could possibly attempt to enforce that demand through litigation. Any remedy could affect the types of products we could offer to the oil and gas industry. In addition, we have developed, applied for a patent regarding and are now selling a new design that we also believe does not infringe any patents.

In addition, under the separation and distribution agreement, we have assumed specified liabilities relating to discontinued and closed machinery businesses of FMC Corporation. Among the assumed liabilities are those arising in connection with cranes and other equipment that several of these businesses manufactured and sold. From time to time personal injury and other claims have been made regarding cranes or other equipment. We have reserved $30.6 million as of December 31, 2000, which we believe to be an adequate amount to cover any liabilities arising in connection with any of these claims.

We are involved in other legal proceedings arising in the ordinary course of business. Although the results of litigation cannot be predicted with

certainty, we do not believe that the resolution of the proceedings that we are involved in, either individually or taken as a whole will have a material adverse effect on our business, results of operations or financial condition.

RAW MATERIALS

For both of our business segments, we purchase carbon steel, stainless steel, aluminum and steel castings and forgings both domestically and internationally. We do not use single source suppliers for the majority of our raw material purchases and believe the available supplies of raw materials are adequate. Moreover, raw materials essential to our business are generally readily available.

DEPENDENCE ON KEY CUSTOMERS

No single customer accounts for more than 10% of our 2000 combined revenue.

Energy Systems' customers include large oil and gas companies, and we have signed multiyear alliances and agreements to supply certain of their major projects with our systems and services. In any given year, purchases by these large oil and gas companies vary significantly. The loss of one or more of these customers could have a material adverse effect on Energy Systems.

GOVERNMENT CONTRACTS

Our contract to supply the U.S. Air Force with our commercial air cargo loader, the Next Generation Small Loader, is expected to generate revenue of approximately $135 million over the next five years, with the potential for the value of the contract to increase to $485 million over the next 15 years. U.S. defense contracts are unilaterally terminable at the option of the U.S. government with compensation for work completed and costs incurred. Contracts with the U.S. government are subject to special laws and regulations, the noncompliance with which may result in various sanctions.

GOVERNMENTAL REGULATION AND ENVIRONMENTAL MATTERS

Our operations are subject to various federal, state, local and foreign laws and regulations governing the prevention of pollution and the protection of environmental quality. If we fail to comply with these environmental laws and regulations, administrative, civil and criminal penalties may be imposed, and we may become subject to regulatory enforcement actions in the form of injunctions and cease and desist orders. We may also be subject to civil claims arising out of a pollution event. These laws and regulations may expose us to liability for the conduct of or conditions caused by others or for our own acts even though these actions were in compliance with all applicable laws at the time they were performed.

Under the Comprehensive Environmental Response, Compensation and Liability Act, referred to as CERCLA, and related state laws and regulations, joint and several liability can be imposed without regard to fault or the legality of the original conduct on certain classes of persons that contributed to the release of a hazardous substance into the environment. These persons include the owner and operator of a contaminated site where a hazardous substance release occurred and any company that transported, disposed of or arranged for the transport or disposal of hazardous substances that have been released into the environment, and including hazardous substances generated by any closed operations or facilities. In addition, neighboring landowners or other third parties may file claims for personal injury, property damage and recovery of response cost. In addition, we may be subject to the corrective action provisions of the Resource, Conservation and Recovery Act, or RCRA, and analogous state laws that require owners and operators of facilities that treat, store or dispose of hazardous waste to clean up releases of hazardous waste constituents into the environment associated with their operations.

We are currently remediating two contaminated properties, one in Lakeland, Florida and another in Orlando, Florida. We have set aside reserves of $2.7 million for these sites, which we believe will be adequate to complete the remediation projects at those sites. We are currently not aware of any additional liability related to hazardous waste disposal sites, although other sites may exist. Under the separation and distribution agreement between FMC Corporation and us, we are responsible for environmental liabilities and

obligations relating to specified closed businesses, including liability for any contamination at any former properties used in connection with those closed businesses. We believe that it is unlikely that any material liability will be incurred in connection with those closed businesses.

Our businesses historically have resulted in significantly less remediation liability than those businesses remaining with FMC Corporation under the separation and distribution agreement. For instance, as of December 31, 1999 FMC Corporation had set aside $266.8 million for environmental liabilities, but only $3.3 million of this amount was attributable to our businesses. We anticipate that our future exposure to environmental liabilities associated with contaminated properties will be consistent with our past experiences, and therefore we do not expect any material liabilities to arise in connection with those businesses.

Some of our facilities and operations are also governed by laws and regulations relating to worker health and workplace safety, including the Federal Occupational Safety and Health Act, or OSHA. We believe that appropriate precautions are taken to protect our employees and others from harmful exposure to potentially hazardous materials handled and managed at our facilities, and that we operate in substantial compliance with all OSHA or similar regulations.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning our directors and executive officers. Unless otherwise indicated, each position was with us. Prior to the closing of this offering, we intend to add seven additional directors, two of whom will be unaffiliated with us or FMC Corporation. All ages are as of January 1, 2001.

NAME	AGE	POSITION(S)
Robert N. Burt	63	Chairman and Director
Joseph H. Netherland	54	Chief Executive Officer, President and Director
William H. Schumann III	50	Senior Vice President, Chief Financial Officer and Director
Mike R. Bowlin	58	Nominee for Director
B.A. Bridgewater, Jr.	66	Nominee for Director
Asbjorn Larsen	64	Nominee for Director
Edward J. Mooney	59	Nominee for Director
William J. Reilly	62	Nominee for Director
James M. Ringler	55	Nominee for Director
James R. Thompson	64	Nominee for Director
Charles H. Cannon, Jr.	47	Vice President
Peter D. Kinnear	52	Vice President
Robert L. Potter	50	Vice President
Ronald D. Mambu	51	Vice President and Controller
Stephanie K. Kushner	45	Vice President and Treasurer
Michael W. Murray	54	Vice President--Human Resources

ROBERT N. BURT has served as our Chairman of the Board of Directors since February 16, 2001. Since November 1991, Mr. Burt has served as, and he continues to be, Chairman and Chief Executive Officer of FMC Corporation. From 1977 to 1983, Mr. Burt was General Manager of FMC Corporation's Agricultural Chemical Group, and, from 1983 to 1988, was General Manager of its Defense Systems Group. Mr. Burt also served as a Vice President of FMC Corporation from 1978 to 1988 and as Executive Vice President of FMC Corporation from September 1988 until his appointment as Chairman and Chief Executive Officer. He is a director of Phelps-Dodge Corporation and Pfizer Inc. He serves on the Board of Trustees of the Orchestral Association of Chicago, and serves on the Boards of Directors of the Rehabilitation Institute of Chicago, Evanston Hospital Corporation and the Chicago Abused Women Coalition. He is Chairman of the Business Roundtable and is on the Board of Trustees and the Executive Committee of Manufacturers Alliance for Productivity and Innovation.

JOSEPH H. NETHERLAND has served as our Chief Executive Officer and

President and a director since February 16, 2001. Since June 1999, Mr. Netherland has served as, and he continues to be, President of FMC Corporation. After the distribution, Mr. Netherland will no longer serve FMC Corporation in any capacity. Mr. Netherland was Executive Vice President of FMC Corporation from 1998 until his appointment as President. He was also the General Manager of FMC Corporation's Energy and Transportation Group from 1992 to 2001. Mr. Netherland joined FMC Corporation in 1973 as a Business Planner for its Machinery Group, and he held several management positions over the next few years. Mr. Netherland became General Manager of FMC Corporation's former Petroleum Equipment Group in 1985. He was elected a Vice President of FMC Corporation in 1987, and became General Manager of FMC Corporation's former Specialized Machinery Group in April 1989. Mr. Netherland is a former chairman and currently serves on the Board of Directors of the Petroleum Equipment Suppliers Association. He also serves on the Board of Directors of the American Petroleum Institute. Mr. Netherland is also a member of the Advisory Board of the Department of Engineering at Texas A&M University, and is a member of the President's Council at Georgia Institute of Technology.

WILLIAM H. SCHUMANN III has served as our Senior Vice President, Chief Financial Officer and a director since February 16, 2001. Upon completion of this offering, Mr. Schumann will no longer serve as a director. Since December 1999, Mr. Schumann has served as, and he continues to be, Senior Vice President and Chief Financial Officer of FMC Corporation. After the distribution, Mr. Schumann will no longer serve FMC Corporation in any capacity. Mr. Schumann joined FMC Corporation in 1981 as Director of Pension Investments. Since then, he has served in a variety of finance and line roles at FMC Corporation, including Director of Investor Relations from 1985 to 1987, Treasurer from 1987 to 1990, General Manager of Agricultural Products from 1995 to 1998, and Vice President of Corporate Development from 1998 to 1999. Mr. Schumann serves on the Board of Directors of Great Lakes Advisors, Inc. and is a Trustee of Feltre School.

MIKE R. BOWLIN has been nominated to serve as one of our directors effective upon the completion of this offering. From 1995 to April 2000, he was Chairman of Atlantic Richfield Company's Board of Directors. Mr. Bowlin was Chief Executive Officer of ARCO from 1994 to April 2000. He was a member of ARCO's Board of Directors since 1992. Mr. Bowlin joined ARCO in 1969 as a human resources representative and he held several human resources and management positions over the next few years in various ARCO operations. He became President of ARCO Coal Company in 1985 until 1987 when he became Senior Vice President of International Oil and Gas Acquisitions. Mr. Bowlin served as Senior Vice President and President of ARCO International Oil and Gas Company from 1987 to 1992 and from 1992 to 1993, he served as Executive Vice President of ARCO. Mr. Bowlin is a director of Wells Fargo and Company and Edwards Lifesciences Corporation. He is a Trustee of the Los Angeles World Affairs Council and of the California Institute of Technology. Mr. Bowlin is a member of the World Economic Forum. Mr. Bowlin is a former Chairman of the Board of the American Petroleum Institute and the California Business Roundtable and a former member of the Business Council and the National Petroleum Council. He is a member of the Board of Visitors of the M.D. Anderson Cancer Center, the Claremont Graduate School's Center for Politics and Economics and the National Council of the House Ear Institute. Mr. Bowlin is also a director of the University of North Texas Foundation and the Autry Museum of Western Heritage.

B. A. BRIDGEWATER, JR. has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1979, Mr. Bridgewater has served as, and he continues to be, a director of FMC Corporation. After the distribution, Mr. Bridgewater will no longer serve FMC Corporation in any capacity. He held the following positions at Brown Group, Inc.: President, 1979-1989 and again from 1990- 1999; Chief Executive Officer, 1982-1999; and Chairman of the Board of Directors, 1985-1999. Brown Group is a diversified marketer and retailer of footwear. From 1975 to 1979, he was Executive Vice President of Baxter Travenol Laboratories. From 1964 to 1975, Mr. Bridgewater was associated with McKinsey & Company Inc., as a Director from 1972 to 1975. He also served as Associate Director of National Security and International Affairs in the Office of Management and Budget in the Executive Office of the President of the United States. He is currently a director of EEX Corporation (Houston, TX); and a trustee of Mitretek Systems (McLean, VA); and Washington University (St. Louis, MO). He is an Advisory Director of Schroder Venture Partners, LLC (New York, NY).

ASBJORN LARSEN has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1999, Mr. Larsen has served as, and he continues to be, a director of FMC Corporation. After the distribution, Mr. Larsen will no longer serve FMC Corporation in any capacity. He became President and Chief Executive Officer of Saga Petroleum ASA in January 1979, which merged with Sagapart a.s. on January 1, 1980. He retired on May 15, 1998. He served as President of Sagapart a.s. (limited) in 1973 and from 1976 as Vice President (Economy and Finance) of Saga Petroleum. He was manager of the Norwegian Shipowners' Association from 1966 to 1973 and prior to that held different positions in the Ministry of Foreign Affairs and abroad in the Norwegian Diplomatic Service. He is currently Chairman of the Board of Belships ASA and Vice Chairman of the Board of Saga Fjordbase AS. Mr. Larsen is also a member of the Board of Den norske Bank Holding ASA and Chairman of its Audit Committee, and he is a member of the Boards of DSND Sondenfjeldske ASA, Filadelfia AS, the Norwegian Cancer Hospital, Selvaag Gruppen AS and the Tom Wilhelmsen Foundation.

EDWARD J. MOONEY has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1997, Mr. Mooney has served as, and he continues to be, a director of FMC Corporation. Since March 2000 until his retirement in March 2001, Mr. Mooney has served as Delegue General-North America, Suez Lyonnaise des Eaux. He was Chairman and Chief Executive Officer of Nalco Chemical Company from 1994 to 2000. Mr. Mooney serves as a director of The Northern Trust Company.

WILLIAM F. REILLY has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1992, Mr. Reilly has served as, and he continues to be, a director of FMC Corporation. Mr. Reilly is the Founder of PRIMEDIA Inc. and a Founding Partner of Aurelian Communications. He served as Chairman and Chief Executive Officer of PRIMEDIA from February 1990 to 1999. From 1980 to 1990, he was with Macmillan, Inc., where he served as President and Chief Operating Officer since 1981. Prior to that, he was with W.R. Grace beginning in 1964, serving as Assistant to the Chairman from 1969 to 1971 and serving successfully from 1971 to 1980 as President and Chief Executive Officer of its Textile, Sporting Goods and Home Center Divisions. Mr. Reilly serves on the Board of Trustees of The University of Notre Dame and the Board of Directors of Barnes & Noble.com, Citymeals-on-Wheels and WNET, the public television station serving the New York area.

JAMES M. RINGLER has been nominated to serve as one of our directors effective upon the completion of this offering. Mr. Ringler is Vice Chairman of Illinois Tool Works Inc. Prior to joining Illinois Tool Works, he was Chairman, President and Chief Executive Officer of Premark International Inc. which merged with Illinois Tool Works in November 1999. Mr. Ringler joined Premark in 1990 and served as Executive Vice President and Chief Operating Officer until 1996. From 1986 to 1990, he was President of White Consolidated Industries' Major Appliance Group, and from 1982 to 1986 he was President and Chief Operating Officer of The Tappan Company. Prior to joining The Tappan Company in 1976, Mr. Ringler was a consulting manager with Arthur Andersen & Co. He serves on the board of directors of the Dow Chemical Company, National Association of Manufacturers, Evanston Northwestern Hospital and The Lyric Opera of Chicago. He is a Trustee of the Manufacturer's Alliance for Productivity and Innovation and a National Trustee of the Boys & Girls Clubs of America, Midwest Region.

JAMES R. THOMPSON has been nominated to serve as one of our directors effective upon the completion of this offering. Since 1991, Governor Thompson has served as, and he continues to be, a director of FMC Corporation. Governor Thompson was named Chairman of the Chicago law firm of Winston & Strawn in January 1993. He joined the firm in January 1991 as Chairman of the Executive Committee after serving four terms as Governor of the State of Illinois from 1977 until January 14, 1991. Prior to his terms as Governor, he served as U.S. Attorney for the Northern District of Illinois from 1971-1975. Governor Thompson served as the Chief of the Department of Law Enforcement and Public Protection in the Office of the Attorney General of Illinois, as an Associate Professor at Northwestern University School of Law, and as an Assistant State's Attorney of Cook County. He is a former Chairman of the President's Intelligence Oversight Board and a member of the Board of Directors of the Chicago Board of Trade; Prime Retail, Inc.; Navigant Consulting Group, Inc.; Jefferson Smurfit Group, plc; Prime Group Realty Trust; and Hollinger International, Inc. He serves on the Boards of the Museum of Contemporary Art, the Lyric Opera and the Illinois Math & Science Academy Foundation.

CHARLES H. CANNON, JR. has served as our Vice President since February 16, 2001. Since 1998, Mr. Cannon has served as Vice President and General Manager--FMC FoodTech and Transportation Systems Group. After this offering, Mr. Cannon will no longer serve FMC Corporation in any capacity. Mr. Cannon joined FMC Corporation in 1982 as a Senior Business Planner in the Corporate Development Department. He became Division Manager of FMC Corporation's Citrus Machinery Division in 1989, Division Manager of its Food Processing Systems Division in 1992 and Vice President and General Manager of FMC FoodTech in 1994. Mr. Cannon serves on the Boards of Directors of the National Food Processors Association and the Food Machinery Europe Association.

PETER D. KINNEAR has served as our Vice President since February 16, 2001. Since February 2000, Mr. Kinnear has served as Vice President of FMC Corporation. After this offering, Mr. Kinnear will no longer serve FMC Corporation in any capacity. Mr. Kinnear joined FMC Corporation in 1971 as a Planning Assistant for FMC Corporation's Machinery Group, and held several management positions over the years. He became Division Manager of FMC Corporation's Fluid Control Division in 1985, Division Manager of its Wellhead Equipment Division in 1992 and General Manager of its Petroleum Equipment and Systems Division in 1994. Mr. Kinnear is a former chairman and currently serves on the Board of Directors of the Petroleum Equipment Suppliers Association. He also serves on the Boards of Directors of the National Ocean Industries Association, the Ocean Energy Center and Spindletop, an oil-related organization in Houston.

ROBERT L. POTTER has served as our Vice President since February 16, 2001. Since 1995, Mr. Potter has served as Division President of the Energy Transportation and Measurement Division of FMC Corporation. After this offering, Mr. Potter will no longer serve FMC Corporation in any capacity. Mr. Potter joined FMC Corporation in 1973 as a Sales Representative for FMC Corporation's Wellhead Equipment Division and held several sales management positions over the years. He was named Operations Manager for the Houston plant of FMC Corporation's Wellhead Equipment Division in 1988. Mr. Potter became Manager of the Western Region and of FMC Corporation's Wellhead Equipment Division in 1990 and Division Manager of its Fluid Control Division in 1992. He serves on the Board of Directors of the Gateway Foundation in Texas.

RONALD D. MAMBU has served as our Vice President and Controller since February 23, 2001. Since September 1995, Mr. Mambu has served as, and continues to be, Vice President and Controller of FMC Corporation. After the distribution, Mr. Mambu will no longer serve FMC Corporation in any capacity. Mr. Mambu was Director of Financial Planning of FMC Corporation from 1994 until his appointment as Controller. Mr. Mambu joined FMC Corporation in 1974 as a financial manager in Philadelphia. Since then, he has served in a variety of finance and line roles at FMC Corporation, including Controller of its former Food and Pharmaceutical Products Division from 1977 to 1982, Controller of Machinery Europe Division from 1982 to 1984, Controller of Agricultural Products Group from 1984 to 1987, Director of Financial Control from 1987 to 1993 and Director of Strategic Planning from 1993 to 1994.

STEPHANIE K. KUSHNER has served as our Vice President and Treasurer since February 23, 2001. Since February 1999, Ms. Kushner has served as, and continues to be, Vice President and Treasurer of FMC Corporation. After the distribution, Ms. Kushner will no longer serve FMC Corporation in any capacity. She was Director of Financial Planning of FMC Corporation from 1997 to 1999. Ms. Kushner joined FMC Corporation in 1989 as Vice President of Finance and Chief Financial Officer of FMC Gold Company, a subsidiary of FMC Corporation. She became Group Financial Director for FMC Corporation's businesses in the U.K. and Division Controller for its former Process Additives Division in 1992. Prior to joining FMC Corporation, Ms. Kushner was Director of Financial Planning and Analysis for Homestake Gold Company, a gold mining company based in San Francisco. She began her financial career with Amoco Corporation, holding positions of increasing responsibility in its Chemicals, International Oil and Minerals Divisions. Ms. Kushner serves on the Board of Directors of Hydro One, a Canadian utility.

MICHAEL W. MURRAY has served as our Vice President--Human Resources since February 16, 2001. Since 1995, Mr. Murray has served as, and continues to be, Vice President--Human Resources of FMC Corporation. After the distribution, Mr. Murray will no longer serve FMC Corporation in any capacity. Mr. Murray

joined FMC Corporation in 1972 as a personnel assistant in New York. He became Industrial Relations Manager for FMC Corporation's Fiber Division in 1974. Subsequently, Mr. Murray served as Human Resources Manager for FMC Corporation's Bayport Chemical Plant and Compensations and Benefits Manager for its Agricultural Chemicals Group, Defense Systems Group and Chemical Products Group, consecutively. He became Human Resources Director for FMC Europe N.V. in 1992. He serves on the Board of Directors of Junior Achievement of Chicago and the Human Resources Institute.

BOARD STRUCTURE

Immediately before the closing of this offering, our directors will be divided into three classes serving staggered three-year terms. At each annual meeting of our stockholders, directors will be elected to succeed the class of directors whose terms have expired. Class I's term will expire at the 2002 annual meeting of our

stockholders, Class II's term will expire at the 2003 annual meeting of our stockholders, and Class III's term will expire at the 2004 annual meeting of our stockholders. Our classified board could have the effect of increasing the length of time necessary to change the composition of a majority of our Board of Directors. In general, at least two annual meetings of stockholders will be necessary for stockholders to effect a change in a majority of the members of the Board of Directors.

COMMITTEES

Our Board of Directors is expected to have the following two committees: an audit committee and a compensation and organization committee. The functions of a nominating committee will be performed by our Board of Directors. The membership and function of each committee are described below.

Audit Committee. Our audit committee, which will be composed solely of independent directors, as determined in accordance with the rules of the New York Stock Exchange, will assist our Board of Directors in fulfilling its responsibilities to oversee our accounting, auditing and financial reporting practices, internal control policies and procedures and corporate compliance policies. The committee will:

- recommend to our Board of Directors the selection of our independent auditors;
- review our annual and quarterly financial statements and discuss them with our auditors and our internal financial staff prior to their submission to our Board of Directors;
- review the independence of the independent accountants conducting the audit;
- review the effectiveness and scope of the activities provided by the independent accountants and our internal audit program;
- discuss with our management and the auditors our accounting system and related systems of internal control;
- review our compliance programs;
- consult, as it deems necessary, with the independent accountants, internal auditors and our internal financial staff; and
- review the effectiveness and adequacy of our financial organization and internal control, significant changes in our accounting policies, U.S. federal income tax issues and related reserves and potential significant litigation.

Members. We expect that the audit committee will have the following members: Mr. Reilly (Chair), Mr. Larsen and Mr. Ringler. All of the members of the audit committee will be "Independent" as defined in the listing requirements for the New York Stock Exchange.

Compensation and Organization Committee. Our compensation and organization committee, which will be composed of non-employee directors, will:

- review and approve compensation policies and practices for our top executives;
- establish the total compensation for our Chief Executive Officer and President;
- review and approve major changes in our employee benefit plans;
- review short- and long-term incentive plans and equity grants;
- review significant organizational changes and management succession planning; and
- recommend to our Board of Directors candidates for executive officer positions at our company.

Members. We expect that the compensation and organization committee will have the following members: Mr. Bridgewater (Chair), Mr. Mooney, Mr. Thompson and Mr. Bowlin.

BOARD OF DIRECTORS' COMPENSATION AND RELATIONSHIPS

COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

Prior to this offering, as a part of the FMC Technologies, Inc. Incentive Compensation and Stock Plan, we intend to adopt a compensation plan for non-employee directors that will replicate in all material respects the FMC Corporation Compensation Plan for Non-Employee Directors.

Retainer and Other Fees. Under this plan, each director who is not also an officer of our company or FMC Corporation will be paid as of the time of this offering $40,000 as an annual retainer. At least $25,000 of this annual retainer fee will be paid in deferred units representing our common stock at a price equal to the offering price per share in this offering with an initial value equal to the deferred amount. The remainder will be paid in quarterly installments in cash or, at the election of the non-employee director, may be deferred and invested in a stock account that will be credited with units representing our common stock at the fair market value of our common stock on the date of that election with an initial value equal to the deferred amount. Each non-employee director will also receive $1,000 for each Board of Directors' meeting and Board of Directors' committee meeting attended, and will be reimbursed for reasonable incidental expenses. Each non-officer director who chairs a committee will be paid an additional $4,000 per year.

Options. Under the compensation plan for non-employee directors, we will grant to each non-employee director at the time of this offering an option to purchase a number of shares of our common stock designed to have an approximate present value of $24,000 with an exercise price equal to the offering price per share in this offering. The options will have a 10-year life and will become exercisable approximately one year after the date of grant.

OTHER COMPENSATION

Officers of our company and of FMC Corporation will not receive any additional compensation for their service as our directors. No other remuneration is paid to our board members in their capacity as directors. Except as specified above, directors who are not our employees do not participate in our employee benefit plans.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Governor Thompson is chairman of the law firm of Winston & Strawn, which provides legal services to FMC Corporation. In addition, we did business in 2000 with certain organizations where our directors and director nominees now serve, or during 2000 did serve, as officers or directors. In no case have the amounts involved been material in relation to our business or, to the knowledge and belief of our management, to the business of the other organizations or to the individuals concerned. These transactions were on terms no less favorable to us than were reasonably available from unrelated third parties.

STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

All of our common stock is currently owned by FMC Corporation, and thus none of our present or future officers or directors currently own any shares of our common stock. Our officers and directors will receive shares of our common stock in the distribution in respect of any shares of FMC Corporation common stock that they hold on the record date of the distribution. In addition, shares of FMC Corporation restricted stock that will vest prior to January 1, 2003 held by our employees will be replaced as of the closing of this offering with comparable shares of our restricted stock, and the remaining shares of FMC Corporation restricted stock held by our employees and a portion of the shares of FMC Corporation restricted stock held by our directors will be replaced as of the date of the distribution with shares of our own restricted stock. All FMC Corporation options held by our employees and a portion of the FMC Corporation options held by our directors will be replaced as of the date of the distribution with comparable options to purchase shares of our common stock.

The following table sets forth the FMC Corporation common stock and options to purchase FMC Corporation common stock held by our directors and executive officers as of December 31, 2000.

NAME	SHARES OF FMC CORPORATION COMMON STOCK BENEFICIALLY OWNED (1)	PERCENT OF CLASS
Mike R. Bowlin....................	0	*
B. A. Bridgewater, Jr.............	11,912	*
Robert N. Burt....................	481,560	1.58%
Asbjorn Larsen....................	3,557	*
Edward J. Mooney..................	5,475	*
Joseph H. Netherland..............	144,705	*
William F. Reilly.................	20,773	*
James M. Ringler..................	0	*
William H. Schumann III...........	74,196	*
James R. Thompson.................	8,339	*
Charles H. Cannon, Jr.............	75,850	*
Michael W. Murray.................	51,351	*
Peter D. Kinnear..................	34,070	*
All directors and executive officers as a group (16 persons)..	992,702	3.24%

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* Indicates less than 1% of FMC Corporation outstanding common stock.

(1) Shares "beneficially owned" include: (a) shares of FMC Corporation common stock owned by the individual, (b) shares of FMC Corporation common stock held by the FMC Corporation Savings and Investment Plan for the account of the individual as of December 31, 2000, (c) shares of FMC Corporation restricted stock owned by the individual, and (d) shares of FMC Corporation common stock subject to FMC Corporation options that are exercisable within 60 days. Shares of FMC Corporation common stock included in clause (d) in the aggregate are 3,300 shares for Mr. Bridgewater, 373,400 shares for Mr. Burt, 1,500 shares for Mr. Larsen, 2,400 shares for Mr. Mooney, 107,900 shares for Mr. Netherland, 3,300 shares for Mr. Reilly, 56,500 shares for Mr. Schumann, 3,300 shares for Mr. Thompson, 47,400 shares for Mr. Cannon, 33,400 shares for Mr. Murray, 14,600 shares for Mr. Kinnear, and 686,300 shares for all directors and executive officers as a group.

EXECUTIVE COMPENSATION

The following table contains compensation information for our Chairman, our Chief Executive Officer and President and four of our other executive officers who, based on employment with FMC Corporation and its subsidiaries, were the most highly compensated for the year ended December 31, 2000. All of the information included in this table reflects compensation earned by the individuals for services with FMC Corporation and its subsidiaries.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL FMC TECHNOLOGIES POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM COMPENSATION			ALL OTHER COMPENSATION (4)
				AWARDS		PAYOUTS	
		SALARY	BONUS (1)	RESTRICTED STOCK AWARD (2)(3)	NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS	LTIP PAYOUTS (1)(2)	
Robert N. Burt..........	2000	$928,175	$1,439,042	$535,669	49,700	$ 0	$193,655(5)
Chairman	1999	883,986	371,275	106,059	76,320	1,087,304	94,007
	1998	841,890	400,021	44,822	63,600	451,078	79,007
Joseph H. Netherland....	2000	583,533	735,076	350,438	32,500	0	140,222(5)
Chief Executive Officer	1999	530,828	187,341	337,767	40,000	596,632	106,797
and President	1998	465,388	141,579	765,015	21,000	681,784	522,738(5)
William H. Schumann III....................	2000	372,294	352,339	140,175	12,700	0	34,244
Senior Vice President and	1999	309,948	104,607	294,875	13,800	199,359	100,703(5)
Chief Financial Officer	1998	277,716	34,437	0	11,500	0	13,207
Charles H. Cannon, Jr...	2000	333,930	174,946	650,206	10,600	0	35,391
Vice President	1999	303,093	67,893	33,767	13,800	346,142	193,713(5)
	1998	276,432	61,921	19,040	10,100	191,518	226,522(5)
Michael W. Murray.......	2000	261,837	224,526	409,050	5,900	0	25,045
Vice President--Human Resources	1999	248,763	69,653	0	9,000	149,258	17,733
	1998	234,742	61,033	0	7,500	19,555	11,582
Peter D. Kinnear........	2000	277,862	129,429	75,094	6,600	0	33,511
Vice President	1999	250,788	54,170	465,720	0	293,422	38,566
	1998	234,990	52,638	0	3,400	474,034	20,367

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(1) Beginning in 2000, the FMC Corporation incentive plan provided for annual bonuses to be paid based on performance against specified objectives for individual and overall corporation results. Previously, the incentive plan provided for bonuses to be paid based upon individual performance and for FMC Corporation's achievement of specified objectives during multi-year periods that commenced annually. The amount of the long-term incentive payouts was not determined until the applicable performance period ended. Prior to 2000, payouts were made in cash and/or FMC Corporation common stock, including FMC Corporation restricted stock. Beginning in 2000, payouts were made in cash.

(2) The six officers listed in the table held FMC Corporation restricted stock on December 31, 2000 with a value based on the closing market price per share of FMC Corporation common stock on December 29, 2000, the last trading day of the year, as follows: Mr. Burt, 33,983 shares at $2,436,156; Mr. Netherland, 34,654 shares at $2,484,259; Mr. Schumann, 9,800 shares at $702,538; Mr. Cannon, 23,743 shares at $1,702,076; Mr. Murray, 10,898 shares at $781,250; and Mr. Kinnear, 9,340 shares at $669,561. Dividends will not be paid on shares of FMC Corporation restricted stock unless FMC Corporation pays dividends on all of its common stock.

(3) Prior to 2000, officers had the option to take a portion of the long-term payout subject to a three-year restriction on resale. As a result, each becomes eligible for an additional 20% payout in the form of shares of FMC Corporation common stock. These additional shares are included in the Restricted Stock Award Column for 2000, 1999 and 1998 at market value as of the date of grant. This amount will be forfeited if the executive terminates voluntarily prior to the end of the applicable three-year period.

(4) Includes annual FMC Corporation matching contributions to its qualified and nonqualified savings plans.

(5) These amounts include $51,522 for Mr. Burt for personal use of FMC Corporation's aircraft in 2000; payments of $44,749 and $460,423 to Mr. Netherland for relocation expenses in 2000 and 1998, respectively; a payment of $83,480 to Mr. Schumann for relocation expenses in 1999; and payments of $157,458 and $136,599 for expatriate allowances for 1999 and 1998, respectively, and a relocation gross-up of $62,845 for 1998 for Mr. Cannon.

OPTION GRANTS OF FMC CORPORATION COMMON STOCK TO EXECUTIVE OFFICERS

The following table discloses information regarding stock options granted in fiscal year 2000 to the executive officers named in the summary compensation table with respect to shares of FMC Corporation common stock. These options were granted under the FMC 1995 Stock Option Plan. FMC Corporation did not grant stock appreciation rights under any plan during 2000.

NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED IN 2000	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 2000	EXERCISE OR BASE PRICE PER SHARE	EXPIRATION DATE	GRANT DATE PRESENT VALUE (1)(2)
Robert N. Burt..........	49,700	24.9	$50.56	2/10/10	$1,407,504
Joseph H. Netherland....	32,500	16.3	50.56	2/10/10	920,400
William H. Schumann III....................	12,700	6.4	50.56	2/10/10	359,664
Charles H. Cannon, Jr...	10,600	5.3	50.56	2/10/10	300,192
Michael W. Murray.......	5,900	3.0	50.56	2/10/10	167,088
Peter D. Kinnear........	6,600	3.3	50.56	2/10/10	186,912

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(1) We used the Black-Scholes option pricing model to value these options as of February 10, 2000, the date of the grant. The model assumed: an option term of 10 years; an interest rate of 6.52% that represents the interest rate on a long-term U.S. Treasury security; an assumed annual volatility of underlying stock of 28.86%, and no dividends being paid. FMC Corporation made no assumptions regarding restrictions on vesting or the likelihood of vesting.

(2) The ultimate values of the options will depend on the future market price of FMC Corporation common stock, which cannot be forecast with reasonable accuracy. The actual value, if any, an option holder will realize when exercising an option will depend on the excess of the market price of FMC Corporation's common stock over the exercise price on the date the option is exercised.

AGGREGATED OPTION EXERCISES IN 2000 AND YEAR-END OPTION VALUES

The following table discloses information regarding the aggregate number of FMC Corporation options that the executive officers named in the summary compensation table exercised in fiscal year 2000 and the value of remaining FMC Corporation options held by those executives on December 31, 2000.

NAME	NUMBER OF SHARES ACQUIRED ON EXERCISE	VALUE REALIZED	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT 12/31/00 EXERCISABLE/UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT 12/31/00 (1) EXERCISABLE/UNEXERCISABLE
Robert N. Burt..........	--	--	309,800/189,620	$5,646,150/2,973,933
Joseph H. Netherland....	--	--	86,900/ 93,500	1,723,928/1,672,545
William H. Schumann III....................	--	--	45,000/ 38,000	694,978/ 616,203
Charles H. Cannon, Jr...	--	--	37,300/ 34,500	652,550/ 569,181
Michael W. Murray.......	--	--	25,900/ 22,400	402,222/ 351,452

Peter D. Kinnear........	--	--	11,200/ 10,000	113,832/ 145,646

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(1) The closing price per share of FMC Corporation's common stock at December 29, 2000, the last trading day of 2000, was $71.69.

RETIREMENT PLANS

Our employees will be participants in the FMC Corporation Employees' Retirement Program, a qualified defined benefit pension plan, until May 1, 2001. As of that date, we intend to adopt a qualified defined benefit pension plan that will replicate in all material respects the FMC Corporation Employees' Retirement

Program. We also intend to adopt a non-contributory supplemental defined benefit pension plan that will replicate in all material respects the FMC Corporation Salaried Employees' Equivalent Retirement Plan, a supplemental defined benefit pension plan. The following individuals will all be participants in both our qualified and supplemental defined benefit pension plans: Messrs. Netherland, Schumann, Cannon, Murray and Kinnear.

The following table shows the estimated annual retirement benefits under the current FMC Corporation qualified and supplemental defined benefit pension plans payable upon retirement at age 65, which is the normal retirement age under the plans, based upon the plans' formulae as of 2001 at various levels of salary and years of service. Our pension plans will replicate in all material respects the current FMC Corporation qualified and supplemental pension plans, and our pension plans will grant full credit for service with FMC Corporation with regard to all matters, including, without limitation, benefit calculation and vesting.

PENSION PLAN TABLE

	ESTIMATED ANNUAL RETIREMENT BENEFITS FOR YEARS OF SERVICE INDICATED					
FINAL AVERAGE EARNINGS	15 YEARS	20 YEARS	25 YEARS	30 YEARS	35 YEARS	40 YEARS
$ 150,000.............	$ 30,959	$ 41,279	$ 51,599	$ 61,918	$ 72,238	$ 83,488
250,000.............	53,459	71,279	89,099	106,918	124,738	143,488
350,000.............	75,959	101,279	126,599	151,918	177,238	203,488
450,000.............	98,459	131,279	164,099	196,918	229,738	263,488
550,000.............	120,959	161,279	201,599	241,918	282,238	323,488
650,000.............	143,459	191,279	239,099	286,918	334,738	383,488
900,000.............	199,709	266,279	332,849	399,418	465,988	533,488
1,150,000.............	255,959	341,279	426,599	511,918	597,238	683,488
1,300,000.............	289,709	386,279	482,849	579,418	675,988	773,488
1,450,000.............	323,459	431,279	539,099	646,918	754,738	863,488

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(1) Benefits shown are total qualified plus nonqualified pension benefits.

(2) Social Security Covered Compensation for a participant retiring at age 65 in 2001 is $37,212.

(3) "Final Average Earnings" in the table means the average of covered compensation for the highest 60 consecutive calendar months out of the 120 calendar months immediately before retirement. Covered compensation includes salary, bonus and LTIP payout amounts as reflected in the Summary Compensation Table.

(4) At February 1, 2001, Messrs. Burt, Netherland, Schumann, Cannon, Murray and Kinnear had, respectively, 27, 27, 19, 18, 28 and 29 years of credited service under the FMC Corporation pension plan and its supplements.

(5) Applicable benefits for employees whose years of service and earnings differ from those shown in the table are equal to (A + B) times C where: (A) equals 1% of allowable Social Security covered compensation ($37,212

for a participant retiring at age 65 in 2000) times years of credited service (up to a maximum of 35 years) plus 1.5% of the difference between Final Average Earnings and allowable Social Security compensation times years of credited service (up to a maximum of 35 years); (B) equals 1.5% of Final Average Earnings times years of credited service in excess of 35 years; and (C) equals the ratio of credited service at termination to credited service projected to age 65.

(6) The amounts shown will not be reduced by Social Security benefits or other offsets. As the Internal Revenue Code limits the annual benefits that may be paid from a tax-qualified retirement plan, FMC Corporation has adopted, and we will adopt, permitted supplemental arrangements to maintain total benefits during retirement at the levels shown in the table.

TREATMENT OF FMC CORPORATION OPTIONS

As of the distribution, we intend to replace all of the FMC Corporation options held by our employees and our non-employee directors, other than directors who will remain directors of FMC Corporation after the distribution, with options to purchase shares of our common stock that will be issued pursuant to our stock plan. We expect that directors who will remain directors of FMC Corporation after the distribution will have the option to have up to one-half of their FMC Corporation options replaced with options to purchase shares of our common stock. As of March 30, 2001, our directors and employees held options to purchase 959,490 shares of FMC Corporation common stock at a weighted average exercise price per share of $58.33. The closing price per share of FMC Corporation common stock on March 30, 2001, the last trading day of the month, was $73.64. We also intend to replace all of the FMC Corporation options held by employees of FMC Corporation whom we hire after the distribution with options to purchase our common stock. The number of shares of common stock underlying, and the exercise price of, these replacement options will be based on the closing price per share of our common stock and of FMC Corporation common stock on the trading day immediately preceding the date of the distribution, or, with respect to options replaced after the distribution date, as of the trading day immediately preceding the date we hire that employee. The replacement options to purchase shares of our common stock are expected to have substantially the same vesting provisions and exercise periods as the FMC Corporation options had immediately before the date of distribution.

TREATMENT OF FMC CORPORATION RESTRICTED STOCK

As of March 30, 2001, our employees and directors held 319,712 shares of FMC Corporation restricted stock. The closing price per share of FMC Corporation common stock on March 30, 2001, the last trading day of the month, was $73.64. As of the closing date of this offering, we intend to replace all of the shares of FMC Corporation restricted stock that will vest pursuant to their terms prior to January 1, 2003 held by our employees with shares of our restricted stock that will be issued pursuant to our stock plan. As of the distribution date, we intend to replace the remaining shares of FMC Corporation restricted stock held by our employees at the distribution date and not replaced in connection with the offering and all shares of FMC Corporation restricted stock held by our non-employee directors, other than directors who will remain directors of FMC Corporation after the distribution, with shares of our restricted stock that will be issued pursuant to our stock plan. We expect that directors who will remain directors of FMC Corporation after the distribution will have the option to have up to one-half of their shares of FMC Corporation restricted stock replaced with shares of our restricted stock in connection with the distribution. The number of shares of our restricted stock granted under our stock plan to employees in connection with the offering will be based on the offering price per share of our common stock in this offering and the closing price per share of FMC Corporation common stock on the trading day immediately preceding the closing date of this offering. The number of shares of our restricted stock granted under our stock plan to directors and to employees in connection with the distribution will be based on the closing price per share of our common stock and of FMC Corporation common stock on the trading day immediately preceding the date of distribution. In addition, we intend to replace all shares of FMC Corporation restricted stock held by employees of FMC Corporation whom we hire after the distribution with shares of our restricted stock. The number of shares of our restricted stock granted after the distribution will be based on the closing price per share of our common stock and of FMC Corporation common stock on the trading date immediately preceding the date we hire that employee. The replacement

restricted shares are expected to have substantially the same vesting provisions as the FMC Corporation restricted stock.

INCENTIVE PLANS

THE STOCK PLAN

Prior to this offering, we will adopt the FMC Technologies, Inc. Incentive Compensation and Stock Plan. The stock plan is designed to promote our success and enhance our value by linking the interests of certain of our officers, employees, directors and consultants to those of our stockholders and by providing participants with an incentive for outstanding performance. This plan is further intended to provide flexibility in its ability to motivate, attract and retain officers, employees, directors and consultants upon whose judgment, interest and special efforts our business is largely dependent. The description below summarizes the material terms of this plan.

Persons Eligible for Grants. Our officers, employees, directors and consultants, and officers, employees, directors and consultants of our subsidiaries and affiliates will be eligible to participate in this plan.

At the time of this offering, we expect to grant to certain officers, employees and directors options to purchase shares of common stock under the plan at an exercise price equal to the initial public offering price. We will grant options to purchase an aggregate of 2,250,000 shares, and it is expected that Messrs. Burt, Netherland, Schumann, Cannon, Murray and Kinnear will be granted options to purchase 100,000, 660,000, 162,000, 148,500, 94,500 and 148,500 shares, respectively. We expect that these options will vest and become exercisable on the first business day of the third calendar year following the calendar year of the grant. Generally, unvested options will expire at the time of the participant's termination of employment. In lieu of granting some of these options, we reserve the right to issue an equivalent amount of our restricted shares.

Administration. The plan will be administered by the compensation and organization committee of our Board of Directors. Any authority granted to our compensation and organization committee is also vested in our full Board of Directors. The plan will provide for the grant of both non-qualified and incentive stock options, incentive awards, stock appreciation rights, restricted stock, performance units, and other equity-based awards.

Authorized Shares. The aggregate number of shares of common stock that may be delivered under the plan will be limited to 12,000,000 shares. The plan will provide for a maximum annual stock award of 1,000,000 shares of common stock for incentive awards, restricted stock and performance units. The plan will also provide for a maximum aggregate amount with respect to each incentive award, award of performance units or award of restricted stock that may be granted, or, that may vest, as applicable, in any calendar year for any individual participant of 750,000 shares of our common stock, or the dollar equivalent of 750,000 shares of common stock. The aggregate number of shares may be adjusted by our compensation and organization committee in the event of certain corporate events or transactions, including, but not limited to, stock splits, mergers, consolidations, separations, including spin-off or other distribution of stock or property of our company, reorganization, or liquidation, whether or not such transaction results in a change in the number of shares of our outstanding common stock.

Term. The term of options to be granted under the plan may not exceed 10 years. Our compensation and organization committee will provide vesting schedules and any other applicable restrictions in each award agreement.

Exercise. Options under the plan will have an exercise price equal to the fair market value of the common stock on the date of grant or, in the case of options granted at the time of this offering, equal to the initial public offering price. A participant exercising an option may pay the exercise price by check or, if approved by our compensation and organization committee, with previously acquired shares of our common stock or in a combination of cash and our common stock. Our compensation and organization committee, in its discretion, may allow the cashless exercise of options through the use of a broker-dealer.

Other Awards. We may grant incentive awards which may be subject to

performance- or service-based goals and that may be payable in cash, our common stock, restricted stock or a combination of cash, common stock or restricted stock. We may grant stock appreciation rights under the stock plan either in tandem with options, or as stand-alone awards. Tandem stock appreciation rights will be subject to the same vesting terms as the options to which they relate. The stock appreciation rights will permit a participant to receive cash or shares of our common stock, or a combination thereof, as determined by our compensation and organization committee. The amount of cash or the value of the shares to be received by a participant will be equal to the excess of the fair market value of a share of our common stock on the date of exercise over the stock appreciation right exercise price, multiplied by the number of shares with respect to which the stock appreciation right is exercised. We may grant restricted stock that may be subject to performance- and/or service-based goals upon which restrictions will lapse. Additionally, we may grant performance units that may

be subject to performance- and/or service-based restrictions. These performance units will be payable in cash or shares of our common stock or a combination of the two as determined by our compensation and organization committee. We may also grant dividend and interest equivalents with respect to awards and other awards based on the value of our common stock.

Transferability of Options and Stock Appreciation Rights. Options and stock appreciation rights will be nontransferable other than by will or the laws of descent and distribution or, at the discretion of our compensation and organization committee, under a written beneficiary designation and, in the case of a nonqualified option, in connection with a gift to members of the holder's immediate family. The gift may be made directly or indirectly or by means of a trust or partnership or limited liability company and, during the participant's lifetime, may be exercised only by the participant, any such permitted transferee or a guardian, legal representative or beneficiary.

Change in Control. In the event we undergo a Change in Control, any option or stock appreciation right that is not then exercisable and vested will become fully exercisable and vested, restrictions on restricted stock will lapse and performance units will be deemed earned. A Change in Control of our company means generally:

- the acquisition by a person of an amount of common stock from any source, including FMC Corporation, representing at least 20% of our outstanding common stock or voting securities;

- a change in the majority of the members of our Board of Directors, unless approved by the incumbent directors;

- the completion of specified mergers, business combinations or asset purchases or sales, unless after the transaction (a) our stockholders prior to the transaction own more than 60% of the resulting entity, (b) members of our Board of Directors before the transaction constitute a majority of the Board of Directors of the resulting entity, and (c) no person owns 20% or more of our outstanding common stock or voting securities;

- approval by our stockholders of a liquidation or dissolution of our company; or

- a Change in Control of FMC Corporation, as defined in the FMC Corporation executive severance plan, if, at the time of its Change in Control, FMC Corporation owns more than 50% of our outstanding common stock. The FMC Corporation executive severance plan definition of a Change in Control of FMC Corporation is substantially similar to our stock plan's definition of a Change in Control of our company.

Neither this offering nor the distribution will constitute a Change in Control.

Amendments and Termination. Once the stock plan is adopted, our compensation and organization committee may at any time amend or terminate it and may amend the terms of any outstanding option or other award, except that no termination or amendment may impair the rights of participants as they relate to outstanding options or awards. No amendment to the stock plan will be made without the approval of our stockholders to increase the number of shares

available for issuance, or to change the exercise price of an option after the date of grant, or unless and to the extent such approval is required by law or by stock exchange rule. With respect to any awards granted to an individual who is employed or providing services outside the United States and who is not compensated from a payroll maintained in the United States, the compensation and organization committee may, in its sole discretion, modify the provisions of the stock plan as they pertain to the individual to comply with applicable foreign law, accounting rules or practices.

COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS

Our non-employee directors will be entitled to receive stock awards and other compensation for their service. See "Board of Directors' Compensation and Relationships--Compensation Plan for Non-Employee Directors."

TERMINATION AND CHANGE IN CONTROL ARRANGEMENTS

The following of our executive officers currently are parties to executive severance agreements under the FMC Corporation Executive Severance Plan that would provide them with benefits in the event of specified terminations of employment following a Change in Control of FMC Corporation: Messrs. Burt, Netherland, Schumann, Cannon, Murray and Kinnear. After this offering we plan to provide these executives (other than Mr. Burt) with new executive severance agreements that are substantially similar to their existing executive severance agreements with FMC Corporation, and these new executive severance agreements will supercede their existing executive severance agreements with FMC Corporation.

SEVERANCE BENEFITS

Under the new executive severance agreements, if a Change in Control of our company occurs and if, within two years following that Change in Control, the executive's employment is terminated by us without cause or the executive terminates his or her employment for good reason, then the executive is entitled to benefits from us. In general, these benefits include:

- a lump sum payment of three (for Messrs. Netherland, Schumann and Cannon) or two (for Messrs. Murray and Kinnear) times the sum of (a) the executive's salary and (b) the greater of (i) the executive's highest target for any year or (ii) the average of the two actual incentive awards paid for the two plan years immediately preceding the executive's termination;

- immediate vesting of long-term incentive awards, restricted stock and stock options;

- continuation of medical and other benefits for up to three years;

- distribution of accrued nonqualified retirement plan benefits; and

- an additional three years of credited service for purposes of our non-qualified plans.

We will compensate the executive for any excise tax liability as a result of Change in Control payments from us under the agreement or otherwise. The following officers can receive the above severance benefits if they voluntarily terminate their employment with us during the 30-day period immediately following the first anniversary of a Change in Control: Messrs. Netherland and Schumann.

Each executive will acknowledge that neither this offering nor the distribution constitutes a Change in Control under his or her executive severance agreement with FMC Corporation, his or her new executive severance agreement with our company or any other plans of FMC Corporation or our company.

The definition of Change in Control is the same as that in our stock plan. See "Incentive Plans--The Stock Plan--Change in Control."

DEFINITIONS OF GOOD REASON AND CAUSE

Under the new executive severance agreements, an executive may terminate for good reason following:

- diminution of duties;
- relocation of over 50 miles;
- reduction in base salary; or
- reduction in levels of participation in benefit or incentive plans.

We may terminate an executive's employment for cause under the new executive severance agreements if the executive:

- willfully and continually fails to perform his or her duties;
- willfully engages in conduct materially injurious to us; or
- is convicted of a felony.

LIMITATION OF LIABILITY AND INDEMNIFICATION MATTERS

As permitted by applicable Delaware law, we have included in our Certificate of Incorporation a provision to generally eliminate the personal liability of our directors for monetary damages for breach or alleged breach of their fiduciary duties as directors. However, this provision does not eliminate or limit liability of a director for a director's breach of the duty of loyalty, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, for any transaction from which a director derived an improper personal benefit and for other specified actions. In addition, our Certificate of Incorporation and Bylaws provide that we are required to indemnify our officers and directors under a number of circumstances, including those circumstances in which indemnification would otherwise be discretionary, and we are required to advance expenses to our officers and directors as incurred in connection with proceedings against them for which they may be indemnified. At present, we are not aware of any pending or threatened litigation or proceeding involving a director, officer, employee or agent of ours in which indemnification would be required or permitted. We believe that these indemnification provisions are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be granted to directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

RELATED PARTY TRANSACTIONS

FMC Corporation has historically operated the businesses it will transfer to us in the separation as internal units of FMC Corporation through various divisions and subsidiaries or through investments in unconsolidated affiliates. For a discussion of transactions between FMC Corporation and us, see "Arrangements Between FMC Technologies and FMC Corporation" and Note 18 to the combined financial statements.

ARRANGEMENTS BETWEEN FMC TECHNOLOGIES AND FMC CORPORATION

We have provided below a summary description of the separation and distribution agreement and the key related agreements. This description, which summarizes the material terms of these agreements, is not complete. You should read the full text of these agreements, which will be filed with the SEC as exhibits to the registration statement of which this prospectus is a part.

SEPARATION AND DISTRIBUTION AGREEMENT

The separation and distribution agreement contains the key provisions relating to the separation of our businesses from those of FMC Corporation, this offering and FMC Corporation's planned distribution of our common stock. The separation and distribution agreement identifies the assets to be transferred to us by FMC Corporation and the liabilities to be assumed by us from FMC Corporation. The separation and distribution agreement also describes when and how these transfers and assumptions will occur. In addition, we will

enter into agreements with FMC Corporation governing various interim and ongoing relationships between FMC Corporation and us following the closing date of this offering. These other agreements include:

- the tax sharing agreement;

- the employee benefits agreement; and

- the transition services agreement.

FMC Corporation and we will execute the separation and distribution agreement and ancillary agreements before the closing of this offering.

ASSET TRANSFER

Prior to the closing of this offering, FMC Corporation will transfer the following assets to us, except as provided in one of the ancillary agreements:

- all assets reflected on our audited balance sheet as of December 31, 2000 or the accounting records supporting our balance sheet, plus all assets acquired by FMC Corporation between December 31, 2000 and the closing date of this offering that would have been included on our balance sheet as of December 31, 2000 had they been owned on December 31, 2000;

- all other assets primarily related to our businesses or the former Energy Systems and Specialty Systems businesses of FMC Corporation;

- the lease on our Chicago corporate headquarters and real property primarily related to our business;

- the subsidiaries, partnerships, joint ventures and other equity interests primarily related to our businesses;

- our rights under any insurance policies as provided in any ancillary agreements;

- all computers, desks, furniture, equipment and other assets used primarily by FMC Corporation employees who will become our employees due to the separation;

- all foreign exchange contracts entered into in connection with our business; and

- other assets agreed upon by us and FMC Corporation.

ASSUMPTION OF LIABILITIES

Prior to the closing of this offering, we will assume the following liabilities from FMC Corporation, except as provided in one of the ancillary agreements:

- all liabilities reflected on our audited balance sheet as of December 31, 2000 or the accounting records supporting our balance sheet, plus all liabilities of FMC Corporation incurred or arising between December 31, 2000 and the closing date of this offering that would have been included on our balance sheet as of December 31, 2000 had they arisen or been incurred on December 31, 2000;

- all other liabilities primarily related to or arising primarily from (a) any asset that is transferred to us pursuant to the separation, (b) our current business or (c) specified closed businesses of FMC Corporation's former Energy Systems and Specialty Systems businesses, in each case, whether incurred or arising prior to, on or after the closing date of this offering;

- all liabilities assumed by us under an express provision of the separation and distribution agreement or any ancillary agreement;

- selected liabilities primarily relating to specified discontinued businesses of FMC Corporation's former Specialty Systems businesses;

- all liabilities for environmental remediation or other environmental responsibilities primarily related to our business and specified closed businesses of FMC Corporation's former energy and food and transportation businesses, or all real property transferred to us as part of our assets;

- all liabilities for products of our business or certain closed businesses of FMC Corporation's former Energy Systems and Specialty Systems businesses sold to third parties by us or FMC Corporation;

- all liabilities under FMC Corporation's $200 million 180-day revolving credit facility, FMC Corporation's $150 million 364-day revolving credit facility, FMC Corporation's $250 million five-year credit agreement and any other debt arrangements that we will assume in the separation;

- all liabilities relating to us arising under the separation and distribution agreement; and

- other liabilities agreed upon by us and FMC Corporation.

The separation and distribution agreement provides that we and FMC Corporation will adjust the debt amount that we will assume to reflect our cash flow from operations since the beginning of 2001.

FURTHER ASSURANCES

The separation and distribution agreement provides that FMC Corporation and we will cooperate to effect any transfers of assets and liabilities that are not completed on the closing date of this offering as promptly following that date as is practicable. Until these transfers can be completed, the party retaining the assets or liabilities to be transferred will act as a custodian and trustee on behalf of the other party with respect to those assets or liabilities. In an effort to place each party, insofar as reasonably possible, in the same position as that party would have been had the transfers occurred at the time contemplated by the separation and distribution agreement, the separation and distribution agreement provides that the benefits derived or expenses incurred from those assets or liabilities will be passed on to the party that would have received the assets or liabilities if the transfers had occurred as contemplated.

CONDITIONS TO THE SEPARATION AND THIS OFFERING

The separation and distribution agreement provides that the separation and the completion of this offering are subject to several conditions that must be satisfied, or waived by FMC Corporation, including:

- the Board of Directors of FMC Corporation shall have given final approval of this offering;

- the SEC shall have declared effective the registration statement relating to this offering, and no stop order shall be in effect with respect to that registration statement;

- the actions and filings necessary or appropriate with state securities and blue sky laws and any comparable foreign laws shall have been taken and where applicable become effective or been accepted;

- the New York Stock Exchange shall have accepted for listing the shares of our common stock to be issued in this offering;

- we shall have entered into the underwriting agreements regarding this offering and the conditions to the offering listed in the underwriting agreement shall have been satisfied or waived;

- no order by any court or other legal restraint preventing completion of the separation, this offering or the distribution shall be in effect;

- the separation and distribution agreement shall not have been

terminated; and

- all third-party consents and governmental approvals required in connection with the separation and this offering shall have been received, except where failure to obtain these consents or approvals would not have a material adverse effect on either (a) the ability of us and FMC Corporation to complete this separation from FMC Corporation, this offering and the distribution, or (b) the business, assets, liabilities, financial condition or results of operations of us and our subsidiaries taken as a whole.

CONDITIONS TO THE DISTRIBUTION

The separation and distribution agreement provides that the distribution is subject to several conditions that must be satisfied, or waived by FMC Corporation, including:

- the Board of Directors of FMC Corporation shall have given final approval of the distribution;

- the actions and filings necessary or appropriate with U.S. federal and state securities and blue sky laws and any comparable foreign laws in connection with the distribution shall have been taken, and, where applicable, become effective or been accepted;

- the NYSE shall have accepted for listing the shares of our common stock to be issued in the distribution;

- no order by any court or other legal restraint preventing completion of the separation, this offering or the distribution shall be in effect;

- FMC Corporation shall have received a favorable private letter ruling from the IRS as to the tax-free nature of the distribution for U.S. federal income tax purposes;

- all third-party consents and governmental approvals required in connection with the separation and this offering shall have been received, except where failure to obtain these consents or approvals would not have a material adverse effect on either (a) the ability of us and FMC Corporation to complete the separation, this offering and the distribution, or (b) the business, assets, liabilities, financial condition or results of operations of us and our subsidiaries taken as a whole; and

- the separation and distribution agreement shall not have been terminated.

FOREIGN TRANSFERS

The transfer of international assets and the assumption of international liabilities will be accomplished through agreements among international subsidiaries, as contemplated by the separation and distribution agreement. The separation and distribution agreement acknowledges that circumstances in some jurisdictions

outside of the United States may require the timing of part of the international separation to be delayed past the closing date of this offering.

INDEMNIFICATION

In general, under the separation and distribution agreement, we will indemnify FMC Corporation and its representatives and affiliates from all liabilities that we assume under the separation and distribution agreement and any and all losses by FMC Corporation or its representatives or affiliates arising out of or due to either our failure to pay, perform or discharge in due course these liabilities or our breach of the separation and distribution agreement. We will also indemnify FMC Corporation for any and all losses arising out of or based upon any untrue statement of a material fact or material omission in this prospectus or in any similar documents relating to the distribution. In general, FMC Corporation will indemnify us and our representatives and affiliates from all liabilities that FMC Corporation

retains under the separation and distribution agreement and any and all losses by us or our representatives or affiliates arising out of or due to either FMC Corporation's failure to pay, perform or discharge in due course these liabilities or its breach of the separation and distribution agreement. All indemnification amounts would be reduced by any insurance proceeds and other offsetting amounts recovered by the indemnitee.

ACCESS TO INFORMATION

Under the separation and distribution agreement, the following terms govern access to information:

- on the closing date of this offering, FMC Corporation will deliver to us all corporate books and records related to our business;

- before and after the closing date of this offering, subject to applicable confidentiality provisions and other restrictions, we and FMC Corporation will each give the other any information within that company's possession that the requesting party reasonably needs (a) to comply with requirements imposed on the requesting party by a governmental authority, (b) for use in any proceeding or to satisfy audit, accounting, tax or similar requirements, or (c) to comply with its obligations under the separation and distribution agreement or the ancillary agreements;

- after the closing date of this offering, we will provide to FMC Corporation, at no charge, all financial and other data and information that FMC Corporation determines is necessary or advisable in order to prepare its financial statements and reports or filings with any governmental authority;

- after the closing date of this offering, we and FMC Corporation will each use reasonable best efforts to provide assistance to the other for litigation and to make available to the other directors, officers, other employees and agents as witnesses, in legal, administrative or other proceedings, and will cooperate and consult to the extent reasonably necessary with respect to any litigation;

- the company providing information, consultant or witness services under the separation and distribution agreement will be entitled to reimbursement from the other for reasonable expenses;

- we and FMC Corporation will each retain all proprietary information in its possession relating to the other's business for a period of time, and, if the information is to be destroyed, the destroying company will give the other company the opportunity to receive the information; and

- from and after the closing date of this offering, we and FMC Corporation will agree to hold in strict confidence all information concerning or belonging to the other obtained prior to the closing date of this offering or furnished pursuant to the separation and distribution agreement or any ancillary agreement, subject to applicable law.

NO REPRESENTATIONS AND WARRANTIES

Pursuant to the separation and distribution agreement, we understand and agree that FMC Corporation will not represent or warrant to us as to the assets to be transferred to us, the liabilities to be assumed by us, our business or the former energy and food and transportation businesses of FMC Corporation. We will take all assets "as is, where is" and bear the economic and legal risk relating to conveyance of, and title to, the assets.

REGISTRATION RIGHTS

Under the separation and distribution agreement, FMC Corporation has the right to require us to register for offer and sale all or a portion of our common stock held by FMC Corporation, so long as our common stock FMC Corporation requires us to register, in each case, represents at least 5% of the aggregate shares of our common stock then issued and outstanding and FMC Corporation holds not less than 10% of our then-outstanding common stock on the

date it requests us to register our common stock.

PIGGY-BACK REGISTRATION RIGHTS

If we at any time intend to file on our behalf or on behalf of any of our security holders a registration statement in connection with a public offering of any of our securities on a form and in a manner that would permit the registration for offer and sale of our common stock held by FMC Corporation, FMC Corporation has the right to include its shares of our common stock in that offering.

REGISTRATION EXPENSES

We are responsible for the registration expenses in connection with the performance of our obligations under the registration rights provisions in the separation and distribution agreement. FMC Corporation is responsible for all of the fees and expenses of counsel to FMC Corporation, any applicable underwriting discounts or commissions, and any registration or filing fees with respect to shares of our common stock being sold by FMC Corporation.

TERMINATION

The separation and distribution agreement may be terminated at any time prior to the distribution by the mutual consent of FMC Corporation and us. If the separation and distribution agreement is terminated after this offering but prior to the distribution, only the obligations of FMC Corporation and us regarding the distribution will terminate, and the other provisions of the separation and distribution agreement will remain in full force and effect.

EXPENSES

In general, FMC Corporation and we are responsible for our own costs incurred in connection with the transactions contemplated by the separation and distribution agreement. However, with regard to this offering, we are responsible for all third-party costs associated with this offering, including costs related to the registration statement of which this prospectus is a part. Additionally, if the distribution is completed, FMC Corporation will be responsible for all associated third-party costs.

TAX SHARING AGREEMENT

We and some of our subsidiaries have historically been included in FMC Corporation's consolidated group for U.S. federal income tax purposes (the "FMC Corporation Federal Group"), as well as in certain consolidated, combined or unitary groups which include FMC Corporation and some of its subsidiaries for U.S. state and local and foreign income tax purposes (the "FMC Corporation Combined Group"). Prior to this offering, FMC Corporation and we will enter into a tax sharing agreement in connection with the offering.

Under the tax sharing agreement, FMC Corporation and we generally will make payments between us so that, with respect to tax returns for any taxable period in which we or any of our or FMC Corporation's subsidiaries are included in the FMC Corporation Federal Group or any FMC Corporation Combined Group, the amount of taxes to be paid by us will be determined, subject to adjustment, as if we and each of our subsidiaries included in the FMC Corporation Federal Group or FMC Corporation Combined Group filed our own consolidated, combined or unitary tax return. However, in the event we incur a tax loss for any taxable period ending after the date of execution of the tax sharing agreement during which we are still a member of the U.S. consolidated tax group, we may only receive a benefit for such tax loss to the extent that such loss can be carried back to a prior taxable year in which we were a member of the U.S. consolidated tax group of FMC Corporation. FMC Corporation and we will jointly prepare pro forma tax returns with respect to any tax return filed with respect to the FMC Corporation Federal Group or any FMC Corporation Combined Group in order to determine the amount of tax sharing payments under the tax sharing agreement. We will generally be responsible for any taxes with respect to tax returns that include only us and our subsidiaries.

FMC Corporation will be primarily responsible for preparing and filing any tax return with respect to the FMC Corporation Federal Group or any FMC Corporation Combined Group. Under the tax sharing agreement, we will be

responsible for preparing the portion of these tax returns that relates exclusively to us or any of our subsidiaries. However, we will be required to submit those portions to FMC Corporation for FMC Corporation's review and approval. We generally will be responsible for preparing and filing any tax returns that include only us and our subsidiaries.

FMC Corporation will be primarily responsible for controlling and contesting any audit or other tax proceeding with respect to the FMC Corporation Federal Group or any FMC Corporation Combined Group. Under the tax sharing agreement, in connection with a tax liability in excess of $500,000 resulting from a tax audit or other tax proceeding, we will have the right to control and contest any audit or tax proceeding that relates to any item included on the portion of any tax return that we are responsible for preparing. In the case of a tax liability less than $500,000 that relates to any item on the portion of the tax return that we are responsible for preparing, FMC Corporation will have the right to control and contest any audit or tax proceeding. In addition, we have assumed primary responsibility for certain specific areas where the ability to provide factual and financial information to sustain the tax treatment accorded such item on a tax return is within our control. However, we cannot enter into any settlement or agreement or make any decision in connection with any judicial or administrative tax proceeding with FMC Corporation's review and approval, which it may not unreasonably withhold. Disputes arising between FMC Corporation and us relating to matters covered by the tax sharing agreement are subject to resolution through specific dispute resolution provisions in the tax sharing agreement.

We have been and will be included in the FMC Corporation Federal Group for periods in which FMC Corporation beneficially owned at least 80% of the total voting power and value of our outstanding common stock. Each member of a consolidated group for U.S. federal income tax purposes is jointly and severally liable for the U.S. federal income tax liability of each other member of the consolidated group. Accordingly, although the tax sharing agreement allocates tax liabilities between us and FMC Corporation, for any period in which we were included in the FMC Corporation Federal Group, we could be liable in the event that any U.S. federal tax liability was incurred, but not discharged, by any other member of the FMC Corporation Federal Group.

FMC Corporation and we have agreed to cooperate, and we have agreed to take all actions reasonably requested by FMC Corporation, in connection with FMC Corporation's obtaining of a ruling from the IRS regarding the tax-free nature of the distribution. We generally will be responsible for, among other things, any corporate taxes resulting from the failure of the distribution to qualify as a tax-free transaction to the extent these taxes are attributable to, or result from, any action or failure to act by us or certain transactions involving us following the distribution.

Subject to FMC's agreement or satisfaction of specified other conditions, the tax sharing agreement places certain restrictions upon us regarding the sale of assets, the sale or issuance of additional securities or the entry into some types of corporate transactions during a restriction period that continues until the thirty months after the distribution.

The tax sharing agreement also assigns responsibilities for administrative matters, such as the filing of returns, payment of taxes due, retention of records and conduct of audits, examinations or similar proceedings.

EMPLOYEE BENEFITS AGREEMENT

We will enter into an employee benefits agreement with FMC Corporation at the closing of this offering that will govern our employee benefit obligations, including both compensation and benefits, with respect to our active employees and retirees and other terminated employees who have performed services for our business before or after the separation or whose employee benefit obligations we have otherwise agreed to assume. Under the employee benefits agreement, we will assume and agree to pay, perform, fulfill and discharge, in accordance with their respective terms, all obligations to, or relating to, former employees of FMC Corporation or its affiliates who will be employed by us and our affiliates and specified former employees of FMC Corporation or its affiliates (including retirees) who either were employed in our businesses before or after the separation or who otherwise are assigned to us for purposes

of allocating employee benefit obligations.

BENEFIT PLANS

Until the date of the distribution, employees and former employees allocated to us will continue to participate in the FMC Corporation pension and other employee benefit plans, except that domestic employees will participate in our own qualified and non-qualified defined benefit pension plans as of May 1, 2001 instead of participating in the FMC Corporation qualified and non-qualified defined benefit plans. Effective May 1, 2001, we will establish our domestic qualified and non-qualified defined benefit plans, and effective immediately after the distribution, we will establish the remainder of our own pension and employee benefit plans. The material terms of our pension and employee benefit plans will generally mirror the FMC Corporation plans as in effect at that time. The employee benefits agreement does not preclude us from discontinuing or changing our plans at any time, so long as we provide FMC Corporation with notice and agree to absorb any cost associated with such changes.

Our plans generally will assume all obligations under the FMC Corporation plans to employees and former employees allocated to us. Specified assets funding these obligations, including assets held in trusts, will be transferred from trusts and other funding vehicles associated with the FMC Corporation plans to the corresponding trusts and other funding vehicles associated with our plans. Our plans will generally provide that any employee or former employee allocated to us will receive full recognition and credit under these plans for all service, all compensation, and all other benefit-affecting determinations that would have been recognized under the corresponding FMC Corporation plan. However, there will be no duplication of benefits payable by FMC Corporation.

RETIREMENT PLANS

The trusts for our qualified pension plans will receive assets from FMC Corporation's qualified pension plans' trusts on the basis of actuarial calculations in accordance with governmental regulations. Our trusts that will fund our domestic qualified 401(k) plan and our non-qualified deferred compensation plan will receive a percentage of the assets of the corresponding FMC Corporation trusts based upon the assets allocated to employees' accounts. The division of these assets will occur, with respect to our qualified defined benefit plans, prior to or shortly after this offering and, with respect to the rest of our plans, after the date of the distribution.

STOCK AWARDS

Under the employee benefits agreement, we will issue awards under our stock plan in replacement of all awards under the FMC Corporation stock-based plans held by employees and directors, other than our directors who continue to serve as directors of FMC Corporation after the distribution. We will issue awards under our stock plan in replacement of up to one-half of the outstanding FMC Corporation stock-based awards held by our directors who continue to serve as directors of FMC Corporation after the distribution, as elected by such directors. We may also issue awards under our stock plan in replacement of FMC Corporation stock-based awards held by FMC Corporation employees whom we hire after the distribution.

In connection with the replacement of FMC Corporation options, the number of shares of our common stock underlying, and the exercise price of, the replacement options we will grant will be based on the closing price per share of our common stock and of FMC Corporation common stock on the trading day immediately before the date of the distribution. The substitute award for each share of FMC Corporation restricted stock that vests prior to January 1, 2003 held by our employees in connection with this offering will be based on the offering price per share of our common stock in this offering and the closing price per share of FMC Corporation common stock on the trading day immediately preceding the closing date of this offering. The substitute award for each share of FMC Corporation restricted stock held by our directors (and a portion of the restricted shares held by our directors who continue to serve as directors of FMC Corporation) and by our employees hired on the date of the distribution will be based on the closing price per share of our common stock and that of FMC Corporation common stock on the trading day immediately before

the date of the distribution. The substitute award for each FMC Corporation stock-based award held by employees of FMC Corporation who we hire after the date of the distribution will be based on the closing price share of our common stock and that of FMC Corporation common stock on the trading date immediately before the date we hire such employees. The other terms and conditions of each replacement award will be the same as those of the surrendered FMC Corporation stock award.

It is not possible to specify at this time how many shares of our common stock will be subject to substitute awards at the date of this offering or the distribution because we do not know at this time either how many FMC Corporation stock awards held by directors, employees and former employees allocated to us will be outstanding at the date of this offering or the distribution or at what ratio the FMC Corporation options and restricted stock will be replaced with our options and restricted stock. Our stockholders are, however, likely to experience some dilutive impact from these adjustments.

As of March 30, 2001, there were approximately 959,490 shares of FMC Corporation common stock subject to options held by our directors and employees that could have been replaced with our options had the distribution occurred on that date, and approximately 319,712 shares of FMC Corporation restricted stock held by our directors and employees that could have been replaced with our restricted stock had the offering and the distribution occurred on that date.

TRANSITION SERVICES AGREEMENT

The transition services agreement governs the provision by FMC Corporation to us and by us to FMC Corporation of support services, such as:

- cash management and debt service administration,

- accounting,
- tax,
- payroll,
- legal,
- human resources administration,
- financial transaction support,
- information technology,
- public affairs,
- data processing,
- procurement,
- real estate management, and
- other general administrative functions.

The terms of these services generally will expire at the distribution, subject to exceptions.

ALLOCATION OF CORPORATE OPPORTUNITIES

Although FMC Corporation does not directly compete with us presently, our Certificate of Incorporation provides that unless otherwise provided in a written agreement between FMC Corporation and us, FMC Corporation will have no duty to refrain from engaging in the same or similar activities or lines of business as we engage in, and, to the fullest extent permitted by law, neither FMC Corporation nor any officer or director of FMC Corporation (except as provided below) will be liable to us or our stockholders for breach of any fiduciary duty by reason of any of these activities of FMC Corporation. In the event that FMC Corporation acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both FMC Corporation and us, FMC Corporation will, to the fullest extent permitted by law, have no duty to communicate or offer this corporate opportunity to us, and will, to the fullest

extent permitted by law, not be liable to us or our stockholders for breach of any fiduciary duty as a stockholder of our company by reason of the fact that FMC Corporation pursues or acquires that corporate opportunity for itself, directs that corporate opportunity to another person or does not communicate information regarding that corporate opportunity to us.

In the event that one of our directors or officers who is also a director or officer of FMC Corporation acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both us and FMC Corporation, that director or officer will, to the fullest extent permitted by law, have fully satisfied his or her fiduciary duty to us and our stockholders with respect to that corporate opportunity if that director or officer acts in a manner consistent with the following policy:

- a corporate opportunity offered to any person who is one of our officers, and who is also a director but not an officer of FMC Corporation, will belong to us;

- a corporate opportunity offered to any person who is one of our directors but not one of our officers, and who is also a director or officer of FMC Corporation, will belong to us if the opportunity is expressly offered to that person in his or her capacity as a director of our company, and otherwise will belong to FMC Corporation; and

- a corporate opportunity offered to any person who is an officer of us and FMC Corporation will belong to us if the opportunity is expressly offered to the person in his or her capacity as an officer of our company, and otherwise will belong to FMC Corporation.

These corporate opportunities provisions will expire once FMC Corporation owns less than 20% of our common stock and once none of our directors or officers is also a director or officer of FMC Corporation.

PRINCIPAL STOCKHOLDER

Prior to this offering, all of the outstanding shares of our common stock will be owned by FMC Corporation. After this offering, FMC Corporation will own about 82.3% of our outstanding common stock or approximately 80.3% if the underwriters fully exercise their over-allotment option. After completion of this offering and prior to the distribution, FMC Corporation will be able, acting alone, to elect our entire Board of Directors and to approve any action requiring stockholder approval. Except for FMC Corporation, we are not aware of any person or group that will beneficially own more than 5% of our outstanding shares of common stock following this offering. None of our executive officers, directors or director nominees currently owns any shares of our common stock, but those who own shares of FMC Corporation common stock will be treated on the same terms as other holders of FMC Corporation stock in any distribution by FMC Corporation. See "Management--Stock Ownership of Directors and Executive Officers" for a description of the ownership of FMC Corporation stock by our directors and executive officers.

DESCRIPTION OF CAPITAL STOCK

GENERAL

Upon the completion of this offering, we will be authorized to issue 195,000,000 shares of our common stock, $.01 par value, and 12,000,000 shares of undesignated preferred stock, $.01 par value. The following description of our capital stock is subject to and qualified in its entirety by our Certificate of Incorporation and Bylaws, which are included as exhibits to the registration statement of which this prospectus is a part, and by the provisions of applicable Delaware law.

COMMON STOCK

Prior to this offering, there will be 53,505,000 shares of our common stock outstanding, all of which will be held of record by FMC Corporation.

The holders of our common stock are entitled to one vote per share on all

matters to be voted upon by our stockholders. Subject to preferences that may be applicable to any of our outstanding preferred stock, the holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by our Board of Directors out of funds legally available for that purpose. See "Dividend Policy." In the event of our liquidation, dissolution or winding-up, the holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of our preferred stock, if any, then outstanding. The holders of our common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to our common stock.

PREFERRED STOCK

Our Board of Directors has the authority, without action by our stockholders, to designate and issue our preferred stock in one or more series and to designate the rights, preferences and privileges of each series, which may be greater than the rights of our common stock. It is not possible to state the actual effect of the issuance of any shares of our preferred stock upon the rights of holders of our common stock until our Board of Directors determines the specific rights of the holders of our preferred stock. However, the effects might include, among other things:

- restricting dividends on our common stock;
- diluting the voting power of our common stock;
- impairing the liquidation rights of our common stock; or
- delaying or preventing a change in control of our company without further action by our stockholders.

At the closing of this offering, no shares of our preferred stock will be outstanding, and, other than shares of our preferred stock that may become issuable pursuant to our rights agreement, we have no present plans to issue any shares of our preferred stock. See "-- The Rights Agreement."

As of the closing of this offering, 800,000 shares of our junior participating preferred stock will be reserved for issuance upon exercise of our preferred share purchase rights.

ANTI-TAKEOVER EFFECTS OF OUR CERTIFICATE OF INCORPORATION AND BYLAWS AND DELAWARE LAW

Some provisions of Delaware law and our Certificate of Incorporation and Bylaws could make the following more difficult, although they have little significance while we are controlled by FMC Corporation:

- acquisition of us by means of a tender offer;

- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions also are designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us and outweigh the disadvantages of discouraging those proposals because negotiation of them could result in an improvement of their terms.

ELECTION AND REMOVAL OF DIRECTORS

Our Certificate of Incorporation provides that our Board of Directors is divided into three classes. The term of the first class of directors expires at our 2002 annual meeting of stockholders, the term of the second class of directors expires at our 2003 annual meeting of stockholders and the term of the third class of directors expires at our 2004 annual meeting of stockholders. At each of our annual meetings of stockholders, the successors of the class of directors whose term expires at that meeting of stockholders

will be elected for a three-year term, one class being elected each year by our stockholders. This system of electing and removing directors may discourage a third party from making a tender offer or otherwise attempting to obtain control of us if FMC Corporation no longer controls us because it generally makes it more difficult for stockholders to replace a majority of the directors. Our Certificate of Incorporation also provides that directors may be removed with or without cause only by the vote of holders of at least 80% of our outstanding shares of stock entitled to vote generally in the election of directors.

SIZE OF BOARD AND VACANCIES

Our Certificate of Incorporation provides that the number of directors on our Board of Directors will be fixed exclusively by our Board of Directors. Newly created directorships resulting from any increase in our authorized number of directors or any vacancies in our Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled solely by the vote of our remaining directors in office.

ELIMINATION OF STOCKHOLDER ACTION BY WRITTEN CONSENT

Our Certificate of Incorporation permits our stockholders to act by written consent without a meeting as long as FMC Corporation owns at least 50% of our voting stock. Once FMC Corporation ceases to own that percentage of our voting stock, our Certificate of Incorporation eliminates the right of our stockholders to act by written consent.

AMENDMENTS TO OUR BYLAWS

Our Certificate of Incorporation and Bylaws provide that our Bylaws may only be amended by the vote of a majority of our whole Board of Directors or by the vote of holders of at least 80% of the outstanding shares of our voting stock.

AMENDMENT OF CERTIFICATE OF INCORPORATION PROVISIONS

The amendment of any of the above provisions in our Certificate of Incorporation would require approval by holders of at least 80% of our outstanding common stock.

STOCKHOLDER MEETINGS

Under our Bylaws, only our Board of Directors may call special meetings of our stockholders.

REQUIREMENTS FOR ADVANCE NOTIFICATION OF STOCKHOLDER NOMINATIONS AND PROPOSALS

Our Bylaws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our Board of Directors or a committee of our Board of Directors.

DELAWARE ANTI-TAKEOVER LAW

Our Certificate of Incorporation provides that Section 203 of the Delaware General Corporation Law, an anti-takeover law, does not apply to us until FMC Corporation owns less than 15% of our outstanding common stock.

In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person that together with affiliates and associates, owns or within three years prior to the determination of interested stockholder status, did own, 15% or more of a corporation's voting stock. Section 203 is not applicable to business combinations with FMC Corporation. The existence of this provision after FMC Corporation no longer owns at least 15% of our outstanding shares may have an

anti-takeover effect with respect to transactions not approved in advance by our Board of Directors, including discouraging attempts that might result in a premium over the market price for the shares of our common stock.

NO CUMULATIVE VOTING

Our Certificate of Incorporation and Bylaws do not provide for cumulative voting in the election of directors.

UNDESIGNATED PREFERRED STOCK

The authorization of our undesignated preferred stock makes it possible for our Board of Directors to issue our preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes of control of our management.

THE RIGHTS AGREEMENT

Our Board of Directors will adopt a rights agreement prior to the offering. Pursuant to our rights agreement, one preferred share purchase right will be issued for each outstanding share of our common stock. Our rights being issued are subject to the terms of our rights agreement.

Our Board of Directors will adopt our rights agreement to protect our stockholders from coercive or otherwise unfair takeover tactics. In general terms, our rights agreement works by imposing a significant penalty upon any person or group that acquires 15% or more of our outstanding common stock without the approval of our Board of Directors.

For those interested in the specific terms of our rights agreement, we provide the following summary description. Please note, however, that this description is only a summary, is not complete, and should be read together with our entire rights agreement, which will be publicly filed with the SEC as an exhibit to the registration statement of which this prospectus is a part.

THE RIGHTS

Our Board of Directors authorized the issuance of one of our rights for each share of our common stock outstanding on   , 2001. Our rights initially trade with, and are inseparable from, our common stock. Our rights are evidenced only by certificates that represent shares of our common stock. New rights will accompany any new shares of common stock we issue after   , 2001 until the date on which the rights are distributed as described below.

EXERCISE PRICE

Each of our rights will allow its holder to purchase from us one one-hundredth of a share of our series A junior participating preferred stock for $, once the rights become exercisable. This portion of our preferred stock will give our stockholders approximately the same dividend, voting, and liquidation rights as would one share of our common stock. Prior to exercise, our right does not give its holder any dividend, voting, or liquidation rights.

EXERCISABILITY

Our rights will not be exercisable until:

- ten days after the public announcement that a person or group has become an "acquiring person" by obtaining beneficial ownership of 15% or more of our outstanding common stock, or, if earlier,

- ten business days (or a later date determined by our Board of Directors before any person or group becomes an acquiring person) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring person.

In light of FMC Corporation's substantial ownership position, our rights agreement contains provisions excluding FMC Corporation from the operation of the adverse terms of our rights agreement until the first time it ceases to beneficially own at least 15% of our outstanding common stock.

Until the date our rights become exercisable, our common stock certificates also evidence our rights, and any transfer of shares of our common stock constitutes a transfer of our rights. After that date, our rights will separate from our common stock and be evidenced by book-entry credits or by rights certificates that we will mail to all eligible holders of our common stock. Any of our rights held by an acquiring person are void and may not be exercised.

CONSEQUENCES OF A PERSON OR GROUP BECOMING AN ACQUIRING PERSON

- Flip In. If a person or group becomes an acquiring person, all holders of our rights except the acquiring person may, for $ purchase shares of our common stock with a market value of $, based on the market price of our common stock prior to such acquisition.

- Flip Over. If we are later acquired in a merger or similar transaction after the date our rights become exercisable, all holders of our rights except the acquiring person may, for $, purchase shares of the acquiring corporation with a market value of $ based on the market price of the acquiring corporation's stock prior to such merger.

OUR PREFERRED SHARE PROVISIONS

Each one one-hundredth of a share of our preferred stock, if issued:

- will not be redeemable;

- will entitle holders to quarterly dividend payments of $.01 per share, or an amount equal to the dividend paid on one share of our common stock, whichever is greater;

- will entitle holders upon liquidation either to receive $1 per share or an amount equal to the payment made on one share of our common stock, whichever is greater;

- will have the same voting power as one share of our common stock; and

- if shares of our common stock are exchanged via merger, consolidation or a similar transaction, will entitle holders to a per share payment equal to the payment made on one share of our common stock.

The value of one one-hundredth interest in a share of our preferred stock should approximate the value of one share of our common stock.

EXPIRATION

Our rights will expire on , 2011.

REDEMPTION

Our Board of Directors may redeem our rights for $.01 per right at any time before any person or group becomes an acquiring person. If our Board of Directors redeems any of our rights, it must redeem all of our rights. Once our rights are redeemed, the only right of the holders of our rights will be to receive the redemption price of $.01 per right. The redemption price will be adjusted if we have a stock split or stock dividends of our common stock.

EXCHANGE

After a person or group becomes an acquiring person, but before an acquiring person owns 50% or more of our outstanding common stock, our Board of Directors may extinguish our rights by exchanging one share of our common stock or an equivalent security for each right, other than rights held by the acquiring person.

ANTI-DILUTION PROVISIONS

Our Board of Directors may adjust the purchase price of our preferred stock, the number of shares of our preferred stock issuable and the number of

our outstanding rights to prevent dilution that may occur from a stock dividend, a stock split or a reclassification of our preferred stock or common stock. No adjustments to the purchase price of our preferred stock of less than 1% will be made.

AMENDMENTS

The terms of our rights agreement may be amended by our Board of Directors without the consent of the holders of our rights. After a person or group becomes an acquiring person, our Board of Directors may not amend the agreement in a way that adversely affects holders of our rights.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common stock is Computershare Investor Services.

NEW YORK STOCK EXCHANGE LISTING

We expect the shares of our common stock to be approved for listing on the New York Stock Exchange under the symbol "FTI."

SHARES ELIGIBLE FOR FUTURE SALE

All of our common stock sold in this offering will be freely tradable without restriction under the Securities Act, except for any shares that may be acquired by an affiliate of us as defined in Rule 144 under the Securities Act. Persons that may be deemed to be affiliates generally include our individuals or entities that control, are controlled by, or are under common control with, us, and may include our directors or officers of FMC Technologies as well as our significant stockholders, if any.

The shares of our common stock held by FMC Corporation are deemed "restricted securities" as defined in Rule 144, and may not be sold other than through registration under the Securities Act or under an exemption from registration.

After the completion of this offering, FMC Corporation will own approximately 82.3% of our outstanding common stock, or 80.3% if the underwriters exercise their over-allotment option in full. FMC Corporation has advised us that it currently intends to distribute its remaining ownership interest in us to common stockholders of FMC Corporation. If completed, the distribution, as previously announced, is expected to take the form of a spin-off in which FMC Corporation distributes all of our common stock that it owns through a special dividend to FMC Corporation common stockholders. If circumstances change, FMC Corporation may distribute its remaining ownership interest in us through an exchange offer by FMC Corporation, in which its common stockholders would be offered the option of tendering some or all of their shares in exchange for our common stock, and a subsequent spin-off of FMC Corporation's remaining ownership interest in us. FMC Corporation has advised us that it does not intend to complete the distribution unless it receives a favorable tax ruling from the IRS as to the tax-free nature of the distribution for U.S. federal income tax purposes and the final approval of the Board of Directors of FMC Corporation, among other conditions. FMC Corporation has also advised us that it currently anticipates that this distribution will occur by the end of calendar year 2001.

FMC Corporation has advised as that the final determination as to the completion, timing, structure and terms of the distribution will be based on financial and business considerations and prevailing market conditions. In addition, FMC Corporation has advised us that, as permitted by the separation and distribution agreement, it will not complete the distribution if its Board of Directors determines that the distribution is not in the best interests of FMC Corporation and its stockholders. FMC Corporation has the sole discretion to determine whether or not to complete the distribution and, if it decides to complete the distribution, to determine the timing, structure and terms of the distribution.

Shares of our common stock distributed to FMC Corporation common stockholders in the distribution generally will be freely transferable, except for shares of our common stock received by persons that may be deemed to be our affiliates. Persons who are our affiliates will be permitted to sell the shares

of our common stock that are issued in this offering or that they receive in the distribution only through registration under the Securities Act, or under an exemption from registration, such as the one provided by Rule 144.

We, our directors, our executive officers and FMC Corporation have agreed with the underwriters that, during the period beginning from the date of this prospectus and continuing to and including the date 180 days after the date of this prospectus, we generally will not offer, sell, contract to sell or otherwise dispose of any shares of our common stock without the prior written consent of Merrill Lynch & Co. on behalf of the underwriters. Although it has no intent or understanding to do so, Merrill Lynch, in its sole discretion, may permit early release of the shares of our common stock subject to the restrictions detailed above prior to the expiration of the 180-day lock up period. Merrill Lynch has advised us that, prior to granting any early release of our common stock from the lock up, it would consider factors including need, market conditions, the performance of our common stock price, trading liquidity, prior trading habits of the requesting party and other relevant considerations.

In connection with this offering, we will grant options to purchase approximately 2,250,000 shares of our common stock to selected officers, employees and directors of our company. After this offering, we intend to file a registration statement on Form S-8 to register approximately 12,000,000 shares of our common stock that are reserved for issuance or sale under our stock plan, as described under "Management--Incentive Plans." Currently there are no outstanding options to purchase shares of our common stock. All shares of our common stock issuable upon exercise of options to be granted under our stock plans will be freely tradable upon effectiveness of the S-8 registration statement without restrictions under the Securities Act, except to the extent held by one of our affiliates (in which case they will be subject to the limitations of Rule 144 described above). In addition, we expect the registration statement on Form S-8 will register shares of our restricted stock that we will issue to replace shares of FMC Corporation restricted stock that will vest prior to January 1, 2003 held by our employees in connection with the offering and all remaining shares of FMC Corporation restricted stock held by our employees and a portion of the shares of FMC Corporation restricted stock held by our directors in connection with the distribution. The terms of our restricted stock are limited by the terms of our stock plan. See "Management--Treatment of FMC Corporation Restricted Stock" and "Management--Incentive Plans--The Stock Plan."

In addition, in connection with the distribution, we expect to replace all FMC Corporation options held by our employees and a portion of the FMC Corporation options held by our directors with options to acquire our common stock. See "Management--Treatment of FMC Corporation Options." We also expect to replace all remaining FMC Corporation restricted stock held by our employees and a portion of FMC Corporation restricted stock held by our directors with our restricted stock. See "Management--Treatment of FMC Corporation Restricted Stock."

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a general discussion of material U.S. federal income and estate tax considerations with respect to the ownership and disposition of shares of our common stock applicable to non-U.S. holders. In general, a "non-U.S. holder" is any holder other than:

- a citizen or resident of the United States;
- a corporation created or organized in the United States or under the laws of the United States or of any state;
- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and (b) one

or more U.S. persons have the authority to control all substantial decisions of the trust.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder, judicial opinions, published positions of the Internal Revenue Service, and all other applicable authorities, all of which are subject to change (possibly with retroactive effect). We assume in this discussion that a non-U.S. holder holds shares of our common stock as a capital asset (generally property held for investment). This discussion does not address all aspects of U.S. federal income and estate taxation that may be important to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances nor does it address any aspects of U.S. state, local or non-U.S. taxes. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder subject to special treatment under the U.S. federal income tax laws (such as insurance companies, tax-exempt organizations, financial institutions, brokers, dealers in securities, partnerships, owners of more than 5% of our common stock and certain U.S. expatriates). Accordingly, we urge prospective investors to consult with their own tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax considerations of acquiring, holding and disposing of shares of our common stock.

DIVIDENDS

In general, dividends we pay to a non-U.S. holder will be subject to U.S. withholding tax at a 30% rate of the gross amount (or a lower rate prescribed by an applicable income tax treaty) unless the dividends are effectively connected with a trade or business carried on by the non-U.S. holder within the United States and, if a treaty applies, are attributable to a permanent establishment of the non-U.S. holder within the United States. Dividends effectively connected with this U.S. trade or business, and, if a treaty applies, attributable to such a permanent establishment of a non-U.S. Holder, generally will not be subject to U.S. withholding tax if the non-U.S. holder files certain forms, including IRS Form W-8ECI (or any successor form), with the payor of the dividend, and generally will be subject to U.S. federal income tax on a net income basis, in the same manner as if the non-U.S. holder were a resident of the United States. A non-U.S. holder that is a corporation, may be subject to an additional branch profits tax at a rate of 30% (or a lower rate as may be specified by an applicable income tax treaty) on the repatriation from the United States of its "effectively connected earnings and profits," subject to certain adjustments. Under applicable Treasury Regulations, a non-U.S. holder (including, in certain cases of non-U.S. holders that are entities, the owner or owners of such entities) is required to satisfy certain certification requirements in order to claim a reduced rate of withholding pursuant to an applicable income tax treaty.

GAIN ON SALE OR OTHER DISPOSITION OF COMMON STOCK

In general, a non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of the holder's shares of our common stock unless:

- the gain is effectively connected with a trade or business carried on by the non-U.S. holder within the United States (in which case the branch profits tax discussed above may also apply if the non-U.S. holder is a corporation) or the gain is attributable to a permanent establishment of the non-U.S. holder maintained in the United States if that is required by an applicable income tax treaty as a condition to subjecting a non-U.S. holder to United States income tax on a net basis;

- the non-U.S. holder is an individual and is present in the United States for 183 days or more in the taxable year of disposition and certain other tests are met;

- the non-U.S. holder is subject to tax pursuant to the provisions of the Internal Revenue Code regarding the taxation of U.S. expatriates; or

- we are or have been a U.S. real property holding corporation (a "USRPHC") for U.S. federal income tax purposes (which we do not believe that we have been, currently are, or will become) at any time

within the shorter of the five-year period preceding the disposition and the non-U.S. holder's holding period. If we were or were to become a USRPHC at any time during this period, generally gains realized upon a disposition of shares of our common stock by a non-U.S. holder that did not directly or indirectly own more than 5% of our common stock during this period would not be subject to U.S. federal income tax, provided that our common stock is "regularly traded on an established securities market" (within the meaning of Section 897(c)(3) of the Internal Revenue Code). We believe that our common stock will be treated as regularly traded on an established securities market during any period in which it is listed on the NYSE.

ESTATE TAX

Shares of our common stock that are owned or treated as owned by an individual who is not a citizen or resident (as defined for U.S. federal estate tax purposes) of the United States at the time of death will be includible in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provided otherwise, and therefore may be subject to U.S. federal estate tax.

BACKUP WITHHOLDING, INFORMATION REPORTING AND OTHER REPORTING REQUIREMENTS

We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to, and the tax withheld with respect to, each non-U.S. holder. These reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable tax treaty. Copies of this information also may be made available under the provisions of a specific treaty or agreement with the tax authorities in the country in which the non-U.S Holder resides or is established.

U.S. backup withholding tax is imposed at the rate of 31% on certain payments to persons that fail to furnish the information required under the U.S. information reporting requirements.

Under the Treasury Regulations, the payment of proceeds from the disposition of shares of our common stock to or through a U.S. office of a broker will be subject to information reporting and backup withholding, unless the beneficial owner, under penalties of perjury, certifies, among other things, its status as a non-U.S. holder or otherwise establishes an exemption. The payment of proceeds from the disposition of shares of our common stock to or through a non-U.S. office of a broker generally will not be subject to backup withholding and information reporting, except as noted below. In the case of proceeds from a disposition of shares of our common stock paid to or though a non-U.S. office of a broker that is:

- a U.S. person;

- a "controlled foreign corporation" for U.S. federal income tax purposes;

- a foreign person 50% or more of whose gross income from certain periods is effectively connected with a U.S. trade or business; or

- a foreign partnership if at any time during its tax year (a) one or more of its partners are U.S. persons who, in the aggregate, hold more than 50% of the income or capital interests of the partnership or (b) the foreign partnership is engaged in a U.S. trade or business,

information reporting (but not backup withholding) will apply unless the broker has documentary evidence in its files that the owner is a non-U.S. holder and certain other conditions are satisfied, or the beneficial owner otherwise establishes an exemption (and the broker has no actual knowledge to the contrary).

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that the required information is furnished to the IRS in a timely manner.

The foregoing discussion of certain U.S. federal income tax considerations is for general information only and is not tax advice. Accordingly, each prospective non-U.S. holder of shares of our common stock should consult his, her or its own tax adviser with respect to the federal, state, local and foreign tax consequences of the acquisition, ownership and disposition of common stock.

UNDERWRITING

We intend to offer the shares in the U.S. and Canada through the U.S. underwriters and elsewhere through the international managers. Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Banc of America Securities LLC are acting as U.S. representatives of the U.S. underwriters named below. Subject to the terms and conditions described in a U.S. purchase agreement among us and the U.S. underwriters, and concurrently with the sale of 2,210,000 shares of our common stock to the international managers, we have agreed to sell to the U.S. underwriters, and the U.S. underwriters severally have agreed to purchase from us, the number of shares of our common stock listed opposite their names below.

U.S. UNDERWRITER	NUMBER OF SHARES
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Credit Suisse First Boston Corporation	
Salomon Smith Barney Inc.	
Banc of America Securities LLC	
Total	8,840,000

We have also entered into an international purchase agreement with the international managers for sale of the shares outside the U.S. and Canada for whom Merrill Lynch International, Credit Suisse First Boston (Europe) Limited, Salomon Brothers International Limited and Banc of America Securities Limited are acting as lead managers. Subject to the terms and conditions in the international purchase agreement, and concurrently with the sale of 8,840,000 shares of our common stock to the U.S. underwriters under the U.S. purchase agreement, we have agreed to sell to the international managers, and the international managers severally have agreed to purchase from us, an aggregate of 2,210,000 shares of our common stock in this offering. The initial public offering price per share and the total underwriting discount per share of our common stock are identical under the U.S. purchase agreement and the international purchase agreement.

The U.S. underwriters and the international managers have agreed to purchase all of the shares of our common stock sold under the U.S. and international purchase agreements if any of these shares of our common stock are purchased. If an underwriter defaults, the U.S. and international purchase agreements provide that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreements may be terminated. The closings for sale of shares of our common stock to be purchased by the U.S. underwriters and the international managers are conditioned on one another.

We have agreed to indemnify the U.S. underwriters and the international managers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the U.S. underwriters and international managers may be required to make in respect of those liabilities.

The underwriters are offering the shares of our common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares of our common stock, and other conditions contained in the purchase agreements, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify

offers to the public and to reject orders in whole or in part.

Merrill Lynch will be facilitating Internet distribution for this offering to some of its Internet subscription customers. Merrill Lynch intends to allocate a limited number of shares of our common stock for sale to its online brokerage customers. An electronic prospectus is available on the Internet Web sites maintained by Merrill Lynch and Credit Suisse First Boston Corporation. Other than the prospectus in electronic format, the information on the Web sites of Merrill Lynch, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Banc of America Securities LLC is not part of this prospectus.

COMMISSIONS AND DISCOUNTS

The U.S. representatives have advised us that the U.S. underwriters propose initially to offer the shares of our common stock to the public at the initial public offering price on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The U.S. underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. This information assumes either no exercise or full exercise by the U.S. underwriters and the international managers of their over-allotment options.

	PER SHARE	WITHOUT OPTION	WITH OPTION
Public offering price..............	$	$	$
Underwriting discount..............	$	$	$
Proceeds, before expenses, to us....	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $2,191,500 and are payable by us.

OVER-ALLOTMENT OPTION

We have granted an option to the U.S. underwriters to purchase up to 1,326,000 additional shares of our common stock at the public offering price less the underwriting discount. The U.S. underwriters may exercise this option for 30 days from the date of this prospectus solely to cover any over-allotments. If the U.S. underwriters exercise this option, each will be obligated, subject to the conditions contained in the purchase agreements, to purchase a number of additional shares of our common stock proportionate to that U.S. underwriter's initial amount reflected in the above table.

We have also granted an option to the international managers, exercisable for 30 days from the date of this prospectus, to purchase up to 331,500 additional shares of our common stock to cover any over-allotments on terms similar to those granted to the U.S. underwriters.

INTERSYNDICATE AGREEMENT

The U.S. underwriters and the international managers have entered into an intersyndicate agreement that provides for the coordination of their activities. Under the intersyndicate agreement, the U.S. underwriters and the international managers may sell shares of our common stock to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the intersyndicate agreement, the U.S. underwriters and any dealer to whom they sell shares of our common stock will not offer to sell or sell shares to persons who are non-U.S. or non-Canadian persons or to persons they believe intend to resell to persons who are non-U.S. or non-Canadian persons, except in the case of transactions under the intersyndicate agreement. Similarly, the international managers and any dealer to whom they sell shares of our common stock will not offer to sell or sell shares of our common stock to U.S. persons or Canadian persons or to persons

they believe intend to resell to U.S. persons or Canadian persons, except in the case of transactions under the terms of the intersyndicate agreement.

RESERVED SHARES

At our request, the underwriters have reserved for sale, at the initial offering price, up to   shares offered by this prospectus for sale to some of our officers and employees. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public.

Any reserved shares that are not orally confirmed for purchase within one day of the pricing of this offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

NO SALES OF SIMILAR SECURITIES

We, our executive officers and directors and FMC Corporation have agreed, with exceptions, not to sell or transfer any of our common stock for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch. Specifically, we and these other persons have agreed not to directly or indirectly:

- offer, pledge, sell or contract to sell any of our common stock,
- sell any option or contract to purchase any of our common stock,
- purchase any option or contract to sell any of our common stock,
- grant any option, right or warrant for the sale of any of our common stock, other than pursuant to our employee benefit plans or director stock plan,
- lend or otherwise dispose of or transfer any of our common stock,
- file, or request or demand that we file, a registration statement related to our common stock other than in connection with our employee benefit plans, or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any of our common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lockup provision applies to our common stock and to securities convertible into or exchangeable or exercisable for or repayable with our common stock. It also applies to our common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. These restrictions do not apply to shares of our common stock sold to the underwriters and international managers under this prospectus.

NEW YORK STOCK EXCHANGE LISTING

We expect the shares to be approved for listing on the New York Stock Exchange under the symbol "FTI." In order to meet the requirements for listing of our common stock on the NYSE, the U.S. underwriters and the international managers have undertaken to sell a minimum number of shares of our common stock to a minimum number of beneficial owners as required by the NYSE.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us and the U.S. representatives and the lead managers. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the U.S. representatives and the lead managers believe to be comparable to us,
- our financial information,

- the history of, and the prospects for, our company and the industry in which we compete,

- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues,

- the present state of our development, and

- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares of our common stock will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares of our common stock being offered in this offering in the aggregate to accounts over which they exercise discretionary authority.

NASD REGULATIONS

Affiliates of each of the U.S. representatives other than Merrill Lynch are participating as lenders to FMC Corporation under the $200 million 180-day revolving credit facility. Affiliates of Banc of America Securities LLC and Salomon Smith Barney Inc. are participating as lenders to FMC Corporation under the $150 million 364-day revolving credit facility. An affiliate of Salomon Smith Barney Inc. is acting as administrative agent for the $200 million facility and an affiliate of Banc of America Securities LLC is acting as administrative agent for the $150 million facility. All amounts outstanding under these facilities will be assumed by us. The proceeds of this offering will be used to repay all amounts outstanding under the $200 million facility and a portion of the amount outstanding under the $150 million facility. Because more than ten percent of the net proceeds of this offering may be paid to members or affiliates of members of the National Association of Securities Dealers, Inc. participating in this offering, this offering will be conducted in accordance with NASD Conduct Rule 2710(c)(8). This rule requires that the public offering price of an equity security be no higher than the price recommended by a qualified independent underwriter which has participated in the preparation of the registration statement and performed its usual standard of due diligence with respect to that registration statement. Merrill Lynch has agreed to act as qualified independent underwriter for this offering. The price of the shares will be no higher than that recommended by Merrill Lynch.

PRICE STABILIZATION AND SHORT POSITIONS AND PENALTY BIDS

Until this offering of shares of our common stock is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the U.S. underwriters may engage in transactions that stabilize the price of our common stock, such as bids or purchases to peg, fix or maintain that price.

The U.S. underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the U.S. underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from the issuer in the offering. The U.S. underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the U.S. underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. "Naked" short sales are any sales in excess of such option. The U.S. underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the U.S. underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the U.S. underwriters in the open market prior to the completion of the

offering.

The U.S. underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the U.S. underwriters have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the U.S. underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or

retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters makes any representation that the U.S. underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

OTHER RELATIONSHIPS

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or FMC Corporation. Some of the underwriters and their affiliates also have engaged in commercial banking and investment banking transactions and services with us or FMC Corporation, including with respect to the separation, and may in the future engage in these transactions and services. They have received customary compensation for these services and transactions.

LEGAL MATTERS

Wachtell, Lipton, Rosen & Katz, New York, New York, will pass upon the validity of our common stock being sold in this offering and other legal matters for us. Vinson & Elkins L.L.P., Houston, Texas, will pass upon a number of legal matters relating to this offering for the underwriters. Each of these firms has in the past represented and continues to represent one or more of the underwriters, and Wachtell, Lipton, Rosen & Katz has in the past represented and continues to represent FMC Corporation, on a regular basis and in a variety of matters other than this offering.

EXPERTS

The audited combined financial statements and schedules of FMC Technologies, Inc. as of December 31, 1999 and 2000, and for each of the years in the three-year period ended December 31, 2000, have been included in this prospectus and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC, a registration statement on Form S-1 under the Securities Act of 1933 with respect to our common stock offered in this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to that registration statement. For further information with respect to us and the common stock, we refer you to this registration statement and its exhibits and schedules. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete and, in each instance, reference is made to the copy of that contract or document filed as an exhibit to the registration statement, each of these statements being qualified in all respects by that reference. You may read and copy the registration statement, including exhibits to the registration statement, at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at

1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC's Internet site at http://www.sec.gov.

Upon completion of this offering, we will be subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and, in accordance with those requirements, will file reports, proxy and information statements and other information with the SEC. You may inspect and copy these reports, proxy and information statements and other information at the addresses set forth above.

We will make available to our stockholders our annual reports containing consolidated or combined financial statements audited by our independent auditors and quarterly reports containing unaudited consolidated or combined financial statements for each of the first three quarters of each fiscal year.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors and Stockholder,
FMC Technologies, Inc.:

We have audited the accompanying combined balance sheets of FMC Technologies, Inc. as of December 31, 1999 and 2000, and the related combined statements of income, cash flows and changes in stockholder's equity for each of the years in the three-year period ended December 31, 2000. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of FMC Technologies, Inc. as of December 31, 1999 and 2000, and the results of its operations and its cash flows for each of the years in the three-year period

ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

Chicago, Illinois
February 9, 2001

FMC TECHNOLOGIES, INC.

COMBINED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

(IN MILLIONS, EXCEPT PER SHARE DATA)	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Revenue	$ 2,185.5	$ 1,953.1	$1,875.2
Costs and expenses:			
Cost of sales or services	1,669.3	1,479.8	1,421.1
Selling, general and administrative expenses	337.8	302.4	291.2
Research and development	50.7	51.8	56.7
Asset impairments (Note 5)	--	6.0	1.5
Restructuring and other charges (Note 5)	--	3.6	9.8
Total costs and expenses	2,057.8	1,843.6	1,780.3
Income from continuing operations before interest income, interest expense and income taxes	127.7	109.5	94.9
Interest income	6.2	4.0	2.3
Interest expense	8.1	3.5	6.6
Income from continuing operations before income taxes	125.8	110.0	90.6
Provision for income taxes (Note 9)	38.6	33.5	22.7
Income from continuing operations	87.2	76.5	67.9
Discontinued operations, net of income taxes (Note 12)	--	(5.5)	--
Net income	$ 87.2	$ 71.0	$ 67.9
Unaudited pro forma as adjusted basic earnings per common share from continuing operations (Note 18)			$ 0.89
Unaudited pro forma as adjusted diluted earnings per common share from continuing operations (Note 18)			$ 0.89

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

FMC TECHNOLOGIES, INC.

COMBINED BALANCE SHEETS

AS OF DECEMBER 31, 1999 AND 2000

(IN MILLIONS, EXCEPT SHARE AND PAR VALUE DATA)	DECEMBER 31, 1999	DECEMBER 31, 2000
Assets		
Current assets:		
Cash and cash equivalents	$ 40.1	$ 17.8
Trade receivables, net of allowances of $10.4 in 1999 and $7.2 in 2000	267.5	328.9
Inventories (Note 6)	250.8	254.8
Other current assets	68.3	62.0
Deferred income taxes (Note 9)	31.7	29.8
Total current assets	658.4	693.3
Investments	151.5	29.9
Property, plant and equipment, net (Note 7)	280.6	257.3
Goodwill and intangible assets, net	359.7	373.1
Other assets	5.7	12.0
Deferred income taxes (Note 9)	17.3	8.1
Total assets	$1,473.2	$1,373.7
Liabilities and stockholder's equity		
Current liabilities:		
Short-term debt (Note 8)	$ 12.0	$ 41.1
Accounts payable, trade and other	367.5	328.3
Accrued payroll	48.7	39.7
Other current liabilities	125.5	113.5
Current portion of accrued pension and other postretirement benefits (Note 10)	4.3	13.2
Income taxes payable (Note 9)	14.0	29.6
Total current liabilities	572.0	565.4
Accrued pension and other postretirement benefits, less current portion (Note 10)	75.4	59.2
Reserve for discontinued operations (Note 12)	33.8	30.6
Other liabilities	65.4	76.5
Commitments and contingent liabilities (Note 17)	--	--
Stockholder's equity:		
Common stock, $0.01 par value, 1,000 shares authorized, issued and outstanding in 2000	--	--
Capital in excess of par value of common stock	--	--
Accumulated other comprehensive loss	(78.3)	(111.4)
Owner's net investment	804.9	753.4
Total stockholder's equity	726.6	642.0
Total liabilities and stockholder's equity	$1,473.2	$1,373.7

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

FMC TECHNOLOGIES, INC.

COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

(IN MILLIONS)	YEAR ENDED DECEMBER 31, 1998	1999	2000
Cash provided by operating activities of continuing			

operations:			
Income from continuing operations	$ 87.2	$ 76.5	$ 67.9
Adjustments to reconcile income from continuing operations to cash provided by operating activities of continuing operations:			
Depreciation and amortization	66.6	62.3	59.1
Asset impairments (Note 5)	--	6.0	1.5
Restructuring and other charges (Note 5)	--	3.6	9.8
Deferred income taxes	3.4	16.7	11.1
Other	(11.1)	2.7	6.9
Changes in operating assets and liabilities:			
Accounts receivable sold	--	22.0	15.6
Trade receivables, net	(21.3)	46.3	(78.3)
Inventories	(4.1)	32.1	(16.5)
Other current assets and other assets	21.2	0.8	17.5
Accounts payable including advance payments, accrued payroll, other current liabilities and other liabilities	70.0	(111.3)	(89.7)
Income taxes payable	0.3	3.0	15.6
Accrued pension and other postretirement benefits, net	(16.0)	(6.4)	(11.0)
Cash provided by operating activities of continuing operations	196.2	154.3	9.5
Cash required by discontinued operations (Note 12)	(2.9)	(7.4)	(3.2)
Cash provided (required) by investing activities:			
Acquisitions and joint venture investments	(82.8)	(49.1)	(47.4)
Capital expenditures	(59.4)	(40.9)	(43.1)
Proceeds from disposal of property, plant and equipment and sale-leasebacks	37.0	59.4	31.6
Redemption of Tyco preferred stock (Note 4)	--	--	127.5
(Increase) decrease in investments	(23.4)	24.1	(5.2)
Cash provided (required) by investing activities	(128.6)	(6.5)	63.4
Cash provided (required) by financing activities:			
Net increase (decrease) in short-term debt	(2.6)	(11.1)	29.0
Repayment of long-term debt	(8.0)	--	--
Distribution to owner	(54.6)	(124.4)	(119.4)
Cash required by financing activities	(65.2)	(135.5)	(90.4)
Effect of exchange rate changes on cash and cash equivalents	(1.2)	9.8	(1.6)
Increase (decrease) in cash and cash equivalents	(1.7)	14.7	(22.3)
Cash and cash equivalents, beginning of year	27.1	25.4	40.1
Cash and cash equivalents, end of year	$ 25.4	$ 40.1	$ 17.8

Supplemental cash flow information: Income taxes paid, net of refunds, were $38.2 million, $13.8 million and $1.8 million for 1998, 1999 and 2000, respectively. Interest payments for 1998, 1999 and 2000 were $4.7 million, $4.6 million and $8.8 million, respectively.

Non-cash transaction: The Company received Tyco preferred stock valued at $121.6 million in 1998 in conjunction with the sale of Crosby Valve (Note 4).

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

FMC TECHNOLOGIES, INC.

COMBINED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1998, 1999 AND 2000

(IN MILLIONS)	OWNER'S NET INVESTMENT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	COMPREHENSIVE INCOME (LOSS)
BALANCE AT DECEMBER 31, 1997	$ 825.7	$ (31.9)	
Net income	87.2	--	$ 87.2
Foreign currency translation adjustment (Note 13)	--	(3.9)	(3.9)
Distribution to owner	(54.6)	--	--
			$ 83.3
BALANCE AT DECEMBER 31, 1998	858.3	(35.8)	
Net income	71.0	--	71.0
Foreign currency translation adjustment (Note 13)	--	(39.3)	(39.3)
Minimum pension liability adjustment (Note 10)	--	(3.2)	(3.2)
Distribution to owner	(124.4)	--	--
			$ 28.5
BALANCE AT DECEMBER 31, 1999	804.9	(78.3)	
Net income	67.9	--	67.9
Foreign currency translation adjustment (Note 13)	--	(34.4)	(34.4)
Minimum pension liability adjustment (Note 10)	--	1.3	1.3
Distribution to owner	(119.4)	--	--
			$ 34.8
BALANCE AT DECEMBER 31, 2000	$ 753.4	$(111.4)	

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

FMC TECHNOLOGIES, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND BUSINESS

On October 31, 2000, FMC Corporation announced its intention to reorganize its Energy Systems and Specialty Systems businesses as a new company, FMC Technologies, Inc. ("FMC Technologies" or the "Company"), and to sell up to 19.9% of FMC Technologies' common stock by means of an initial public offering (the "offering"), followed by a distribution (the "distribution") to FMC Corporation's stockholders of FMC Corporation's remaining interest in the Company's common stock. FMC Corporation has further advised FMC Technologies that the distribution is expected to occur by the end of calendar year 2001.

FMC Technologies was incorporated in Delaware on November 13, 2000 and currently is a wholly owned subsidiary of FMC Corporation. FMC Technologies designs, manufactures and services technologically sophisticated systems and products for its customers through its Energy Systems and Specialty Systems segments. Energy Systems is a leading supplier of systems and services used in the offshore, particularly deepwater, exploration and production of crude oil and natural gas. Specialty Systems provides technologically advanced handling and processing systems to industrial customers.

NOTE 2. BASIS OF PRESENTATION

FMC Corporation has operated the businesses it will transfer to FMC Technologies in the separation as internal units of FMC Corporation through various divisions and subsidiaries, or through investments in unconsolidated affiliates. Before the closing of the offering, FMC Corporation intends to contribute substantially all of its ownership interests in the businesses included in these combined financial statements to the Company with the remainder to be transferred shortly after the closing. These combined financial statements reflect the combined results of the businesses as if they had been contributed to the Company for all periods. Subsequent to the contribution, all of the businesses included in these combined financial statements will be consolidated subsidiaries or divisions of the Company, or will be investments of the Company or its subsidiaries.

FMC Technologies' combined financial statements have been carved out from the consolidated financial statements of FMC Corporation using the historical results of operations and bases of the assets and liabilities of the transferred businesses, and give effect to certain allocations of expenses from FMC Corporation. Such expenses represent costs related to general and administrative services that FMC Corporation has provided to FMC Technologies, including accounting, treasury, tax, legal, human resources, information technology and other corporate and infrastructure services. The costs of these services have been allocated to FMC Technologies and included in the Company's combined financial statements based upon the relative levels of use of those services. The expense allocations have been determined on the basis of assumptions and estimates that management believes to be a reasonable reflection of FMC Technologies' utilization of those services. These allocations and estimates, however, are not necessarily indicative of the costs and expenses that would have resulted if FMC Technologies had operated as a separate entity in the past, or of the costs the Company may incur in the future. For information relating to FMC Technologies' relationship with FMC Corporation and services between FMC Technologies and FMC Corporation following the separation, see Note 18.

The Company's cash resources are managed under a centralized system wherein receipts are deposited to the corporate accounts of FMC Corporation and disbursements are centrally funded. Accordingly, settlement of certain assets and liabilities arising from common services or activities provided by FMC Corporation and certain related-party transactions are reflected as net equity distributions to FMC Corporation.

The combined financial statements do not reflect the debt or interest expense FMC Technologies would have incurred if it were a stand-alone entity. In addition, the combined financial statements may not be

indicative of the Company's combined financial position, operating results or cash flows in the future or what the Company's financial position, operating results and cash flows would have been had FMC Technologies been a separate, stand-alone entity during the periods presented. The combined financial statements do not reflect any changes that will occur in the Company's funding or operations as a result of the offering, the distribution and FMC Technologies becoming a stand-alone entity.

NOTE 3. PRINCIPAL ACCOUNTING POLICIES

Use of estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results are likely to differ from those estimates, but FMC Technologies' management does not believe such differences will materially affect the Company's financial position, results of operations or cash flows.

Principles of combination--The combined financial statements include the accounts of the Energy Systems and Specialty Systems businesses of FMC Corporation that will be transferred to FMC Technologies in the separation. All material intercompany accounts and transactions are eliminated in combination.

Revenue recognition--Revenue from equipment sales is either recognized upon transfer of title to the customer (which is generally upon shipment or when customer-specific acceptance requirements are met) or under the percentage of completion method. The percentage of completion method is used for manufacturing and assembly projects that involve significant design and engineering effort in order to satisfy detailed customer-supplied specifications. Revenue is recognized as work progresses on each contract in the ratio that costs incurred to date bear to total estimated costs at completion. Any expected losses on contracts in progress are charged to operations in the period the losses become probable. Service revenue is recognized as the service is provided.

Cash equivalents--The Company considers investments in all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Accounts receivable--During the fourth quarter of 1999, FMC Corporation entered into an accounts receivable financing facility under which accounts receivable are sold without recourse through a wholly owned, bankruptcy remote subsidiary. As part of FMC Corporation, FMC Technologies' operations have participated in the facility, which resulted in reductions of accounts receivable of $22.3 million and $38.0 million at December 31, 1999 and 2000, respectively. The Company accounts for the sales of receivables in accordance with the requirements of Statement of Financial Accounting Standards ("SFAS") No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities." Net discounts recognized on sales of receivables are included in selling, general and administrative expenses in the combined statements of income and amounted to $0.3 million and $0.1 million for the years ended December 31, 1999 and 2000, respectively.

Revenue in excess of billings on completed contracts accounted for under the percentage of completion method is included in accounts receivable and amounted to $34.5 million at December 31, 1999 and $76.3 million at December 31, 2000.

Inventories--Inventories are stated at the lower of cost or market value. Inventory costs include those costs directly attributable to products prior to sale, including all manufacturing overhead but excluding costs to distribute. Cost is determined on the last-in, first-out ("LIFO") basis for all domestic inventories, except certain inventories relating to contracts-in-progress, which are stated at the actual production cost incurred to date, reduced by amounts identified with recognized revenue. At December 31, 2000, inventories accounted for

under the LIFO method totaled $93.6 million. The first-in, first-out ("FIFO") method is used to determine the cost for all other inventories.

Investments--Investments in companies in which FMC Technologies' ownership interest is 50% or less and in which FMC Technologies exercises significant influence over operating and financial policies, and majority owned investments in which FMC Technologies' control is restricted or temporary in nature, are accounted for using the equity method after eliminating the effects of any material intercompany transactions. All other investments are carried at their fair values or at cost, as appropriate.

Property, plant and equipment--Property, plant and equipment is recorded at cost. Depreciation for financial reporting purposes is provided principally on the straight-line basis over the estimated useful lives of the assets (land improvements--20 years, buildings--20 to 50 years, and machinery and equipment--3 to 18 years). Gains and losses are reflected in income upon sale or retirement of assets. Expenditures that extend the useful lives of property, plant and equipment or increase productivity are capitalized.

The Company reviews the recovery of the net book value of property, plant and equipment for impairment whenever events and circumstances indicate that the net book value of an asset may not be recoverable from the estimated undiscounted future cash flows expected to result from its use and eventual

disposition. In cases where undiscounted expected future cash flows are less than the net book value, an impairment loss is recognized equal to the amount by which the net book value exceeds the fair value of the assets.

Goodwill and intangible assets--Goodwill and identifiable intangible assets (such as trademarks) are amortized on a straight-line basis over their estimated useful or legal lives, not exceeding 40 years. The Company periodically evaluates the recoverability of the net book value of goodwill and intangible assets, particularly in the case of a change in business circumstances or other triggering event, based on expected undiscounted future cash flows for each operation having a significant goodwill balance. In cases where undiscounted expected future cash flows are less than the net book value, an impairment loss is recognized equal to the amount by which the net book value exceeds the fair value of the assets. Amortization of goodwill and intangible assets was $16.4 million, $15.0 million and $15.7 million in 1998, 1999 and 2000, respectively.

Accounts payable--Amounts advanced by customers as deposits on orders not yet billed and progress payments on contracts-in-progress are classified with accounts payable and amounted to $181.8 million at December 31, 1999 and $120.2 million at December 31, 2000.

Income taxes--The provision for income taxes reflected in FMC Technologies' combined financial statements has been computed as if FMC Technologies were a stand-alone entity and filed separate tax returns. Current income taxes are provided on income reported for financial statement purposes adjusted for transactions that do not enter into the computation of income taxes payable. Deferred tax liabilities and assets are measured using enacted tax rates for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Income taxes are not provided for the equity in undistributed earnings of foreign subsidiaries or affiliates when it is management's intention that such earnings will remain invested in those companies. Taxes are provided for in the year in which the decision is made to repatriate the earnings.

Accumulated other comprehensive loss--At December 31, 1999, accumulated other comprehensive loss consisted of cumulative foreign currency translation losses of $75.1 million and a minimum pension liability adjustment of $3.2 million. At December 31, 2000, accumulated other comprehensive loss consisted of cumulative foreign currency translation losses of $109.5 million and a minimum pension liability adjustment of $1.9 million.

Earnings per common share--The Company's historical capital structure is not indicative of its prospective capital structure and, accordingly, historical earnings per share information has not been presented.

Foreign currency translation--Assets and liabilities of most foreign operations are translated at exchange rates in effect at the balance sheet date, and the foreign operations' income statements are translated at the monthly exchange rates for the period. For operations in non-highly inflationary countries, translation gains and losses are recorded as a component of accumulated other comprehensive income (loss) in stockholder's equity until the foreign entity is sold or liquidated. For operations in highly inflationary countries and where the local currency is not the functional currency, inventories, property, plant and equipment, and other noncurrent assets are converted to U.S. dollars at historical exchange rates, and all gains or losses from conversion are included in net income. Foreign currency effects on cash and cash equivalents and debt in hyperinflationary economies are included in interest income or expense.

Derivative financial instruments and foreign currency transactions--The Company uses derivative financial instruments selectively to offset exposure to market risks arising from changes in foreign exchange rates. Derivative financial instruments currently used by the Company primarily consist of foreign currency forward contracts. Contracts are executed centrally to minimize transaction costs on currency conversions and minimize losses due to adverse changes in foreign currency markets. The Company evaluates and monitors

combined net exposures by currency and maturity, and external derivative financial instruments correlate with that net exposure in all material respects.

Gains and losses on hedges of existing assets and liabilities are included in the carrying amounts of those assets or liabilities and are ultimately recognized in income when those carrying amounts are converted. Gains and losses related to hedges of firm commitments also are deferred and included in the basis of the transaction when it is completed. Gains and losses on unhedged foreign currency transactions are included in income as part of cost of sales or services. Gains and losses on derivative financial instruments that protect the Company from exposure in a particular currency, but do not currently have a designated underlying transaction, are also included in income as part of cost of sales or services. If a hedged item matures, is sold, extinguished, or terminated, or is related to an anticipated transaction that is no longer likely to take place, the derivative financial instrument related to the hedged item is closed out and the related gain or loss is included in income as part of cost of sales or services or interest expense, as appropriate in relation to the hedged item.

Cash flows from hedging contracts are reported in the combined statements of cash flows in the same categories as the cash flows from the transactions being hedged.

Segment information--The Company's determination of its reportable segments on the basis of its strategic business units and the commonalities among the products and services within each segment corresponds to the manner in which the Company's management reviews and evaluates operating performance. The Company has combined certain similar operating segments that meet applicable criteria established under SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information."

Energy Systems is a leading supplier of systems and services used in the offshore, particularly deepwater, exploration and production of crude oil and natural gas. Specialty Systems provides technologically advanced handling and processing systems to industrial customers. See Note 15 for a further description and additional information regarding the Company's segments.

NOTE 4. BUSINESS COMBINATIONS AND DIVESTITURES

In August 1998, the Company acquired a majority of the voting stock of a leading wellhead manufacturer. Following a 1999 tender offer for the remaining outstanding shares of the acquired business, the Company holds a 98% ownership interest. The acquired business' operations are included in the Energy Systems segment.

On February 16, 2000, the Company acquired York International Corporation's Northfield Freezing Systems Group ("Northfield") for $39.8 million in cash and the assumption of certain liabilities. Northfield, headquartered in Northfield, MN, is a manufacturer of freezing systems for industrial food processing. Northfield's products include freezers, coolers and dehydrators for the food processing industry. The Company has recorded goodwill (to be amortized over 40 years) and other intangible assets totaling $41.6 million relating to the acquisition. Northfield's operations are included in the Specialty Systems segment.

The Company completed smaller acquisitions and joint venture investments during the years ended December 31, 1998, 1999 and 2000.

All acquisitions were accounted for using the purchase method of accounting, and, accordingly, the purchase prices have been allocated to the assets acquired and liabilities assumed based on the estimated fair values of such assets and liabilities at the dates of acquisition. The excess of the purchase prices over the fair values of the net tangible assets acquired has been recorded as intangible assets, primarily goodwill, and is amortized over periods ranging from 10 to 40 years. Had the acquisitions occurred at the

beginning of the earliest period presented, the effect on the Company's combined financial statements would not have been significantly different than those reported and, accordingly, pro forma financial information has not been provided.

The purchase prices for all of the aforementioned acquisitions were satisfied from cash flows from operations and external financing. Results of operations of the acquired companies have been included in the Company's combined statements of income from the respective dates of acquisition.

In July 1998, the Company completed the sale of its Crosby Valve business to a subsidiary of Tyco International Ltd. ("Tyco") for cash and Tyco preferred stock valued at $121.6 million. In October 2000, the Company redeemed its investment in Tyco preferred stock in exchange for cash proceeds of $128.7 million, including dividends of $1.2 million. Crosby Valve was included in the Energy Systems segment until its sale in July 1998.

Asset sales and the divestiture of Crosby Valve during the year ended December 31, 1998 resulted in gains of $19.1 million. Asset sales during the years ended December 31, 1999 and 2000 resulted in gains of $10.1 million and $3.3 million, respectively.

NOTE 5. ASSET IMPAIRMENTS AND RESTRUCTURING AND OTHER CHARGES

Restructuring spending related to a restructuring program initiated in 1997 was $13.2 million and $8.9 million in 1998 and 1999, respectively. All restructuring activities were completed and there were no remaining accruals related to this program at December 31, 1999.

In the third quarter of 1999, the Company recorded asset impairments and restructuring and other one-time charges of $9.6 million ($5.9 million after tax). Asset impairments of $6.0 million were required to write down certain Specialty Systems assets. Estimated future cash flows attributed to these assets indicated that an impairment of the assets had occurred. The restructuring and other one-time charges of $3.6 million resulted primarily from strategic decisions to divest or restructure certain corporate departments and a number of businesses, including certain Specialty Systems and Energy Systems operations. Restructuring spending under all 1999 programs totaled $2.7 million and $0.9 million in 1999 and 2000, respectively, and included severance

payments for 122 individuals. All restructuring activities were completed and there were no remaining accruals related to these programs at December 31, 2000.

In the second quarter of 2000, FMC Technologies recorded asset impairments and restructuring and other one-time charges totaling $11.3 million before taxes ($6.9 million after tax). Asset impairments of $1.5 million were required to write down certain Energy Systems equipment, as estimated future cash flows attributed to these assets indicated that an impairment of the assets had occurred. Restructuring and other one-time charges were $9.8 million, of which $8.0 million resulted primarily from strategic decisions to restructure certain Specialty Systems operations, and included planned reductions in force of 236 individuals. Restructuring charges of $1.4 million at Energy Systems included severance costs related to planned reductions in force of 68 individuals as a result of the delay in orders received from oil and gas companies for major systems. Restructuring charges of $0.4 million related to a corporate reduction in force. Restructuring spending under these programs totaled $7.0 million in 2000. The remaining 53 workforce reductions associated with these restructuring programs were substantially completed during the first quarter of 2001.

NOTE 6. INVENTORIES

Inventories are recorded at the lower of cost or market value. The current replacement costs of inventories exceeded their recorded values by $78.8 million and $82.3 million at December 31, 1999 and 2000, respectively. During 1999, the Company reduced certain LIFO inventories that were carried at lower than prevailing costs, resulting in a reduction of LIFO expense of $2.0

million. There were no reductions in LIFO inventories during 1998 and 2000.

Inventories consisted of the following:

(IN MILLIONS)	DECEMBER 31, 1999	DECEMBER 31, 2000
Raw materials and purchased parts	$ 108.5	$ 112.0
Work in progress	134.3	120.8
Manufactured parts and finished goods	109.4	124.6
Gross inventory before valuation adjustments and LIFO reserves	352.2	357.4
Valuation adjustments and LIFO reserves	(101.4)	(102.6)
Net inventory	$ 250.8	$ 254.8

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

(IN MILLIONS)	DECEMBER 31, 1999	DECEMBER 31, 2000
Land and land improvements	$ 17.3	$ 17.6
Buildings	138.5	133.8
Machinery and equipment	442.8	420.1
Construction in progress	10.6	12.6
Total cost	609.2	584.1
Accumulated depreciation	(328.6)	(326.8)
Net property, plant and equipment	$ 280.6	$257.3

Depreciation expense was $49.0 million, $46.2 million and $41.2 million in 1998, 1999 and 2000, respectively.

During 1999 and 2000, the Company entered into agreements for the sale and leaseback of certain equipment. Net property, plant and equipment was reduced by the equipment's carrying values of $29.1 million in 1999 and $13.7 million in 2000. The net cash proceeds received were $52.1 million in 1999 and $22.5 million in 2000. Non-amortizing deferred credits were recorded in conjunction with the sale transactions. These credits totaled $23.4 and $31.8 million at December 31, 1999 and 2000, respectively, and are included in other long-term liabilities. The Company has annual fair market value purchase options under the agreements. The leases, which end in December 2004, are classified as operating leases in accordance with SFAS No. 13, "Accounting for Leases."

NOTE 8. DEBT

At December 31, 1999 and 2000, short-term debt included third-party debt of FMC Technologies' foreign operations of $11.9 million and $14.0 million, respectively. The weighted average interest rates on these outstanding

borrowings were approximately 8.8% and 8.4% at December 31, 1999 and 2000, respectively. In addition, at December 31, 2000, short-term debt included $26.9 million of borrowings from MODEC International, LLC, a 37.5%-owned joint venture, at an interest rate of approximately 7.2%.

Because FMC Corporation has historically funded most of its businesses centrally, third-party debt and cash for operating companies has been minimal and is not representative of what the Company's actual debt balances would have been had the Company been a separate, stand-alone entity. See Note 18 for a further description of the financing arrangements relating to the separation.

NOTE 9. INCOME TAXES

The operating results of FMC Technologies have been included in FMC Corporation's U.S. consolidated income tax returns and the state and foreign tax returns of FMC Corporation and its domestic affiliates. In certain instances, income of domestic subsidiaries of FMC Technologies is reported on separate state income tax returns of the domestic subsidiaries. In addition, operating results of foreign operations of FMC Technologies have been included in the tax returns of foreign affiliates of FMC Corporation. As long as FMC Corporation continues to own at least 80% of the voting power and value of FMC Technologies' outstanding capital stock, FMC Technologies will continue to be included in the U.S. consolidated income tax returns of FMC Corporation and certain state and foreign income tax returns of FMC Corporation and its affiliates.

The provision for income taxes in FMC Technologies' combined financial statements has been prepared as if FMC Technologies were a stand-alone entity and filed separate tax returns. See Note 18 for a description of the tax sharing agreements between FMC Corporation and FMC Technologies.

Domestic and foreign components of income from continuing operations before income taxes are shown below:

(IN MILLIONS)	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Domestic	$ 76.8	$ 26.8	$11.6
Foreign	49.0	83.2	79.0
Total	$125.8	$110.0	$90.6

The provisions (benefits) for income taxes attributable to income from continuing operations consisted of:

(IN MILLIONS)	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Current:			
Federal	$ 10.4	$ 7.4	$(0.2)
Foreign	20.8	7.9	11.2
State and local	4.0	1.5	0.6
Total current	35.2	16.8	11.6
Deferred	3.4	16.7	11.1

Total	$ 38.6	$ 33.5	$22.7

Total income tax provisions were allocated as follows:

(IN MILLIONS)	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Continuing operations	$ 38.6	$ 33.5	$22.7
Discontinued operations	--	(3.5)	--
Income tax provision	$ 38.6	$ 30.0	$22.7

Significant components of the deferred income tax provisions attributable to income from continuing operations before income taxes were as follows:

(IN MILLIONS)	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Deferred tax (exclusive of the valuation allowance)	$ 3.3	$ 13.7	$11.8
Increase (decrease) in the valuation allowance for deferred tax assets	0.1	3.0	(0.7)
Deferred income tax provision	$ 3.4	$ 16.7	$11.1

Significant components of the Company's deferred tax assets and liabilities were as follows:

(IN MILLIONS)	DECEMBER 31,	
	1999	2000
Reserves for discontinued operations and restructuring	$ 15.4	$ 19.1
Accrued pension and other postretirement benefits	35.5	34.3
Other reserves	40.6	34.2
Net operating loss carryforwards	6.1	5.4
Other	11.8	11.9
Deferred tax assets	109.4	104.9
Valuation allowance	(6.1)	(5.4)
Deferred tax assets, net of valuation allowance	103.3	99.5
Property, plant and equipment	25.7	25.7
Unbilled percentage of completion revenue and other	28.6	35.9
Deferred tax liabilities	54.3	61.6
Net deferred tax assets	$ 49.0	$ 37.9

The effective income tax rate applicable to income from continuing operations before income taxes was different from the statutory U.S. federal income tax rate due to the factors listed in the following table:

(PERCENT OF INCOME FROM OPERATIONS)	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Statutory U.S. tax rate	35%	35%	35%
Net difference:			
Foreign sales corporation income subject to different tax rates	(2)	(3)	(2)
State and local income taxes, less federal income tax benefit	2	1	1
Foreign earnings subject to different tax rates	(7)	(6)	(11)
Tax on intercompany dividends and deemed dividends for tax purposes	2	2	3
Nondeductible goodwill	2	1	1
Nondeductible expenses	1	1	1
Equity in earnings of affiliates not taxed	(1)	--	--
Change in valuation allowance	--	--	(1)
Other	(1)	(1)	(2)
Total difference	(4)	(5)	(10)
Effective tax rate	31%	30%	25%

U.S. income taxes have not been provided for the equity in undistributed earnings of foreign consolidated subsidiaries ($172.1 million and $153.1 million at December 31, 1999 and 2000, respectively) or foreign unconsolidated subsidiaries and affiliates ($2.8 million and $2.0 million at December 31, 1999 and 2000, respectively). Restrictions on the distribution of these earnings are not significant. Foreign earnings taxable to the Company as dividends were $7.9 million, $14.0 million and $35.3 million in 1998, 1999 and 2000, respectively.

NOTE 10. PENSIONS AND POSTRETIREMENT AND OTHER BENEFIT PLANS

Through the end of 2000, substantially all of the Company's domestic employees participated in FMC Corporation's qualified pension and postretirement medical and life insurance plans after meeting certain employment criteria, and may have participated in FMC Corporation's other benefit plans depending on their

location and employment status. Foreign-based employees may also have been eligible to participate in FMC Corporation-sponsored or government-sponsored programs that were available to them.

Pension and postretirement amounts recognized in the Company's combined financial statements have been determined on the basis of certain assumptions regarding whether FMC Corporation or FMC Technologies will assume the assets and liabilities related to specific groups of current and former FMC Corporation employees. The ultimate distribution of pension and postretirement benefit assets and liabilities will be governed by the employee benefits agreement that the Company will enter into with FMC Corporation and will involve actuarial calculations and determinations about the employment status of FMC Corporation's corporate office employees. See Note 18.

The funded status of the Company's allocated portion of FMC Corporation's domestic qualified and non-qualified pension, the United Kingdom pension plan, one German pension plan and FMC Corporation's domestic postretirement health care and life insurance benefit plans, together with the associated balances recognized in the Company's combined financial statements as of December 31, were as follows:

(IN MILLIONS)	PENSIONS		OTHER POSTRETIREMENT BENEFITS	
	1999	2000	1999	2000
Accumulated benefit obligation:				
Plans with unfunded accumulated benefit obligation	$ 16.8	$ 16.6	$ --	$ --
Change in benefit obligation:				
Benefit obligation at January 1	$341.2	$328.2	$ 39.3	$ 36.5
Service cost	15.3	12.6	1.1	1.0
Interest cost	23.1	24.1	2.7	2.6
Actuarial gain	(38.4)	(9.4)	(3.4)	(2.3)
Amendments	0.7	0.2	--	0.1
Foreign exchange currency rate changes	--	(4.1)	--	--
Transfer of U.K. inactive group	--	32.3	--	--
Plan participants' contributions	--	--	1.4	1.8
Benefits paid	(13.7)	(16.1)	(4.6)	(4.6)
Benefit obligation at December 31	328.2	367.8	36.5	35.1
Change in fair value of plan assets:				
Fair value of plan assets at January 1	300.8	285.2	--	--
Actual return on plan assets	(3.4)	41.1	--	--
Foreign exchange currency rate changes	--	(4.1)	--	--
Transfer of U.K. inactive group	--	33.6	--	--
Company contributions	1.5	1.5	3.2	2.8
Plan participants' contributions	--	--	1.4	1.8
Benefits paid	(13.7)	(16.1)	(4.6)	(4.6)
Fair value of plan assets at December 31	285.2	341.2	--	--
Funded status of the plans (liability)	(43.0)	(26.6)	(36.5)	(35.1)
Unrecognized actuarial loss (gain)	23.0	5.0	(0.4)	(2.3)
Unrecognized prior service cost (income)	8.3	7.0	(13.2)	(10.0)
Unrecognized transition asset	(12.0)	(6.3)	--	--
Net amounts recognized in the balance sheets at December 31	$(23.7)	$(20.9)	$ (50.1)	$ (47.4)
Prepaid benefit cost	$ 5.0	$ 11.1	$ --	$ --
Accrued benefit liability	(34.6)	(36.1)	(50.1)	(47.4)
Intangible asset	2.7	2.2	--	--
Accumulated other comprehensive income	3.2	1.9	--	--
Net amounts recognized in the balance sheets at December 31	$(23.7)	$(20.9)	$ (50.1)	$ (47.4)

The following table summarizes the assumptions used and the components of net annual benefit cost (income) for the years ended December 31:

(IN MILLIONS)	PENSIONS			OTHER POSTRETIREMENT BENEFITS		
	1998	1999	2000	1998	1999	2000

Assumptions as of September 30:						
Discount rate	6.75%	7.50%	7.50%	6.75%	7.50%	7.50%
Expected return on assets	9.20%	9.25%	9.25%	--	--	--
Rate of compensation increase	5.00%	5.00%	4.25%	--	--	--
Components of net annual benefit cost:						
Service cost	$ 12.1	$ 15.3	$ 12.6	$ 1.2	$ 1.1	$ 1.0
Interest cost	20.4	23.1	24.1	2.9	2.7	2.6
Expected return on plan assets	(24.7)	(26.1)	(27.1)	--	--	--
Amortization of transition asset	(7.0)	(7.0)	(6.8)	--	--	--
Amortization of prior service cost	1.4	1.6	1.6	(2.8)	(3.1)	(3.1)
Recognized net actuarial (gain) loss	(0.2)	1.1	0.6	(0.4)	--	(0.3)
Net annual benefit cost	$ 2.0	$ 8.0	$ 5.0	$ 0.9	$ 0.7	$ 0.2

The change in the discount rate used in determining domestic pension and other postretirement benefit obligations from 6.75% to 7.50% decreased the projected benefit obligations by $33.5 million at December 31, 1999.

The change in the rate of compensation increase used in determining domestic pension plan obligations from 5.0% to 4.25% decreased the projected benefit obligation by $7.8 million at December 31, 2000.

For measurement purposes, a 6.0% annual rate of increase in the per capita cost of health care benefits was assumed for 1999 and 2000. The rate was assumed to decrease to 5.0% for 2001 and remain at that level thereafter.

Assumed health care cost trend rates have an effect on the amounts reported for the health care plan. A one-percentage point change in the assumed health care cost trend rates would have the following effects:

(IN MILLIONS)	ONE PERCENTAGE POINT INCREASE	ONE PERCENTAGE POINT DECREASE
Effect on total of service and interest cost components	$ --	$ --
Effect on postretirement benefit obligation	$0.3	$(0.2)

The Company has adopted SFAS No. 87, "Employers' Accounting for Pensions," for its pension plan for employees in the United Kingdom and for one pension plan in Germany. The financial impact of compliance with SFAS No. 87 for other non-U.S. pension plans is not materially different from the locally reported pension expense. The cost of providing pension benefits for foreign employees was $3.0 million in 1998, $3.7 million in 1999 and $3.4 million in 2000.

To effect a separation of the pension plan in the United Kingdom, FMC Technologies was allocated the assets and liabilities associated with inactive participants of FMC Corporation's divested process additives division effective December 31, 2000. FMC Technologies will also assume any net annual benefit cost or

income associated with these participants beginning in 2001. The addition of this participant group increased the pension's projected benefit obligation by $32.3 million, the pension plan's assets by $33.6 million and the pension's

prepaid benefit cost by $5.8 million at December 31, 2000.

The Company has recognized expense of $7.6 million, $7.5 million and $7.5 million in 1998, 1999 and 2000, respectively, for FMC Technologies' share of matching contributions to the FMC Corporation Savings and Investment Plan, a qualified domestic salary-reduction plan under Section 401(k) of the Internal Revenue Code.

NOTE 11. INCENTIVE COMPENSATION PLANS

The Company did not grant stock-based compensation or maintain its own incentive compensation programs during the three years ended December 31, 2000. However, certain employees of the Company participate or have participated in FMC Corporation's Incentive Compensation and Stock Plan, as amended and restated effective as of February 16, 2001 (the "Stock Plan"), which provides incentives and awards to key employees of FMC Corporation. The Stock Plan is administered by a committee of the Board of Directors of FMC Corporation, which reviews and approves financial targets as well as the time and conditions for payment.

The Stock Plan provides for the grant of incentive awards payable partly in cash and partly in FMC Corporation common stock. The Company was allocated expense of $3.8 million, $6.8 million and $5.7 million during the years ended December 31, 1998, 1999 and 2000, respectively, for the Stock Plan. This expense represented the cost of FMC Corporation restricted stock and bonuses granted to employees and directors of the Company and to certain employees of FMC Corporation who provided services to the Company. The Stock Plan also provides for regular grants of FMC Corporation stock options. The exercise price for options is not less than the fair market value of the stock at the date of grant. The contractual life of each option is generally ten years and substantially all options vest in three to four years. FMC Corporation accounts for stock options under the provisions of APB Opinion No. 25 "Accounting for Stock Issued to Employees." Accordingly, no compensation cost has been recognized for stock options under the Stock Plan and therefore, no compensation cost has been allocated to the Company.

See Note 18 for a description of new incentive compensation arrangements that are expected to be adopted by the Company before completion of the offering.

NOTE 12. DISCONTINUED OPERATIONS

Under agreements governing the separation of the Company from FMC Corporation, the Company has assumed specified self-insured product liabilities associated with equipment manufactured by specified discontinued machinery businesses of FMC Corporation. These businesses primarily consisted of the construction equipment and marine and rail divisions, which were divested in 1984. From time to time, personal injury and other product-related claims have been made against FMC Corporation related to cranes and other equipment formerly manufactured and sold by the discontinued businesses. Reserves related to these claims amounted to $33.8 million at December 31, 1999 and $30.6 million at December 31, 2000. Such reserves are recorded based on annual actuarially-determined estimates of liabilities, which include factors for estimating the ultimate future payout on reported and potential unreported claims, as well as the cost of legal fees, claims administration and stop-loss insurance coverage.

The Company maintains insurance coverage limiting our exposure to any individual self-insured product liability claim to $2.75 million. At December 31, 2000, the Company had 35 known open claims, of which 17 claims related to cranes and only one of which was valued at an amount exceeding $500,000.

During 1998, 1999 and 2000, respectively, FMC Technologies spent $2.9 million, $7.4 million and $3.2 million toward settlement of these liabilities.

In the fourth quarter of 1999, FMC Technologies provided $9.0 million ($5.5 million after tax) to increase its recorded liabilities based on revised actuarial estimates of the ultimate cost of product liability claims related

primarily to the construction equipment business, for which claim payments had increased substantially in 1999. While the Company believes its existing reserves are adequate and are based on the most current estimate of potential loss, and also believes that product liability claims will decrease over time as the products are retired, it is possible that the ultimate outcome of all discontinued operations' liabilities could differ materially from the recorded reserve. However, management is unable to estimate or predict a range or an amount by which the ultimate claim payments might differ from recorded amounts.

NOTE 13. FOREIGN CURRENCY

The Norwegian krone and Swedish krona were relatively stable against the U.S. dollar in 1998 while the Mexican peso weakened and certain Asian currencies experienced significant intra-year volatility. Additionally in 1998, the Japanese yen reversed its previous trend and strengthened. Exposures in 1999 were affected primarily by the weakening of the Norwegian krone and Swedish krona as well as the stronger Japanese yen. In 2000, foreign currency transactional exposures were most affected by the weakening of the British pound, Norwegian krone and Swedish krona against the U.S. dollar. The Company mitigates its transactional exposure to variability in currency exchange rates by entering into foreign exchange forward and option contracts with third parties.

During 2000, the Company's earnings were negatively affected by approximately $6 million before tax due to the impact of weaker European currencies (particularly the euro, Norwegian krone and Swedish krona) on the Company's foreign currency-denominated sales, which was partly offset by the benefit of paying certain local operating costs in the same European currencies.

Net income for 1998, 1999 and 2000 included aggregate foreign currency gains (losses) of $(2.5) million, $3.8 million and $4.5 million, respectively.

The following table presents the foreign currency adjustments to key balance sheet categories and the offsetting adjustments to accumulated other comprehensive loss or to income for the years ended December 31:

(IN MILLIONS)	GAINS (LOSSES)		
	1998	1999	2000
Cash and cash equivalents	$(1.2)	$ 9.8	$ (1.6)
Other working capital	(2.5)	(20.7)	(26.2)
Property, plant and equipment, net	(0.7)	(8.3)	(8.8)
Investments	(2.8)	6.3	0.7
Debt	0.7	0.7	(0.1)
Other	0.1	(23.3)	6.1
	$(6.4)	$(35.5)	$(29.9)
Other comprehensive loss	$(3.9)	$(39.3)	$(34.4)
Gain (loss) included in income	(2.5)	3.8	4.5
	$(6.4)	$(35.5)	$(29.9)

NOTE 14. FINANCIAL INSTRUMENTS

Derivative financial instruments--At December 31, 1999 and 2000, derivative financial instruments consisted primarily of foreign exchange forward contracts. The Company entered into these agreements to

manage the currency risk associated with purchases and sales denominated in currencies other than the U.S. dollar. Substantially all of the foreign

exchange forward contracts relate to receivables, payables and intercompany transactions and are accounted for as hedges.

During 1998, the Company entered into forward contracts with a notional value of $33.0 million to offset various risks associated with the potential devaluation of the Brazilian real. The contracts matured in 1999, subsequent to the devaluation of the Brazilian real. Losses from the decline in value of the Company's real-denominated investments during the 1999 devaluation, as well as 1999 economic losses related to the Brazilian economic crisis, were offset by gains on the forward contracts.

As of December 31, 1999 and 2000, the Company held foreign exchange forward contracts with notional amounts of $388.7 million and $417.8 million, respectively, in which foreign currencies (primarily Norwegian krone, Singapore dollars and British pounds in 1999 and 2000) were purchased, and approximately $254.2 million and $335.7 million, respectively, in which foreign currencies (primarily Singapore dollars, British pounds, euros and Norwegian krone in 1999 and Norwegian krone, Swedish krona, Singapore dollars and British pounds in 2000) were sold. Notional amounts are used to measure the volume of derivative financial instruments and do not represent potential gains or losses on these agreements.

Fair value disclosures--The carrying amounts of cash and cash equivalents, trade receivables, other current assets, accounts payable, amounts included in investments and accruals meeting the definition of financial instruments and short-term debt approximate fair value.

Fair values relating to foreign exchange contracts were $(5.6) million and $(18.7) million at December 31, 1999 and 2000, respectively, and reflect the estimated net amounts that the Company would pay to terminate the contracts at the reporting date based on quoted market prices of comparable contracts at those dates. The carrying values of foreign exchange contracts were $(1.7) million and $5.0 million at December 31, 1999 and 2000, respectively.

Standby letters of credit and financial guarantees--In the ordinary course of business with customers, vendors and others, the Company is contingently liable for performance under letters of credit and other financial guarantees totaling approximately $90 million at December 31, 2000. The Company's management does not believe it is practicable to estimate the fair values of these financial instruments and does not expect any losses from their resolution.

NOTE 15. SEGMENT INFORMATION

Segment operating profit

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 debt facilities and investments, income taxes, asset impairments and restructuring and other charges (Note 5), LIFO inventory adjustments and other income and expense items.

(IN MILLIONS)	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Revenue:			
Energy Systems	$1,320.9	$1,129.4	$1,037.3
Specialty Systems	868.2	826.3	839.5
Eliminations	(3.6)	(2.6)	(1.6)

Total revenue	$2,185.5	$1,953.1	$1,875.2
Income from continuing operations before income taxes:			
Energy Systems	$ 95.2	$ 97.1	$ 72.4
Specialty Systems	72.8	64.2	69.0
Total segment operating profit	168.0	161.3	141.4
Corporate expenses (1)	(36.4)	(35.3)	(33.7)
Other expense, net (2)	(3.9)	(6.9)	(1.5)
Operating profit before asset impairments, restructuring and other charges, net interest income (expense) and income tax expense	127.7	119.1	106.2
Asset impairments (3)	--	(6.0)	(1.5)
Restructuring and other charges (4)	--	(3.6)	(9.8)
Net interest income (expense)	(1.9)	0.5	(4.3)
Total income from continuing operations before income taxes	$ 125.8	$ 110.0	$ 90.6

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(1) Corporate expenses primarily include staff expenses.

(2) Other expense, net consists of all other corporate items, including LIFO inventory adjustments and pension income or expense.

(3) Asset impairments in 1999 relate to Specialty Systems. Asset impairments in 2000 relate to Energy Systems. See Note 5.

(4) Restructuring and other charges in 1999 relate to Energy Systems ($1.5 million), Specialty Systems ($1.1 million) and Corporate ($1.0 million). Restructuring and other charges in 2000 relate to Energy Systems ($1.4 million) and Specialty Systems ($8.0 million) and Corporate ($0.4 million). See Note 5.

Segment assets and liabilities

Segment assets and liabilities are those assets and liabilities that are recorded and reported by segment operations. Segment operating capital employed represents segment assets less segment liabilities. Segment assets exclude corporate items, which are principally cash equivalents, LIFO reserves, deferred income tax benefits, eliminations of intercompany receivables, property, plant and equipment not attributable to

a specific segment, and credits relating to the sale of receivables. Segment liabilities exclude substantially all debt, income taxes, pension and other postretirement benefit liabilities, restructuring reserves, intercompany eliminations, reserves for discontinued operations and deferred gains on the sale and leaseback of equipment.

(IN MILLIONS)	DECEMBER 31,	
	1999	2000
Operating Capital Employed (1):		
Energy Systems	$ 439.3	$ 505.0
Specialty Systems	364.4	428.1
Total operating capital employed	803.7	933.1
Segment liabilities included in total operating capital employed	511.4	446.6
Corporate items (2)	158.1	(6.0)
Total assets	$1,473.2	$1,373.7

Segment Assets:		
Energy Systems	$ 749.4	$ 752.1
Specialty Systems	565.7	627.6
Total segment assets	1,315.1	1,379.7
Corporate items (2)	158.1	(6.0)
Total assets	$1,473.2	$1,373.7

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(1) FMC Technologies' management views operating capital employed, which consists of assets, net of liabilities, reported by the Company's operations (and excludes corporate items such as cash equivalents, debt, pension liabilities, income taxes and LIFO reserves), as a primary measure of segment capital.

(2) Corporate items include cash equivalents, LIFO reserves, deferred income tax benefits, eliminations of intercompany receivables, property, plant and equipment not attributable to a specific segment and credits relating to the sale of receivables. As of December 31, 1999, Corporate items also include $127.5 million of Tyco preferred stock, which was received as part of the sale of Crosby Valve to a subsidiary of Tyco in July 1998. The Company redeemed its investment in Tyco preferred stock in October 2000. See Note 4.

Geographic segment information

Geographic segment sales represent sales by location of the Company's customers or their headquarters. Geographic segment long-lived assets include investments, net property, plant and equipment, and certain other non-current assets. Intangible assets of acquired companies are not reported by geographic segment.

Revenue

(IN MILLIONS)	YEAR ENDED DECEMBER 31,		
	1998	1999	2000
Third party revenue (by location of customer)			
United States	$ 830.3	$ 713.2	$ 734.7
Norway	294.2	221.1	206.0
All other countries	1,061.0	1,018.8	934.5
Total revenue	$2,185.5	$1,953.1	$1,875.2

Long-lived assets

(IN MILLIONS)	DECEMBER 31,	
	1999	2000
United States	$210.9	$195.4
Brazil	31.6	32.5
All other countries	101.7	71.8
Total long-lived assets	$344.2	$299.7

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Other business segment information

(IN MILLIONS)	CAPITAL EXPENDITURES			DEPRECIATION AND AMORTIZATION			RESEARCH AND DEVELOPMENT EXPENSE		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
Energy Systems...........	$30.4	$14.7	$20.2	$36.5	$31.4	$29.8	$24.7	$25.7	$33.8
Specialty Systems........	28.9	26.1	21.8	26.9	28.2	28.2	26.0	26.1	22.9
Corporate................	0.1	0.1	1.1	3.2	2.7	1.1	--	--	--
Total................	$59.4	$40.9	$43.1	$66.6	$62.3	$59.1	$50.7	$51.8	$56.7

NOTE 16. QUARTERLY INFORMATION (UNAUDITED)

(IN MILLIONS, EXCEPT PER SHARE DATA)	1999				2000			
	1ST QTR.	2ND QTR.	3RD QTR.	4TH QTR.	1ST QTR.	2ND QTR.	3RD QTR.	4TH QTR.
Revenue.................	$471.7	$510.7	$469.9	$500.8	$441.5	$495.3	$452.3	$486.1
Income from continuing operations before net interest income (expense) and income tax expense............	$ 17.0	$ 30.2	$ 22.5	$ 39.8	$ 12.8	$ 23.8	$ 25.1	$ 33.2
Income from continuing operations.............	$ 11.9	$ 21.1	$ 15.7	$ 27.8	$ 8.8	$ 17.0	$ 18.0	$ 24.1
Discontinued operations, net of income taxes....	--	--	--	(5.5)	--	--	--	--
Net income..............	$ 11.9	$ 21.1	$ 15.7	$ 22.3	$ 8.8	$ 17.0	$ 18.0	$ 24.1

NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES

FMC Technologies leases office space, plants and facilities and various types of manufacturing, data processing and transportation equipment. Leases of real estate generally provide for payment of property taxes, insurance and repairs by FMC Technologies. Capital leases are not significant. Rent expense under operating leases amounted to $22.8 million, $24.5 million and $29.3 million in 1998, 1999 and 2000, respectively.

Minimum future rental payments under noncancelable leases aggregated approximately $125.6 million as of December 31, 2000 and are payable as follows: $23.3 million in 2001, $22.8 million in 2002, $21.3 million in 2003, $20.1 million in 2004, $11.4 million in 2005 and $26.7 million thereafter.

The Company also has certain other contingent liabilities arising from litigation, claims, performance guarantees, and other commitments incident to the ordinary course of business. The Company's management believes that the ultimate resolution of its known contingencies will not materially affect the combined financial position, results of operations or cash flows of FMC Technologies.

NOTE 18. PROPOSED PUBLIC OFFERING OF COMMON STOCK (UNAUDITED)

The Offering

The Board of Directors of FMC Corporation and the Company's Board of Directors have authorized management of the Company to file a registration statement with the Securities and Exchange Commission for the offering. It is anticipated that the Company will file an Amended and Restated Certificate of Incorporation to authorize 195,000,000 shares of FMC Technologies common stock and 12,000,000 shares of FMC Technologies preferred stock. There are currently 1,000 shares of FMC Technologies common stock outstanding.

Before the closing of the offering, FMC Corporation intends to contribute substantially all of its ownership interests in the businesses included in these combined financial statements to the Company with the remainder to be transferred shortly after the offering. These financial statements reflect the combined results of the businesses as if they had been so contributed to the Company for all periods. Subsequent to the contribution, all of the businesses included in these combined financial statements will be consolidated subsidiaries or divisions of the Company or will be investments of the Company or its subsidiaries.

The Distribution

FMC Corporation has advised the Company that it currently intends to distribute its remaining ownership interest in the Company to common stockholders of FMC Corporation. If completed, the distribution, as previously announced, is expected to take the form of a spin-off in which FMC Corporation distributes all of the Company's common stock that it owns through a special dividend to FMC Corporation common stockholders. If circumstances change, FMC Corporation may distribute its remaining ownership interest in the Company through an exchange offer by FMC Corporation, in which its common stockholders would be offered the option of tendering some or all of their shares in exchange for FMC Technologies common stock, and a subsequent spin-off of FMC Corporation's remaining ownership interest in the Company. FMC Corporation has advised the Company that it does not intend to complete the distribution unless it receives a favorable tax ruling from the Internal Revenue Service as to the tax-free nature of the distribution for U.S. federal income tax purposes and the final approval of the Board of Directors of FMC Corporation, among other conditions. FMC Corporation has also advised the Company that it currently anticipates that this distribution will occur by the end of calendar year 2001.

FMC Corporation has advised the Company that the final determination as to the completion, timing, structure and terms of the distribution will be based on financial and business considerations and prevailing

market conditions. In addition, FMC Corporation has advised the Company that, as permitted by the separation and distribution agreement between FMC Corporation and the Company described below, it will not complete the distribution if its Board of Directors determines that the distribution is not in the best interests of FMC Corporation and its stockholders. FMC Corporation has the sole discretion to determine whether or not to complete the distribution and, if it decides to complete the distribution, to determine the timing, structure and terms of the distribution.

Financing Arrangements

FMC Technologies anticipates that its debt after giving effect to the offering will be approximately $315.5 million or $284.4 million if the underwriters' over-allotment option is fully exercised, assuming that in each case the net proceeds of the offering are used to reduce debt. In addition,

pursuant to the separation and distribution agreement between FMC Technologies and FMC Corporation, this amount will be decreased to reflect net cash generated or increased to reflect net cash utilized by FMC Technologies' operations from January 1, 2001 to the closing of the offering. FMC Technologies expects that FMC Technologies' assumed debt will consist of a $150 million 364-day revolving credit facility and a $250 million 5-year credit agreement.

Employee Benefit Plans

Effective May 1, 2001, FMC Technologies will establish its own qualified and non-qualified U.S. defined benefit pension plans, and effective immediately after the distribution, FMC Technologies will establish any additional pension and employee benefit plans. The material terms of FMC Technologies' pension and employee benefit plans will generally mirror FMC Corporation's plans as in effect at that time. The employee benefits agreement between the Company and FMC Corporation does not preclude FMC Technologies from discontinuing or changing its plans at any time, so long as it notifies FMC Corporation and agrees to absorb any cost associated with such change. Employees of FMC Technologies will begin participating in FMC Technologies' new plans as of the later of the date of the establishment of each plan or the date on which they become employees of FMC Technologies.

FMC Technologies' plans will assume all obligations under FMC Corporation's plans to employees and former employees allocated to FMC Technologies. Specified assets funding these obligations, including assets held in trusts, will be transferred from trusts and other funding vehicles associated with FMC Corporation's plans to the corresponding trusts and other funding vehicles associated with FMC Technologies' plans as soon as practicable. FMC Technologies' plans will provide that any employee or former employee allocated to it will receive full recognition and credit under these plans for all service, all compensation, and all other benefit-affecting determinations that would have been recognized under the corresponding FMC Corporation plan. However, there will be no duplication of benefits payable by FMC Corporation or its plans.

Prior to the offering, FMC Technologies will adopt the FMC Technologies, Inc. Incentive Compensation and Stock Plan (the "FMC Technologies Stock Plan"). The Company's employees, consultants and directors and employees, consultants and directors of its subsidiaries will be eligible to participate in the FMC Technologies Stock Plan. At the time of the offering, the Company expects to grant options to purchase shares of FMC Technologies common stock under the FMC Technologies Stock Plan at an exercise price equal to the offering price per share in the offering.

In addition, as of the closing date of the offering, FMC Technologies intends to replace each of the shares of FMC Corporation restricted stock that will vest prior to January 1, 2003 held by the Company's employees with shares of the Company's restricted stock that will be issued pursuant to the FMC Technologies Stock Plan. The historical combined financial statements reflect an allocation of expense related to FMC Corporation's existing restricted stock program. To the extent that the Company replaces any FMC Corporation restricted stock with FMC Technologies restricted stock prior to the distribution, the Company may incur

incremental compensation expense. It is currently estimated that approximately $2.3 million of expense will be recorded over the vesting period related to such restricted stock. Based on the number of shares of FMC Corporation restricted stock vesting prior to January 1, 2003 held by the Company's employees on March 30, 2001, an assumed offering price per share of FMC Technologies common stock in the offering of $20.00 and a price per share of FMC Corporation common stock of $73.64, 445,000 shares of FMC Technologies common stock would be issued.

FMC Technologies intends to replace all of the FMC Corporation options held by the Company's employees and non-employee directors, other than directors who will remain directors of FMC Corporation after the distribution. The Company intends to replace a portion of the FMC Corporation options and

restricted stock held by the Company's directors who will continue to serve as directors of FMC Corporation as of the date of the distribution with options to purchase shares of the Company common stock and shares of restricted stock of the Company that will be issued pursuant to the FMC Technologies Stock Plan. The Company intends to replace all outstanding options and restricted stock of FMC Corporation held by FMC Corporation employees whom the Company hires after the distribution date.

Arrangements Between FMC Technologies and FMC Corporation

The separation and distribution agreement contains the key provisions relating to the separation of FMC Technologies' businesses from those of FMC Corporation, the offering and FMC Corporation's planned distribution of FMC Technologies common stock. The separation and distribution agreement identifies the assets to be transferred to FMC Technologies by FMC Corporation and the liabilities to be assumed by FMC Technologies from FMC Corporation. The separation and distribution agreement also describes when and how these transfers and assumptions will occur. In addition, FMC Technologies has entered into additional agreements with FMC Corporation governing various interim and ongoing relationships between FMC Corporation and FMC Technologies following the closing date of the offering. These other agreements include: a tax sharing agreement; an employee benefits agreement; a transition services agreement; and a license agreement for the FMC corporate name and logo. FMC Technologies and FMC Corporation will execute the separation and distribution agreement and ancillary agreements before the closing of the offering.

Pro Forma Earnings Per Common Share

Unaudited pro forma as adjusted basic earnings per common share for the year ended December 31, 2000 has been calculated by dividing net earnings by the weighted average shares outstanding as calculated in accordance with Securities and Exchange Commission rules for initial public offerings. Such rules require that the weighted average share calculation give retroactive effect to any changes in the capital structure of the Company as well as the number of shares whose proceeds will be used to pay any dividend or repay any debt as reflected in the pro forma adjustments. It is anticipated that all of the proceeds from the offering will be used to repay debt. Therefore, pro forma weighted average shares of the Company for the year ended December 31, 2000, are comprised of 53,505,000 shares of common stock outstanding prior to the offering and 11,050,000 shares of common stock included in the offering, assuming all such shares are outstanding as of the beginning of the period.

Unaudited pro forma as adjusted diluted earnings per common share from continuing operations is computed using unaudited pro forma as adjusted income from continuing operations divided by 65,117,249, which for pro forma diluted earnings per share purposes is the assumed number of shares of the Company's common stock outstanding after this offering. This share amount is calculated assuming that (a) prior to the offering 53,505,000 common shares are outstanding, (b) 11,050,000 shares are sold in the offering and (c) the pro forma dilutive effect of the Company's restricted stock to be issued to the Company's employees in replacement of FMC Corporation restricted stock is 562,249, calculated based on the weighted average number of shares of FMC Corporation restricted stock eligible for conversion in 2000 and using FMC Corporation's average 2000 stock price and the Company's assumed offering price of $20.00 per share.

[GRAPHIC: DEPICTIONS OF THE FOLLOWING OF OUR SYSTEMS AND PRODUCTS: (1) JETWAY PASSENGER BOARDING BRIDGE, (2) SUBSEA

TREE, (3) MANIFOLD SYSTEM, AND (4) CITRUS PROCESSING SYSTEM]

Through and including , 2001 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or

not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

11,050,000 SHARES

[LOGO]

FMC TECHNOLOGIES, INC.

COMMON STOCK

P R O S P E C T U S

MERRILL LYNCH & CO.

CREDIT SUISSE FIRST BOSTON

SALOMON SMITH BARNEY

BANC OF AMERICA SECURITIES LLC

, 2001

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

[ALTERNATE INTERNATIONAL PAGE]

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED APRIL 4, 2001

PROSPECTUS

11,050,000 SHARES

FMC TECHNOLOGIES, INC.

COMMON STOCK

This is FMC Technologies, Inc.'s initial public offering. FMC Technologies is selling all of the shares. The international managers are offering 2,210,000 shares outside the U.S. and Canada, and the U.S. underwriters are offering 8,840,000 shares in the U.S. and Canada.

We expect the public offering price to be between $18.00 and $22.00 per share. Currently, no public market exists for the shares. After pricing of this offering, we expect that the shares will trade on the New York Stock Exchange under the symbol "FTI."

INVESTING IN THE COMMON STOCK INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 10 OF THIS PROSPECTUS.

PER SHARE TOTAL

Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to FMC Technologies	$	$

The international managers may also purchase up to an additional 331,500 shares from FMC Technologies at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments. The U.S. underwriters may similarly purchase up to an additional 1,326,000 shares from FMC Technologies.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2001

MERRILL LYNCH INTERNATIONAL

CREDIT SUISSE FIRST BOSTON

SALOMON SMITH BARNEY

BANC OF AMERICA SECURITIES LIMITED

The date of this prospectus is , 2001

[ALTERNATE INTERNATIONAL PAGE]

UNDERWRITING

We intend to offer the shares outside the U.S. and Canada through the international managers and in the U.S. and Canada through the U.S. underwriters. Merrill Lynch International, Credit Suisse First Boston (Europe) Limited, Salomon Brothers International Limited and Banc of America Securities Limited are acting as lead managers for the international managers named below. Subject to the terms and conditions described in an international purchase agreement among us and the international managers, and concurrently with the sale of 8,840,000 shares of our common stock to the U.S. underwriters, we have agreed to sell to the international managers, and the international managers severally have agreed to purchase from us, the number of shares of common stock listed opposite their name below.

INTERNATIONAL MANAGER	NUMBER OF SHARES
Merrill Lynch International	
Credit Suisse First Boston (Europe) Limited	
Salomon Brothers International Limited	
Banc of America Securities Limited	
Total	2,210,000

We have also entered into a U.S. purchase agreement with the U.S. underwriters for sale of the shares in the U.S. and Canada for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Banc of America Securities LLC are acting as U.S. representatives. Subject to the terms and conditions in the U.S. purchase agreement, and concurrently with the sale of 2,210,000 shares of our

common stock to the international managers under the international purchase agreement, we have agreed to sell to the U.S. underwriters, and the U.S. underwriters severally have agreed to purchase from us, an aggregate of 8,840,000 shares of our common stock in this offering. The initial public offering price per share and the total underwriting discount per share of our common stock are identical under the international purchase agreement and the U.S. purchase agreement.

The international managers and the U.S. underwriters have agreed to purchase all of the shares of our common stock sold under the international and U.S. purchase agreements if any of these shares of our common stock are purchased. If an underwriter defaults, the U.S. and international purchase agreements provide that the purchase commitments of the nondefaulting underwriters may be increased or the purchase agreements may be terminated. The closings for the sale of shares of our common stock to be purchased by the international managers and the U.S. underwriters are conditioned on one another.

We have agreed to indemnify the international managers and the U.S. underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the international managers and U.S. underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares of our common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the purchase agreements, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Merrill Lynch will be facilitating Internet distribution for this offering to some of its Internet subscription customers. Merrill Lynch intends to allocate a limited number of shares of our common stock for sale to its online brokerage customers. An electronic prospectus is available on the Internet Web sites maintained by Merrill Lynch and Credit Suisse First Boston Corporation. Other than the prospectus in

electronic format, the information on the Web sites of Merrill Lynch, Credit Suisse First Boston Corporation, Salomon Smith Barney Inc. and Banc of America Securities LLC is not part of this prospectus.

COMMISSIONS AND DISCOUNTS

The lead managers have advised us that the international managers propose initially to offer the shares of our common stock to the public at the initial public offering price listed on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The international managers may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the international managers and the U.S. underwriters of their over-allotment options.

	PER SHARE	WITHOUT OPTION	WITH OPTION
Public offering price..............	$	$	$
Underwriting discount..............	$	$	$
Proceeds, before expenses, to us....	$	$	$

The expenses of this offering, not including the underwriting discount,

are estimated at $2,191,500 and are payable by us.

OVER-ALLOTMENT OPTION

We have granted an option to the international managers to purchase up to 331,500 additional shares of our common stock at the public offering price less the underwriting discount. The international managers may exercise this option for 30 days from the date of this prospectus solely to cover any over-allotments. If the international managers exercise this option, each will be obligated, subject to conditions contained in the purchase agreements, to purchase a number of additional shares of our common stock proportionate to that international manager's initial amount reflected in the above table.

We have also granted an option to the U.S. underwriters, exercisable for 30 days from the date of this prospectus, to purchase up to 1,326,000 additional shares of our common stock to cover any over-allotments on terms similar to those granted to the international managers.

INTERSYNDICATE AGREEMENT

The international managers and the U.S. underwriters have entered into an intersyndicate agreement that provides for the coordination of their activities. Under the intersyndicate agreement, the international managers and the U.S. underwriters may sell shares of our common stock to each other for purposes of resale at the initial public offering price, less an amount not greater than the selling concession. Under the intersyndicate agreement, the international managers and any dealer to whom they sell shares of our common stock will not offer to sell or sell shares to U.S. or Canadian persons or to persons they believe intend to resell to U.S. or Canadian persons, except in the case of transactions under the intersyndicate agreement. Similarly, the U.S. underwriters and any dealer to whom they sell shares of our common stock will not offer to sell or sell shares of our common stock to persons who are non-U.S. or non-Canadian persons or to persons they believe intend to resell to persons who are non-U.S. or non-Canadian persons, except in the case of transactions under the intersyndicate agreement.

RESERVED SHARES

At our request, the underwriters have reserved for sale, at the initial offering price, up to   shares offered by this prospectus for sale to some of our officers and employees. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not orally confirmed for purchase within one day of the pricing of this offering will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

NO SALES OF SIMILAR SECURITIES

We, our executive officers and directors, and FMC Corporation have agreed, with exceptions, not to sell or transfer any of our common stock for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch. Specifically, we and these other persons have agreed not to directly or indirectly:

- offer, pledge, sell, or contract to sell any of our common stock,
- sell any option or contract to purchase any of our common stock,
- purchase any option or contract to sell any of our common stock,
- grant any option, right or warrant for the sale of any of our common stock, other than pursuant to our employee benefit plans or director stock plan,
- lend or otherwise dispose of or transfer any of our common stock,
- file or request or demand that we file, a registration statement related to our common stock other than in connection with our

employee benefit plans, or

- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any of our common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lockup provision applies to our common stock and to securities convertible into or exchangeable or exercisable for or repayable with our common stock. It also applies to our common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. These restrictions do not apply to shares of our common stock sold to the underwriters and international managers under this prospectus.

NEW YORK STOCK EXCHANGE LISTING

We expect the shares to be approved for listing on the New York Stock Exchange under the symbol "FTI." In order to meet the requirements for listing of our common stock on the NYSE, the U.S. underwriters and the international managers have undertaken to sell a minimum number of shares of our common stock to a minimum number of beneficial owners as required by the NYSE.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations among us and the U.S. representatives and the lead managers. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the U.S. representatives and the lead managers believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development, and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after this offering the shares of our common stock will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares of our common stock being offered in this offering in the aggregate to accounts over which they exercise discretionary authority.

NASD REGULATIONS

Affiliates of each of the U.S. representatives other than Merrill Lynch are participating as lenders to FMC Corporation under the $200 million 180-day revolving credit facility. Affiliates of Banc of America Securities LLC and Salomon Smith Barney Inc. are participating as lenders to FMC Corporation under the $150 million 364-day revolving credit facility. An affiliate of Salomon Smith Barney Inc. is acting as administrative agent for the $200 million facility and an affiliate of Banc of America Securities LLC is acting as administrative agent for the $150 million facility. All amounts outstanding under these facilities will be assumed by us. The proceeds of this offering will be used to repay all amounts outstanding under the $200 million facility and a portion of the amount outstanding under the $150 million facility. Because more than ten percent of the net proceeds of this offering may be paid to members or affiliates of members of the National Association of Securities Dealers, Inc. participating in this offering, this offering will be conducted

in accordance with NASD Conduct Rule 2710(c)(8). This rule requires that the public offering price of an equity security be no higher than the price recommended by a qualified independent underwriter which has participated in the preparation of the registration statement and performed its usual standard of due diligence with respect to that registration statement. Merrill Lynch has agreed to act as qualified independent underwriter for this offering. The price of the shares will be no higher than that recommended by Merrill Lynch.

PRICE STABILIZATION AND SHORT POSITIONS AND PENALTY BIDS

Until this offering of shares of our common stock is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the U.S. underwriters may engage in transactions that stabilize the price of our common stock, such as bids or purchases to peg, fix or maintain that price.

The U.S. underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the U.S. underwriters of a greater number of shares than they are required to purchase in this offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from the issuer in this offering. The U.S. underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the U.S. underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. "Naked" short sales are any sales in excess of such option. The U.S. underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the U.S. underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the U.S. underwriters in the open market prior to the completion of this offering.

The U.S. underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the U.S. underwriters have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the U.S. underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters makes any representation that the U.S. underwriters or the lead managers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

UK SELLING RESTRICTIONS

Each international manager has agreed that:

- it has not offered or sold and will not offer or sell any shares of our common stock to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their

  businesses or otherwise in circumstances which do not constitute an

offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

- it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to our common stock in, from or otherwise involving the United Kingdom; and

- it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issuance of common stock to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 as amended by the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1997 or is a person to whom such document may otherwise lawfully be issued or passed on.

NO PUBLIC OFFERING OUTSIDE THE UNITED STATES

No action has been or will be taken in any jurisdiction (except in the United States) that would permit a public offering of the shares of our common stock, or the possession, circulation or distribution of this prospectus or any other material relating to our company or shares of our common stock in any jurisdiction where action for that purpose is required. Accordingly, the shares of our common stock may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the shares of our common stock may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Purchasers of the shares offered by this prospectus may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to this offering price on the cover page of this prospectus.

OTHER RELATIONSHIPS

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or FMC Corporation. Some of the underwriters and their affiliates also have engaged in commercial banking and investment banking transactions and services with us or FMC Corporation, including with respect to the separation, and may in the future engage in these transactions and services. They have received customary compensation for these services and transactions.

[ALTERNATE INTERNATIONAL PAGE]

Through and including , 2001 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

11,050,000 SHARES

[LOGO]

FMC TECHNOLOGIES, INC.

COMMON STOCK

P R O S P E C T U S

MERRILL LYNCH INTERNATIONAL [/R]

CREDIT SUISSE FIRST BOSTON

SALOMON SMITH BARNEY

BANC OF AMERICA SECURITIES LIMITED [/R]

, 2001

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the estimated costs and expenses, other than underwriting discounts and commissions, payable in connection with the sale of common stock being registered, all of which will be paid by the Registrant:

	AMOUNT
Securities and Exchange registration fee	$ 87,500
NASD filing fee	30,500
New York Stock Exchange listing fee	173,500
Printing expenses	500,000
Legal fees and expenses	1,000,000
Accounting fees and expenses	250,000
Transfer agent and registrar fees and expenses	120,000
Miscellaneous	30,000
Total	$2,191,500

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware provides as follows:

A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or

completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

As permitted by the General Corporation Law of the State of Delaware, the Registrant has included in its Certificate of Incorporation a provision to eliminate the personal liability of its directors for monetary

damages for breach of their fiduciary duties as directors, subject to certain exceptions. In addition, the Registrant's Certificate of Incorporation and Bylaws provide that the Registrant is required to indemnify its officers and directors under certain circumstances, including those circumstances in which indemnification would otherwise be discretionary, and the Registrant is required to advance expenses to its officers and directors as incurred in connection with proceedings against them for which they may be indemnified.

The U.S. Purchase Agreement and the International Purchase Agreement are expected to provide that the Underwriters are obligated, under certain circumstances, to indemnify directors, officers and controlling persons of the Registrant against certain liabilities, including liabilities under the Securities Act of 1933, as amended. Reference is made to the form of U.S. Purchase Agreement and the form of International Purchase Agreement to be filed as Exhibits 1.1 and 1.2 hereto, respectively.

The Separation and Distribution Agreement by and among the Registrant and FMC Corporation is expected to provide for indemnification by the Registrant of FMC Corporation and its directors, officers and employees for certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The Registrant maintains directors and officers liability insurance for the benefit of its directors and officers.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Registrant has not sold any securities, registered or otherwise, within the past three years, except for the shares issued upon formation to Registrant's sole stockholder, FMC Corporation.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

EXHIBIT NUMBER	EXHIBIT TITLE
1.1	--Form of U.S. Purchase Agreement.**
1.2	--Form of International Purchase Agreement.**
1.3	--Form of Lock-Up Agreement.**
2.1	--Form of Separation and Distribution Agreement.**

3.1	--Registrant's Amended and Restated Certificate of Incorporation.
3.2	--Registrant's Amended and Restated Bylaws.
4.1	--Form of Specimen Certificate for Registrant's Common Stock.**
4.2	--Form of Preferred Share Purchase Rights Agreement between the Registrant and , as Rights Agent.
4.3	--$250,000,000 Five-Year Credit Agreement.**
4.4	--$150,000,000 364-Day Revolving Credit Facility.**
5.1	--Opinion of Wachtell, Lipton, Rosen & Katz.**
10.1	--Form of Tax Sharing Agreement.**
10.2	--Form of Employee Benefits Agreement.**
10.3	--Form of Transition Services Agreement.**
10.4	--Registrant's Incentive Compensation and Stock Plan.
10.5	--Form of Executive Severance Agreement.**

EXHIBIT NUMBER	EXHIBIT TITLE
21.1	--Subsidiaries of the Registrant.
23.1	--Consent of KPMG LLP.
23.2	--Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 5.1).**
24.1	--Powers of Attorney.*
24.2	--Power of Attorney of Ronald D. Mambu.
99.1	--Consent of Mike R. Bowlin to be Named a Director Nominee.
99.2	--Consent of B. A. Bridgewater to be Named a Director Nominee.
99.3	--Consent of Asbjorn Larsen to be Named a Director Nominee.
99.4	--Consent of Edward J. Mooney to be Named a Director Nominee.
99.5	--Consent of William J. Reilly to be Named a Director Nominee.
99.6	--Consent of James M. Ringler to be Named a Director Nominee.
99.7	--Consent of James R. Thompson to be Named a Director Nominee.

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* Previously filed.

** To be filed by amendment.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the combined financial statements or notes thereto.

ITEM 17. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) That for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) That for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(4) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Chicago, state of Illinois, on April 3, 2001.

FMC TECHNOLOGIES, INC.

By: /s/ Ronald D. Mambu

Name: Ronald D. Mambu

Title: Vice President and Controller

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
* Joseph H. Netherland	Chief Executive Officer, President and Director (Principal Executive Officer)	April 3, 2001
* Robert N. Burt	Chairman and Director	April 3, 2001
* William H. Schumann III	Senior Vice President, Chief Financial Officer and Director (Principal Financial Officer)	April 3, 2001
/s/ Ronald D. Mambu	Vice President and Controller (Principal	April 3, 2001

Ronald D. Mambu Accounting Officer)

/s/ Steven H. Shapiro

*By: ____________________

Steven H. Shapiro

Attorney-in-Fact

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT TITLE
1.1	--Form of U.S. Purchase Agreement.**
1.2	--Form of International Purchase Agreement.**
1.3	--Form of Lock-Up Agreement.**
2.1	--Form of Separation and Distribution Agreement.**
3.1	--Registrant's Amended and Restated Certificate of Incorporation.
3.2	--Registrant's Amended and Restated Bylaws.
4.1	--Form of Specimen Certificate for Registrant's Common Stock.**
4.2	--Form of Preferred Share Purchase Rights Agreement between the Registrant and , as Rights Agent.
4.3	--$250,000,000 Five-Year Credit Agreement.**
4.4	--$150,000,000 364-Day Revolving Credit Facility.**
5.1	--Opinion of Wachtell, Lipton, Rosen & Katz.**
10.1	--Form of Tax Sharing Agreement.**
10.2	--Form of Employee Benefits Agreement.**
10.3	--Form of Transition Services Agreement.**
10.4	--Registrant's Incentive Compensation and Stock Plan.
10.5	--Form of Executive Severance Agreement.**
21.1	--Subsidiaries of the Registrant.
23.1	--Consent of KPMG LLP.
23.2	--Consent of Wachtell, Lipton, Rosen & Katz (included in Exhibit 5.1).**
24.1	--Powers of Attorney.*
24.2	--Power of Attorney of Ronald D. Mambu.
99.1	--Consent of Mike R. Bowlin to be Named a Director Nominee.
99.2	--Consent of B. A. Bridgewater to be Named a Director Nominee.
99.3	--Consent of Asbjorn Larsen to be Named a Director Nominee.
99.4	--Consent of Edward J. Mooney to be Named a Director Nominee.

99.5 --Consent of William J. Reilly to be Named a Director Nominee.

99.6 --Consent of James M. Ringler to be Named a Director Nominee.

99.7 --Consent of James R. Thompson to be Named a Director Nominee.

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* Previously filed.

** To be filed by amendment.

Exhibit 3.1

FORM OF AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

FMC TECHNOLOGIES, INC.

FMC TECHNOLOGIES, INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY AS FOLLOWS:

1. The name of the Corporation is "FMC Technologies, Inc." The Corporation was originally incorporated under the name "FMC Technologies, Inc.", and the original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on November 13, 2000.

2. This Amended and Restated Certificate of Incorporation ("Certificate of Incorporation") was duly adopted in accordance with Section 245 of the General Corporation Law of the State of Delaware. Pursuant to Sections 242 and 228 of the General Corporation Law of the State of Delaware, the amendments and restatement herein set forth have been duly adopted by the Board of Directors and the sole stockholder of the Corporation.

3. Pursuant to Section 245 of the General Corporation Law of the State of Delaware, this Certificate of Incorporation restates and integrates and amends the provisions of the Certificate of Incorporation of this Corporation.

4. The text of the Certificate of Incorporation is hereby restated and amended to read in its entirety as follows:

ARTICLE I

The name of the corporation (which is hereinafter referred to as the "Corporation") is:

FMC Technologies, Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware.

ARTICLE IV

Section 1. The Corporation shall be authorized to issue 207,000,000 shares of capital stock, of which 195,000,000 shares shall be shares of Common Stock, $0.01 par value ("Common Stock"), and 12,000,000 shares shall be shares of Preferred Stock, $0.01 par value ("Preferred Stock").

Section 2. Shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the "Board of Directors") is hereby authorized by resolution or resolutions to fix the voting powers, if any, designations, powers, preferences and the relative, participation, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, of any unissued series of Preferred Stock; and to fix the number of shares constituting such series, and to increase or decrease the number of shares of any such series (but not below the number of shares thereof then outstanding).

Section 3. Except as otherwise provided by law or by the resolution or resolutions adopted by the Board of Directors designating the rights, power and preferences of any Preferred Stock, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes. Each share of Common Stock shall have one vote, and the Common Stock shall vote together as a single class.

ARTICLE V

Section 1. In anticipation of the possibility (i) that the Corporation will not be a wholly-owned subsidiary of FMC Corporation and that FMC Corporation may be a majority or significant stockholder of the Corporation, (ii) that the officers and/or directors of the Corporation may also serve as officers and/or directors of FMC Corporation, (iii) that the Corporation and FMC Corporation may engage in the same or similar activities or lines of

business and have an interest in the same areas of corporate opportunities, and (iv) in recognition of the benefits to be derived by the Corporation through its continued contractual, corporate and business relations with FMC Corporation (including possible service of officers and directors of FMC Corporation as officers and directors of the Corporation), the provisions of this Article V are set forth to regulate and shall, to the fullest extent permitted by law, define the conduct of certain affairs of the Corporation as they may involve FMC Corporation and its officers and directors, and the powers, rights, duties and liabilities of the Corporation and its officers, directors and stockholders in connection therewith.

Section 2. Except as may be otherwise provided in a written agreement between the Corporation and FMC Corporation, FMC Corporation shall have no duty to refrain from engaging in the same or similar activities or lines of business as the Corporation, and, to the fullest extent permitted by law, neither FMC Corporation nor any officer or director thereof (except as provided in Section 3 of this Article V) shall be liable to the Corporation or its stockholders for breach of any fiduciary duty by reason of any such activities of FMC Corporation. In the event that FMC Corporation acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both FMC Corporation and the Corporation, FMC Corporation shall, to the fullest extent permitted by law, have no duty to communicate or offer such corporate opportunity to the Corporation and shall, to the fullest extent permitted by law, not be liable to the Corporation or its stockholders for breach of any fiduciary duty as a stockholder of the Corporation by reason of the fact that FMC Corporation pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person, or does not communicate information regarding such corporate opportunity to the Corporation.

Section 3. In the event that a director or officer of the Corporation who is also a director or officer of FMC Corporation acquires knowledge of a potential transaction or matter which may be a corporate opportunity for both the Corporation and FMC Corporation, such director or officer of the Corporation shall, to the fullest extent permitted by law, have fully satisfied and fulfilled the fiduciary duty of such director or officer to the Corporation and its stockholders with respect to such corporate opportunity, if such director or officer acts in a manner consistent with the following policy:

(a) a corporate opportunity offered to any person who is an officer of the Corporation, and who is also a director but not an officer of FMC Corporation, shall belong to the Corporation;

(b) a corporate opportunity offered to any person who is a director but not an officer of the Corporation, and who is also a director or officer of FMC Corporation shall belong to the Corporation if such opportunity is expressly offered to such person in his or her capacity as a director of the Corporation, and otherwise shall belong to FMC Corporation; and

(c) a corporate opportunity offered to any person who is an officer of both the Corporation and FMC Corporation shall belong to the Corporation if such opportunity is expressly offered to such person in

his or her capacity as an officer of the Corporation, and otherwise shall belong to FMC Corporation.

Section 4. Any person purchasing or otherwise acquiring any interest in shares of the capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article V.

Section 5. For purposes of this Article V only:

(a) A director of the Corporation who is Chairman of the Board of Directors or of a committee thereof shall not be deemed to be an officer of the Corporation by reason of holding such position (without regard to whether such position is deemed an office of the Corporation under the Amended and Restated By-Laws ("By-Laws") of the Corporation), unless such person is an employee of the Corporation; and

(b) The term "Corporation" shall mean the Corporation and all corporations, partnerships, joint ventures, associations and other entities in which the Corporation beneficially owns (directly or indirectly) 50 percent or more of the outstanding voting stock, voting power, partnership interests or similar voting interests. The term "FMC Corporation" shall mean FMC Corporation, a Delaware corporation, and any successor thereof, and all corporations, partnerships, joint ventures, associations and other entities (other than the Corporation, as defined in accordance with this paragraph) in which FMC Corporation beneficially owns

(directly or indirectly) 50 percent or more of the outstanding voting stock, voting power, partnership interests or similar voting interests.

Section 6. Anything in this Certificate of Incorporation to the contrary notwithstanding, the foregoing provisions of this Article V shall terminate, expire and have no further force and effect on the date that (i) FMC Corporation ceases to beneficially own Common Stock representing at least 20 percent of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors and (ii) no person who is a director or officer of the Corporation is also a director or officer of FMC Corporation. Neither the alteration, amendment, termination, expiration or repeal of this Article V nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article V shall eliminate or reduce the effect of this Article V in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article V, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

ARTICLE VI

Section 1. Except as otherwise provided by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any Preferred Stock, the number of directors of the Corporation shall be fixed, and may be increased or decreased from time to time, exclusively by resolution of the Board of Directors.

Section 2. Unless and except to the extent that the By-Laws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

Section 3. The directors, other than those who may be elected by the holders of any class or series of Preferred Stock as set forth in this Certificate of Incorporation, shall be divided into three classes, as nearly equal in number as possible and designated Class I, Class II and Class III. Class I shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2002, Class II shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2003, and Class III shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2004. Members of each class

shall hold office until their successors are elected and qualified. At each succeeding annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected

for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. In case of any increase or decrease, from time to time, in the number of directors, other than those who may be elected by the holders of any class or series of Preferred Stock as set forth in this Certificate of Incorporation, the number of directors in each class shall be apportioned as nearly equal as possible.

Section 4. Except as otherwise provided by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any Preferred Stock, any director or the entire Board of Directors may be removed from office at any time with or without cause, but only by the affirmative vote of the holders of at least 80 percent of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

Section 5. Except as otherwise provided by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any Preferred Stock, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by the sole remaining director. Any director so chosen shall hold office until his or her successor shall be elected and qualified and, if the Board of Directors at such time is classified, until the next election of the class for which such director shall have been chosen. No decrease in the number of directors shall shorten the term of any incumbent director.

ARTICLE VII

In furtherance and not in limitation of the powers conferred by law, the Board of Directors is expressly authorized and empowered to adopt, amend and repeal the By-Laws of the Corporation at any regular or special meeting of the Board of Directors or by written consent,

subject to the power of the stockholders of the Corporation to adopt, amend or repeal any By-Laws. Notwithstanding any other provision of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Certificate of Incorporation or by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of such Preferred Stock, the affirmative vote of the holders of at least 80 percent of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for stockholders to adopt, amend or repeal any provision of the By-Laws.

ARTICLE VIII

The Corporation reserves the right at any time from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law. All rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article. Notwithstanding any other provision of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Certificate of Incorporation or by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of such Preferred Stock, the affirmative vote of not less than 80% of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend, alter, change or repeal, or adopt any provision inconsistent with, Article V, Article VI, Article VII, Article X and this sentence of this Certificate of Incorporation.

ARTICLE IX

Section 1. Elimination of Certain Liability of Directors. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended.

Any repeal or modification of the foregoing paragraph shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

Section 2. Indemnification and Insurance.

(a) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, to the fullest extent permitted by law, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that,

except as provided in paragraph (b) hereof, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The Corporation may, by action of the Board, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(b) Right of Claimant to Bring Suit. If a claim under paragraph (a) of this Section is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been

tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board, independent legal counsel, or its stockholders) that the

claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-law, agreement, vote of stockholders or disinterested directors or otherwise.

(d) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

ARTICLE X

Any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted; provided, however, that at such time as FMC Corporation and its affiliates cease to beneficially own 50 percent or more of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken by stockholders may be effected only at a duly called annual or special meeting of stockholders and may not be effected by a written consent or consents by stockholders in lieu of such a meeting.

Except as otherwise required by law or provided by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any Preferred Stock, special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of

Directors and any power of stockholders to call a special meeting is specifically denied. No business other than that stated in the notice of the special meeting shall be transacted at any special meeting.

ARTICLE XI

The Corporation elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware until the first date on which FMC Corporation and its affiliates cease to beneficially own 15 percent or more of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors, at which time Section 203 of the General Corporation Law of the State of Delaware shall apply to the Corporation.

IN WITNESS WHEREOF, FMC Technologies, Inc. has caused this Amended and

Restated Certificate of Incorporation to be executed by ______________, its ______________ this ______ day of ___________, 2001.

____

Name:

Title:

Exhibit 3.2

FORM OF AMENDED AND RESTATED

BY-LAWS

OF

FMC TECHNOLOGIES, INC.

Incorporated under the Laws of the State of Delaware

===

ARTICLE I

OFFICES

SECTION 1.1. Principal Delaware Office. The principal office of the Corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle, and the name and address of the Registered Agent in charge thereof shall be The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 1.2. Other Offices. The Corporation may also have offices in such other places, both within and without the State of Delaware, as the Board of Directors from time to time may designate or the business of the Corporation may require.

ARTICLE II

CORPORATE SEAL

The corporate seal shall be circular in form, with the words "FMC Technologies, Inc." around the circumference thereof and with the words and figures "Corporate Seal, Delaware, 2000" in the center thereof (or substantially in such form).

ARTICLE III

STOCKHOLDERS

SECTION 3.1. Meetings of Stockholders.

(A) Annual Meetings. The annual meeting of the stockholders of the Corporation shall be held on such date and at such time as may be fixed by resolution of the Board of Directors. At the annual meeting stockholders shall elect Directors and transact such other business as properly may be brought before the meeting.

(B) Special Meetings. Subject to the rights of the holders of any series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation ("Preferred Stock") with respect to such series of Preferred Stock, special meetings of the stockholders may be called only by the Board of Directors pursuant to a resolution approved by a majority of the total number of directors which the Corporation would have if there were no vacancies (the "Whole Board").

(C) Place of Meetings. Unless otherwise directed by the Board of Directors, all meetings of the stockholders shall be held at the principal office of the Corporation.

(D) Notice of Meeting. Written or printed notice, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his or

her address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Article IX of these By-Laws. Any previously scheduled meeting of the stockholders may be postponed, and any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors.

SECTION 3.2. Quorum of Stockholders; Adjournment; Required Vote.

(A) Quorum of Stockholders; Adjournment. Except as otherwise provided by law, by the Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") or by these By-Laws, the holders of a majority of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), present in person or represented by proxy, shall constitute a quorum at a meeting of the stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The presiding officer of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

(B) Required Vote. When a quorum is present, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders, unless the matter to be acted upon is one upon which by express provision of law, Certificate of Incorporation or these By-Laws a larger

or different vote is required, in which case such express provision shall govern and control the decision of such matter.

SECTION 3.3. Voting by Stockholders. Each stockholder of record entitled to vote at any meeting may do so in person or by proxy appointed by instrument in writing (or in such manner prescribed by the General Corporation Law of the State of Delaware), subscribed by such stockholder or his duly authorized attorney in fact, and filed with the Secretary.

SECTION 3.4. Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders. (1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this By-Law, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such

meeting is first made by the Corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (A)(2) of this By-Law shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(C) General. (1) Only such persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this By-Law and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this By-Law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

SECTION 3.5. Procedure for Election of Directors. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot.

SECTION 3.6. Inspectors of Elections; Opening and Closing the Polls. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the presiding officer of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law. The presiding officer of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

SECTION 3.7. Stockholder Action by Written Consent.

(A) Until such time as FMC Corporation and its affiliates cease to beneficially own 50 percent or more of the total voting power of all classes of outstanding capital stock of the Corporation entitled to vote generally in the election of directors (the "FMC Corporation Required Percentage"), any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted.

(B) At such time as FMC Corporation and its affiliates cease to beneficially own the FMC Corporation Required Percentage, any action required or permitted to be taken by stockholders may be effected only at a duly called annual or special meeting of stockholders and may not be effected by a written consent or consents by stockholders in lieu of such a meeting.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 4.1. Number, Tenure and Qualifications. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the

number of directors of the Corporation shall be fixed, and may be increased or decreased from time to time, exclusively by resolution approved by the affirmative vote of a majority of the Whole Board. The directors, other than those who may be elected by the holders of any outstanding series of Preferred

Stock as set forth in the Certificate of Incorporation, shall be divided into three classes, as nearly equal in number as possible and designated Class I, Class II and Class III. Class I shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2002, Class II shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2003, and Class III shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2004. Members of each class shall hold office until their successors are elected and qualified. At each succeeding annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. In case of any increase or decrease, from time to time, in the number of directors, other than those who may be elected by the holders of any outstanding series of Preferred Stock as set forth in the Certificate of Incorporation, the number of directors in each class shall be apportioned as nearly equal as possible.

SECTION 4.2. Removal of Directors. Subject to the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, any director or the entire Board of Directors may be removed from office at any time with or without cause, but only by the affirmative vote of the holders of at least 80 percent of the total voting power of all outstanding shares of Voting Stock, voting together as a single class.

SECTION 4.3. Vacancies on Board. Subject to applicable law and the rights of the holders of any series of Preferred Stock with respect to such series of Preferred Stock, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by the sole remaining director. Any director so chosen shall hold office until his or her successor shall be elected and qualified and, if the Board of Directors at such time is classified, until the next election of the class for which such director shall have been chosen. No decrease in the number of directors shall shorten the term of any incumbent director.

SECTION 4.4. Powers.

(A) General Powers. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

(B) Appointment of Committees. The Board of Directors may designate two or more of their number to constitute an Executive Committee, which Committee shall have and may exercise, when the Board of Directors is not in session, all of the powers of the Board of

Directors in the management of the business and affairs of the Corporation, including the power to appoint Assistant Secretaries and Assistant Treasurers, and to authorize the seal of the Corporation to be affixed to all papers which may require it. The Executive Committee may make rules for the calling, holding and conduct of its meetings and the keeping of records thereof.

The Board of Directors may also appoint other committees from their own number, the number (not less than two) composing such committees, and the powers conferred upon them, to be determined by such resolution or resolutions.

In the absence or disqualification of any member of the Executive Committee or any other committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Meetings of any Committee designated by the Board of Directors may be called by the Board of Directors or by the Chairman of the Committee at any time or place upon at least twenty-four (24) hours notice. One third of the members

of a Committee, but not less than two members, shall constitute a quorum of a Committee for the transaction of business.

(C) Dividends. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 4.5. Meetings of Directors.

(A) Regular Meetings. Regular meetings of the Board of Directors shall be held at such place within or without the State of Delaware, and at such times, as the Board of Directors by vote may determine from time to time, and if so determined no notice thereof need be given. After each election of directors, the newly constituted Board of Directors shall meet without notice for the purpose of electing officers and transacting such other business as lawfully may come before it.

(B) Special Meetings. Special meetings of the Board of Directors may be held at any time or place, within or without the State of Delaware, whenever called by the Chairman of the Board, the President, the Chief Financial Officer, the Secretary or a majority of the whole Board of Directors.

(C) Notice of Meetings. Notice of any special meeting of directors shall be given to each director at his or her business or residence in writing by hand delivery, first-class or overnight mail or courier service, telegram or facsimile transmission, or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, overnight mail or courier service, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company or the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If by facsimile transmission, such notice shall be deemed adequately delivered

when the notice is transmitted at least twelve (12) hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Such notice need not state the purposes of such meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these By-Laws, as provided under Article X. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Article IX of these By-Laws.

(D) Telephonic Meetings. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

(E) Action by Consent of Board of Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

SECTION 4.6. Quorum of Directors. Subject to Section 4.3, a whole number of directors equal to a majority of the Whole Board shall constitute a quorum of the Board of Directors for the transaction of business, but a majority of directors present may adjourn the meeting from time to time until a quorum is present.

When a quorum is present at any meeting of directors, a majority of the members present thereat shall decide any question brought before such meeting, except as otherwise provided by law, the certificate of incorporation or these By-Laws.

ARTICLE V

BOOKS AND RECORDS

Unless otherwise required by the laws of Delaware, the books and records of the Corporation may be kept at the principal office of the Corporation, or at any other place or places inside or outside the State of Delaware, as the Board of Directors from time to time may designate.

ARTICLE VI

OFFICERS

SECTION 6.1. Number and Titles. The officers of the Corporation shall be a Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary, a Treasurer, and a Controller, all of whom shall be elected by the Board of Directors. The Board of Directors or the Chief Executive Officer may appoint such other officers, including

one or more Vice Chairmen, Assistant Secretaries, Assistant Treasurers and Assistant Controllers as either of them shall deem necessary, who shall have such authority and perform such duties as may be prescribed in such appointment.

Any two or more offices, other than the offices of President and Secretary, may be held by the same person.

SECTION 6.2. Tenure of Office. Officers of the Corporation shall hold their respective offices at the pleasure of the Board of Directors and, in the case of officers who were appointed by the Executive Committee or by the Chief Executive Officer, also at the pleasure of such appointing authority.

SECTION 6.3. Duties of Officers.

(A) Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors, of the Executive Committee and of the stockholders of the Corporation. He shall perform such other duties as may from time-to-time be assigned to him by the Board of Directors.

(B) Chief Executive Officer. The Chief Executive Officer of the Corporation shall be in general charge and super-vision of the affairs of the Corporation.

(C) Vice Chairman. The Vice Chairman shall perform such duties as from time-to-time may be assigned to him by the Chairman of the Board or the Chief Executive Officer of the Corporation.

(D) President. The President shall perform such duties as from time-to-time may be assigned to him by the Board of Directors or the Chief Executive Officer of the Corporation.

(E) Vice Presidents. Each Vice President shall have such powers and shall perform such duties as may be assigned to him by the senior officers of the Corporation or by the Board of Directors. The Board of Directors may designate one or more vice Presidents as Executive Vice Presidents or Senior Vice Presidents, or make such other designations of vice Presidents as it may deem appropriate.

(F) Secretary. The Secretary shall attend and record all proceedings of the meetings of the Board of Directors, the stockholders, and the Executive Committee; shall be custodian of the corporate seal and affix such seal to all documents requiring the same; shall cause to be maintained a stock transfer book, and a stock ledger, and such other books as the Board of Directors may direct; shall serve all notices required by law, or by these By-Laws, or by resolution of the Board of Directors; and shall perform such other duties as pertain to the office of Secretary, subject to the control of the Board of Directors.

(G) Assistant Secretaries. The Assistant Secretaries shall assist the Secretary in the performance of his duties, and shall perform such other duties as the Board of Directors or the Chief Executive Officer from time to time may prescribe. If at any time the Secretary shall be unable to act, an Assistant Secretary may perform his duties.

(H) Treasurer. The Treasurer shall perform all duties commonly incident to that office (including, but without limitation, the care and custody of the funds and securities of the Corporation which from time to time may come into his hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board of Directors may authorize or direct) and, in addition, such other duties as the Board of Directors from time to time may prescribe.

(I) Assistant Treasurers. Assistant Treasurers shall assist the Treasurer in the performance of his duties, and shall discharge such other duties as the Board of Directors or the Chief Executive Officer from time to time may prescribe.

(J) Controller. The Controller shall be the principal accounting officer of the Corporation, and shall maintain adequate records of all assets, liabilities and transactions of the Corporation; and shall cause adequate audits of the Corporation's accounting records to be currently and regularly made; and shall perform such other duties as the Board of Directors from time to time may prescribe.

(K) Assistant Controllers. Assistant Controllers shall assist the Controller in performance of his duties, and shall discharge such other duties as the Board of Directors or the Chief Executive Officer from time to time may prescribe.

ARTICLE VII

STOCK CERTIFICATES

SECTION 7.1. Stock Certificates. Every holder of stock shall be entitled to have a certificate or certificates duly numbered, certifying the number and class of shares in the Corporation owned by him, in such form as may be prescribed by the Board of Directors. Each such certificate shall be signed in the name of the Corporation by the Chairman of the Board, the President or a Vice President, and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. If any such certificate is countersigned (1) by a transfer agent other than the Corporation or its employee, or (2) by a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. All certificates shall be countersigned and registered in such manner as the Board of Directors may from time to time prescribe and there shall be impressed thereon the seal of the Corporation or imprinted thereon a facsimile of such seal. Any transfer agent may countersign by facsimile signature.

No registrar of any stock of the Corporation appointed pursuant to this Section 7.1 shall be the Corporation or its employee.

SECTION 7.2. Lost Certificates. In the case of the loss, mutilation or destruction of a stock certificate, a duplicate certificate may be issued upon such terms and conditions as the Board of Directors from time to time may prescribe.

SECTION 7.3. Transfers of Stock. Transfer of shares of stock of the Corporation shall be made on the books of the Corporation only by the person named in the certificate evidencing such stock or by any attorney lawfully constituted in writing, and upon surrender and cancellation of such certificate, with duly executed assignment and power of transfer endorsed thereon or attached thereto, and with such proof of authenticity of the signatures and authority of the signatories as the Corporation or its agents may reasonably require, except that a new certificate may be issued in the name of an appropriate state officer or office, without the surrender of the former certificate for shares presumed abandoned under the provisions of applicable state escheat or abandoned property laws. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly is not bound to recognize any equitable or other claim or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly otherwise provided by the laws of the

state of Delaware.

ARTICLE VIII

DEPOSITARIES AND CHECKS

Depositaries of the funds of the Corporation shall be designated by the Board of Directors; and all checks on such funds shall be signed by such officers or other employees of the Corporation as the Board of Directors from time to time may designate.

ARTICLE IX

WAIVER OF NOTICE

Any notice required to be given by law, by the certificate of incorporation, or by these By-Laws, may be waived by the person entitled thereto, either before or after the time stated in such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or committee thereof need be specified in any waiver of notice of such meeting.

ARTICLE X

AMENDMENT

These By-Laws may be altered, amended, or repealed at any meeting of the Board of Directors or of the stockholders, provided notice of the proposed change was given in the notice of the meeting and, in the case of a meeting of the Board of Directors, in a notice given not less than two days prior to the meeting; provided, however, that, in the case of amendments by the Board of Directors, notwithstanding any other provisions of these By-Laws or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of a majority of the Whole Board shall be required to alter, amend or repeal any provision of these By-Laws; provided, further, the case of amendments by stockholders, notwithstanding any other provisions of these By-Laws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law, the Certificate of Incorporation or these

By-Laws, the affirmative vote of the holders of at least 80 percent of the voting power of all the then outstanding shares of the Voting Stock, voting together as a single class, shall be required to alter, amend or repeal any provision of these By-Laws.

ARTICLE XI

INDEMNIFICATION AND INSURANCE

SECTION 11.1. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, claim or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs,

executors and administrators; provided, however, that except as provided in Section 11.3 of this Article XI, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Article XI shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition, such advances to be paid by the Corporation within 20 days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; provided, however, that if the General Corporation Law of the State of Delaware requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Article XI or otherwise.

SECTION 11.2. To obtain indemnification under this Article XI, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written

request by a claimant for indemnification pursuant to the first sentence of this Section 11.2, a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, (i) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (ii) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant, or (iii) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board of Directors unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a "Change of Control" as defined in the FMC Technologies, Inc. Incentive Compensation and Stock Plan, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board of Directors. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within 10 days after such determination.

SECTION 11.3. If a claim under Section 11.1 of this Article XI is not paid in full by the Corporation within thirty days after a written claim pursuant to Section 11.2 of this Article XI has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct which makes it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, Independent Counsel or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, Independent Counsel or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

SECTION 11.4. If a determination shall have been made pursuant to Section 11.2 of this Article XI that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to Section 11.3 of this Article XI.

SECTION 11.5. The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 11.3 of this Article XI that the procedures

and presumptions of this Article XI are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Article XI.

SECTION 11.6. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article XI shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-Laws, agreement, vote of stockholders or Disinterested Directors or otherwise. No repeal or modification of this Article XI shall in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

SECTION 11.7. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware. To the extent that the Corporation maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights to indemnification have been granted as provided in Section 11.8 of this Article XI, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

SECTION 11.8. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent or class of employees or agents of the Corporation (including the heirs, executors, administrators or estate of each such person) to the fullest extent of the provisions of this Article XI with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

SECTION 11.9. If any provision or provisions of this Article XI shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Article XI (including, without limitation, each portion of any paragraph of this Article XI containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Article XI (including, without limitation, each such portion of any paragraph of this Article XI containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

SECTION 11.10. For purposes of this Article XI:

(a) "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(b) "Independent Counsel" means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in

representing either the Corporation or the claimant in an action to determine the claimant's rights under this Article XI.

SECTION 11.11. Any notice, request or other communication required or permitted to be given to the Corporation under this Article XI shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

Exhibit 4.2

FORM OF

FMC TECHNOLOGIES, INC.

and

Rights Agreement

Dated as of __________, 2001

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Exhibit A - Form of Certificate of Designations

Exhibit B - Form of Right Certificate

Exhibit C - Summary of Rights to Purchase Preferred Shares

Agreement, dated as of _______________, 2001, between FMC Technologies, Inc., a Delaware corporation (the "Company"), and ________________, as rights agent (the "Rights Agent").

The Board of Directors of the Company has authorized and declared a dividend of one preferred share purchase right (a "Right") for each Common Share (as hereinafter defined) of the Company outstanding on ________, 2001 (the "Record Date"), each Right representing the right to purchase one one-hundredth of a Preferred Share (as hereinafter defined), upon the terms and subject to the conditions herein set forth, and has further authorized and directed the issuance of one Right with respect to each Common Share that shall become outstanding between the Record Date and the earliest of the Distribution Date, the Redemption Date and the Final Expiration Date (as such terms are hereinafter defined).

Accordingly, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 15% or more of the Common Shares of the Company then outstanding, but shall not include (i) the Company, (ii) any Subsidiary of the Company, (iii) any employee benefit plan of the Company or any Subsidiary of the Company, (iv) any entity holding Common Shares for or pursuant to the terms of any such plan, or (v) until the first date on which it ceases to beneficially own Common Shares representing at least 15% of the Common Shares of the Company then outstanding, FMC

Corporation, a Delaware corporation. Notwithstanding the foregoing, no Person shall become an "Acquiring Person" as the result of an acquisition of Common Shares by the Company which, by reducing the number of Common Shares of the Company outstanding, increases the proportionate number of Common Shares of the Company beneficially owned by such Person to 15% or more of the Common Shares of the Company then outstanding; provided, however, that, if a Person shall become the Beneficial Owner of 15% or more of the Common Shares of the Company then outstanding by reason of share purchases by the Company and shall, after such share purchases by the Company, become the Beneficial Owner of any additional Common Shares of the Company, then such Person shall be deemed to be an "Acquiring Person." Notwithstanding the foregoing, if the Board of Directors of the Company determines in good faith that a Person who would otherwise be an "Acquiring Person," as defined pursuant to the foregoing provisions of this paragraph (a), has become such inadvertently, and such Person divests as promptly as practicable a sufficient number of Common Shares so that such Person

would no longer be an "Acquiring Person," as defined pursuant to the foregoing provisions of this paragraph (a), then such Person shall not be deemed to be an "Acquiring Person" for any purposes of this Agreement.

(b) "Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement.

(c) "Associate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement.

(d) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than these Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to Section 1(d)(ii)(B) hereof) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

(e) "Business Day" shall mean any day other than a Saturday, a Sunday, or a day on which banking institutions in [State of Rights Agent] are authorized or obligated by law or executive order to close.

(f) "Close of Business" on any given date shall mean 5:00 P.M., [City of Rights Agent] time, on such date; provided, however, that, if such date is not a Business Day, it shall mean 5:00 P.M., [City of Rights Agent] time, on the next succeeding Business Day.

(g) "Common Shares" when used with reference to the Company shall mean the shares of common stock, par value $.01 per share, of the Company. "Common Shares" when used with reference to any Person other than the Company shall mean the capital stock (or equity interest) with the greatest voting power of such

other Person or, if such other Person is a

Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person.

(h) "Distribution Date" shall have the meaning set forth in Section 3(a) hereof.

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

(j) "Exchange Ratio" shall have the meaning set forth in Section 24(a) hereof.

(k) "Final Expiration Date" shall have the meaning set forth in Section 7(a) hereof.

(l) "NASDAQ" shall mean the National Association of Securities Dealers, Inc. Automated Quotation System.

(m) "Person" shall mean any individual, firm, corporation or other entity, and shall include any successor (by merger or otherwise) of such entity.

(n) "Preferred Shares" shall mean shares of Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company having the rights and preferences set forth in the Form of Certificate of Designations attached to this Agreement as Exhibit A.

(o) "Purchase Price" shall have the meaning set forth in Section 4 hereof.

(p) "Record Date" shall have the meaning set forth in the second paragraph hereof.

(q) "Redemption Date" shall have the meaning set forth in Section 7(a) hereof.

(r) "Redemption Price" shall have the meaning set forth in Section 23(a) hereof.

(s) "Right" shall have the meaning set forth in the second paragraph hereof.

(t) "Right Certificate" shall have the meaning set forth in Section 3(a) hereof.

(u) "Shares Acquisition Date" shall mean the first date of public announcement by the Company or an Acquiring Person that an Acquiring Person has become such.

(v) "Subsidiary" of any Person shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

(w) "Summary of Rights" shall have the meaning set forth in Section 3(b) hereof.

(x) "Trading Day" shall have the meaning set forth in Section 11(d) hereof.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company and the holders of the Rights (who, in accordance with Section 3 hereof, shall, prior to the Distribution Date, also be the holders of the Common Shares of the Company) in accordance with the terms and conditions hereof, and the Rights

Agent hereby accepts such appointment. The Company may from time to time appoint

such co-Rights Agents as it may deem necessary or desirable.

Section 3. Issue of Right Certificates. (a) Until the earlier of (i) the tenth day after the Shares Acquisition Date or (ii) the tenth Business Day (or such later date as may be determined by action of the Board of Directors of the Company prior to such time as any Person becomes an Acquiring Person) after the date of the commencement by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company or any entity holding Common Shares of the Company for or pursuant to the terms of any such plan) of a tender or exchange offer the consummation of which would result in any Person becoming the Beneficial Owner of Common Shares of the Company aggregating 15% or more of the then outstanding Common Shares of the Company (including any such date which is after the date of this Agreement and prior to the issuance of the Rights; the earlier of such dates being herein referred to as the "Distribution Date"), (x) the Rights will be evidenced (subject to the provisions of Section 3(b) hereof) by the certificates for Common Shares of the Company registered in the names of the holders thereof (which certificates shall also be deemed to be Right Certificates) and not by separate Right Certificates, and (y) the right to receive Right Certificates will be transferable only in connection with the transfer of Common Shares of the Company. As soon as practicable after the Distribution Date, the Company will prepare and execute, the Rights Agent will countersign, and the Company will send or cause to be sent (and the Rights Agent will, if requested, send) by first-class, insured, postage-prepaid mail, to each record holder of Common Shares of the Company as of the Close of Business on the Distribution Date, at the address of such holder shown on the records of the Company, a Right Certificate, in substantially the form of Exhibit B hereto (a "Right Certificate"), evidencing

one Right for each Common Share so held. As of the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(b) On the Record Date, or as soon as practicable thereafter, the Company will send a copy of a Summary of Rights to Purchase Preferred Shares, in substantially the form of Exhibit C hereto (the "Summary of Rights"), by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Record Date, at the address of such holder shown on the records of the Company. With respect to certificates for Common Shares of the Company outstanding as of the Record Date, until the Distribution Date, the Rights will be evidenced by such certificates registered in the names of the holders thereof together with a copy of the Summary of Rights attached thereto. Until the Distribution Date (or the earlier of the Redemption Date or the Final Expiration Date), the surrender for transfer of any certificate for Common Shares of the Company outstanding on the Record Date, with or without a copy of the Summary of Rights attached thereto, shall also constitute the transfer of the Rights associated with the Common Shares of the Company represented thereby.

(c) Certificates for Common Shares which become outstanding (including, without limitation, reacquired Common Shares referred to in the last sentence of this paragraph (c)) after the Record Date but prior to the earliest of the Distribution Date, the Redemption Date or the Final Expiration Date shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

> This certificate also evidences and entitles the holder hereof to certain rights as set forth in an Agreement between FMC Technologies, Inc. and _______________, dated as of _________, 2001, as it may be amended from time to time (the "Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of FMC Technologies, Inc. Under certain circumstances, as set forth in the Agreement, such Rights (as defined in the Agreement) will be evidenced by separate

> certificates and will no longer be evidenced by this certificate. FMC Technologies, Inc. will mail to the holder of this certificate a copy of the Agreement without charge after receipt of a written request therefor. As set forth in the Agreement, Rights beneficially owned by any Person (as defined in the Agreement) who becomes an Acquiring Person (as defined in the Agreement) become null and void.

With respect to such certificates containing the foregoing legend, until the Distribution Date, the Rights associated with the Common Shares of the Company represented by such certificates shall be evidenced by such certificates alone, and the surrender for transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares of the Company represented thereby. In the event that the Company purchases or acquires any Common Shares of the Company after the Record Date but prior to the Distribution Date, any Rights associated with such Common Shares of the Company shall be deemed cancelled and retired so that the Company shall not be entitled to exercise any Rights associated with the Common Shares of the Company which are no longer outstanding.

Section 4. Form of Right Certificates. The Right Certificates (and the forms of election to purchase Preferred Shares and of assignment to be printed on the reverse thereof) shall be substantially the same as Exhibit B hereto, and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any applicable rule or regulation made pursuant thereto or with any applicable rule or regulation of any stock exchange or the National Association of Securities Dealers, Inc., or to conform to usage. Subject to the provisions of Section 22 hereof, the Right Certificates shall entitle the holders thereof to purchase such number of one one-hundredths of a Preferred Share as shall be set forth therein at the price per one one-hundredth of a Preferred Share set forth therein (the "Purchase Price"), but the number of

such one one-hundredths of a Preferred Share and the Purchase Price shall be subject to adjustment as provided herein.

Section 5. Countersignature and Registration. The Right Certificates shall be executed on behalf of the Company by its Chairman of the Board, its Chief Executive Officer, its President, any of its Vice Presidents or its Treasurer, either manually or by facsimile signature, shall have affixed thereto the Company's seal or a facsimile thereof, and shall be attested by the Secretary or an Assistant Secretary of the Company, either manually or by facsimile signature. The Right Certificates shall be manually countersigned by the Rights Agent and shall not be valid for any purpose unless countersigned. In case any officer of the Company who shall have signed any of the Right Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates, nevertheless, may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the individual who signed such Right Certificates had not ceased to be such officer of the Company; and any Right Certificate may be signed on behalf of the Company by any individual who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the Company to sign such Right Certificate, although at the date of the execution of this Agreement any such individual was not such an officer.

Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its principal office, books for registration and transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced on its face by each of the Right Certificates and the date of each of the Right Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates. Subject to the provisions of Section 14 hereof, at any time after the Close of Business on the Distribution Date, and at or prior to the Close of Business on the earlier of the Redemption Date or the Final Expiration Date, any Right Certificate or Right Certificates (other than Right Certificates representing Rights that have become void pursuant to Section 11(a)(ii) hereof or that have been exchanged pursuant to Section 24 hereof) may be transferred, split up, combined or exchanged for another Right Certificate or Right Certificates entitling the registered holder to purchase a like number of one one-hundredths of a Preferred Share as the Right Certificate or Right Certificates surrendered

then entitled such holder to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Right Certificate or Right Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Right Certificate or Right Certificates to be transferred, split up, combined or exchanged at the principal office of the Rights Agent. Thereupon the Rights Agent shall countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Right Certificates.

Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and, at the Company's request, reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Right

Certificate if mutilated, the Company will make and deliver a new Right Certificate of like tenor to the Rights Agent for delivery to the registered holder in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights. (a) The registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein), in whole or in part, at any time after the Distribution Date, upon surrender of the Right Certificate, with the form of election to purchase on the reverse side thereof duly executed, to the Rights Agent at the principal office of the Rights Agent, together with payment of the Purchase Price for each one one-hundredth of a Preferred Share as to which the Rights are exercised, at or prior to the earliest of (i) the Close of Business on ____________, 2011 (the "Final Expiration Date"), (ii) the time at which the Rights are redeemed as provided in Section 23 hereof (the "Redemption Date"), or (iii) the time at which such Rights are exchanged as provided in Section 24 hereof.

(b) The Purchase Price for each one one-hundredth of a Preferred Share purchasable pursuant to the exercise of a Right shall initially be $_____, and shall be subject to adjustment from time to time as provided in Section 11 or 13 hereof, and shall be payable in lawful money of the United States of America in accordance with paragraph (c) below.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase duly executed, accompanied by payment of the Purchase Price for the shares to be purchased and an amount equal to any applicable transfer tax required to be paid by the holder of such Right Certificate in accordance with Section 9 hereof by certified check, cashier's check or money order payable to the order of the Company, the Rights Agent

shall thereupon promptly (i) (A) requisition from any transfer agent of the Preferred Shares certificates for the number of Preferred Shares to be purchased and the Company hereby irrevocably authorizes any such transfer agent to comply with all such requests, or (B) requisition from the depositary agent depositary receipts representing such number of one one-hundredths of a Preferred Share as are to be purchased (in which case certificates for the Preferred Shares represented by such receipts shall be deposited by the transfer agent of the Preferred Shares with such depositary agent) and the Company hereby directs such depositary agent to comply with such request; (ii) when appropriate, requisition from the Company the amount of cash to be paid in lieu of issuance of fractional shares in accordance with Section 14 hereof; (iii) promptly after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder; and (iv) when appropriate, after receipt, promptly deliver such cash to or upon the order of the registered holder of such Right Certificate.

(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued

by the Rights Agent to registered holder of such Right Certificate or to such holder's duly authorized assigns, subject to the provisions of Section 14 hereof.

Section 8. Cancellation and Destruction of Right Certificates. All Right Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in cancelled form, or, if surrendered to the Rights Agent, shall be cancelled by it,

and no Right Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Right Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all cancelled Right Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Right Certificates, and, in such case, shall deliver a certificate of destruction thereof to the Company.

Section 9. Availability of Preferred Shares. The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued Preferred Shares or any Preferred Shares held in its treasury the number of Preferred Shares that will be sufficient to permit the exercise in full of all outstanding Rights in accordance with Section 7 hereof. The Company covenants and agrees that it will take all such action as may be necessary to ensure that all Preferred Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Preferred Shares (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and nonassessable shares.

The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of the Right Certificates or of any Preferred Shares upon the exercise of Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Right Certificates to a Person other than, or the issuance or delivery of certificates or depositary receipts for the Preferred Shares in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise or to issue or to deliver any certificates or depositary receipts for Preferred Shares upon

the exercise of any Rights until any such tax shall have been paid (any such tax being payable by the holder of such Right Certificate at the time of surrender) or until it has been established to the Company's reasonable satisfaction that no such tax is due.

Section 10. Preferred Shares Record Date. Each Person in whose name any certificate for Preferred Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Preferred Shares represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any applicable transfer taxes) was made; provided, however, that, if the date of such surrender and payment is a date upon which the Preferred Shares transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Preferred Shares transfer books of the Company are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Right Certificate shall not be entitled to any rights of a holder of Preferred Shares for which the Rights shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Purchase Price, Number of Shares or Number of Rights. The Purchase Price, the number of Preferred Shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after the date of this Agreement (A) declare a dividend on the Preferred Shares payable in Preferred Shares, (B) subdivide the outstanding Preferred Shares, (C) combine the outstanding Preferred Shares into a smaller number of Preferred Shares or (D) issue any shares of its capital stock in a reclassification of the Preferred Shares (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), except as otherwise provided in this Section 11(a), the Purchase Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of capital stock issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive the aggregate number and kind of shares of capital stock which, if such Right had been exercised immediately prior to such date and at a time when the Preferred Shares transfer books of the Company were open, such holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right.

(ii) Subject to Section 24 hereof, in the event any Person becomes an Acquiring Person, each holder of a Right shall thereafter have a right to receive, upon exercise thereof at a price equal to the then current Purchase Price multiplied by the number of one one-hundredths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Agreement and in lieu of Preferred Shares, such number of Common Shares of the Company as shall equal the result obtained by (A) multiplying the then current Purchase Price by

the number of one one-hundredths of a Preferred Share for which a Right is then exercisable and dividing that product by (B) 50% of the then current per share market price of the Common Shares of the Company (determined pursuant to Section 11(d) hereof) on the date of the occurrence of such event. In the event that any Person shall become an Acquiring Person and the Rights shall then be outstanding, the Company shall not take any action which would eliminate or diminish the benefits intended to be afforded by the Rights.

From and after the occurrence of such event, any Rights that are or were acquired or beneficially owned by any Acquiring Person (or any Associate or Affiliate of such Acquiring Person) shall be void, and any holder of such Rights shall thereafter have no right to exercise such Rights under any provision of this Agreement. No Right Certificate shall be issued pursuant to Section 3 hereof that represents Rights beneficially owned by an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof; no Right Certificate shall be issued at any time upon the transfer of any Rights to an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof or to any nominee of such Acquiring Person, Associate or Affiliate; and any Right Certificate delivered to the Rights Agent for transfer to an Acquiring Person whose Rights would be void pursuant to the preceding sentence shall be cancelled.

(iii) In the event that there shall not be sufficient Common Shares issued but not outstanding or authorized but unissued to permit the exercise in full of the Rights in accordance with subparagraph (ii) above, the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exercise of the Rights. In the event the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional Common Shares, the Company shall substitute, for each

Common Share that would otherwise be issuable upon exercise of a Right, a number of Preferred Shares or fraction thereof such that the current per share market price of one Preferred Share multiplied by such number or fraction is equal to the current per share market price of one Common Share as of the date of issuance of such Preferred Shares or fraction thereof.

(b) In case the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Preferred Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Preferred Shares (or shares having the same rights, privileges and preferences as the Preferred Shares ("equivalent preferred shares")) or securities convertible into Preferred Shares or equivalent preferred shares at a price per Preferred Share or equivalent preferred share (or having a conversion price per share, if a security convertible into Preferred Shares or equivalent preferred shares) less than the then current per share market price of the Preferred Shares (as defined in Section 11(d)) on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Preferred Shares outstanding on such record date plus the number of Preferred Shares which the aggregate offering price of the total number of Preferred Shares and/or equivalent preferred shares so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such current market price and the denominator of which shall be the number of Preferred Shares outstanding on such record date plus the number of additional Preferred Shares and/or equivalent preferred shares to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible); provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital

stock of the Company issuable upon exercise of one Right. In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and holders of the Rights. Preferred Shares owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and, in the event that such rights, options or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(c) In case the Company shall fix a record date for the making of a distribution to all holders of the Preferred Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving corporation) of evidences of indebtedness or assets (other than a regular quarterly cash dividend or a dividend payable in Preferred Shares) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the then-current per share market price of the Preferred Shares on such record date, less the fair market value (as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and holders of the Rights) of the portion of the assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to one Preferred Share and the denominator of which

shall be such then-current per share market price of the Preferred Shares on such record date; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company to be issued upon exercise of one Right. Such adjustments shall be made successively whenever such a record date is fixed; and, in the event that such distribution is not so made, the Purchase Price shall again be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, the "current per share market price" of any security (a "Security" for the purpose of this Section 11(d)(i)) on any date shall be deemed to be the average of the daily closing prices per share of such Security for the 30 consecutive Trading Days immediately prior to such date; provided, however, that, in the event that the

current per share market price of the Security is determined during a period following the announcement by the issuer of such Security of (A) a dividend or distribution on such Security payable in shares of such Security or Securities convertible into such shares, or (B) any subdivision, combination or reclassification of such Security and prior to the expiration of 30 Trading Days after the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the current per share market price shall be appropriately adjusted to reflect the current market price per share equivalent of such Security. The closing price for each day shall be the last sale price, regular way, reported at or prior to 4:00 P.M. Eastern time or, in case no such sale takes place on such day, the average of the bid and asked prices, regular way, reported as of 4:00 P.M. Eastern time, in either case, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Security is

not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Security is listed or admitted to trading or, if the Security is not listed or admitted to trading on any national securities exchange, the last quoted price reported at or prior to 4:00 P.M. Eastern time or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported as of 4:00 P.M. Eastern time by NASDAQ or such other system then in use, or, if on any such date the Security is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Security selected by the Board of Directors of the Company. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the Security is listed or admitted to trading is open for the transaction of business, or, if the Security is not listed or admitted to trading on any national securities exchange, a Business Day.

(ii) For the purpose of any computation hereunder, the "current per share market price" of the Preferred Shares shall be determined in accordance with the method set forth in Section 11(d)(i). If the Preferred Shares are not publicly traded, the "current per share market price" of the Preferred Shares shall be conclusively deemed to be the current per share market price of the Common Shares as determined pursuant to Section 11(d)(i) hereof (appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof), multiplied by one hundred. If neither the Common Shares nor the Preferred Shares are publicly held or so listed or traded, "current per share market price" shall mean the fair value per share as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent.

(e) No adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Purchase Price; provided, however, that any adjustments which by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one one-millionth of a Preferred Share or one ten-thousandth of any other share or security as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three years from the date of the transaction which requires such adjustment or (ii) the date of the expiration of the right to exercise any Rights.

(f) If, as a result of an adjustment made pursuant to Section 11(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than Preferred Shares, thereafter the number of such other shares so receivable upon exercise of any Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in Section 11(a) through (c) hereof, inclusive, and the provisions of Sections 7, 9, 10 and 13 hereof with respect to the Preferred Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any

adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the adjusted Purchase Price, the number of one one-hundredths of a Preferred Share purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in Section 11(i) hereof, upon each adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and (c) hereof, each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of one one-hundredths of a Preferred Share (calculated to the nearest one one-millionth of a Preferred Share) obtained by (A) multiplying (x) the number of one one-hundredths of a share covered by a Right immediately prior to this adjustment by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price and (B) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Company may elect, on or after the date of any adjustment of the Purchase Price, to adjust the number of Rights in substitution for any adjustment in the number of one one-hundredths of a Preferred Share purchasable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be exercisable for the number of one one-hundredths of a Preferred Share for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Right Certificates have been issued, shall be at

least 10 days later than the date of the public announcement. If Right Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Right Certificates on such record date Right Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Right Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Right Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Right Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein, and shall be registered in the names of the holders of record of Right Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or in the number of one one-hundredths of a Preferred Share issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the Purchase Price and the number of one one-hundredths of a Preferred Share which were expressed in the initial Right Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below one one-hundredth of the then par value, if any, of the Preferred Shares issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Preferred Shares at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a

specified event, the Company may elect to defer until the occurrence of such event the issuing to the holder of any Right exercised after such record date of the Preferred Shares and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the Preferred Shares and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that it, in its sole discretion, shall determine to be advisable in order that any consolidation or subdivision of the Preferred Shares, issuance wholly for cash of any Preferred Shares at less than the current market price, issuance wholly for cash of Preferred Shares or securities which by their terms are convertible into or exchangeable for Preferred Shares, dividends on Preferred Shares payable in Preferred Shares or issuance of rights, options or warrants referred to in Section 11(b) hereof, hereafter made by the Company to holders of the Preferred Shares shall not be taxable to such stockholders.

(n) In the event that, at any time after the date of this Agreement and prior to the Distribution Date, the Company shall (i) declare or pay any dividend on the Common Shares payable in Common Shares, or (ii) effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares) into a greater or lesser number of Common Shares, then, in any such case, (A) the

number of one one-hundredths of a Preferred Share purchasable after such event upon proper exercise of each Right shall be determined by multiplying the number of one one-hundredths of a Preferred Share so purchasable immediately prior to such event by a fraction, the numerator of which is the number of Common Shares outstanding immediately before such event and the denominator of which is the number of Common Shares outstanding immediately after such event, and (B) each Common Share outstanding immediately after such event shall have issued with respect to it that number of Rights which each Common Share outstanding immediately prior to such event had issued with respect to it. The adjustments provided for in this Section 11(n) shall be made successively whenever such a dividend is declared or paid or such a subdivision, combination or consolidation is effected.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares. Whenever an adjustment is made as provided in Section 11 or 13 hereof, the Company shall promptly (a) prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment, (b) file with the Rights Agent and with each transfer agent for the Common Shares or the Preferred Shares and the Securities and Exchange Commission a copy of such certificate and (c) if such adjustment occurs at any time after the Distribution Date, mail a brief summary thereof to each holder of a Right Certificate in accordance with Section 25 hereof.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power. In the event, directly or indirectly, at any time after a Person has become an Acquiring Person, (a) the Company shall consolidate with, or merge with and into, any other Person, (b) any Person shall consolidate with the Company, or merge with and into the Company and the Company shall be the continuing or surviving corporation of such merger and, in connection

with such merger, all or part of the Common Shares shall be changed into or exchanged for stock or other securities of any other Person (or the Company) or cash or any other property, or (c) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one or more transactions, assets or earning power aggregating 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person other than the Company or one or more of its wholly-owned Subsidiaries, then, and in each such case, proper provision shall be made so that (i) each holder of a Right (except as otherwise provided herein) shall

thereafter have the right to receive, upon the exercise thereof at a price equal to the then current Purchase Price multiplied by the number of one one-hundredths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Agreement and in lieu of Preferred Shares, such number of Common Shares of such other Person (including the Company as successor thereto or as the surviving corporation) as shall equal the result obtained by (A) multiplying the then current Purchase Price by the number of one one-hundredths of a Preferred Share for which a Right is then exercisable and dividing that product by (B) 50% of the then current per share market price of the Common Shares of such other Person (determined pursuant to Section 11(d) hereof) on the date of consummation of such consolidation, merger, sale or transfer; (ii) the issuer of such Common Shares shall thereafter be liable for, and shall assume, by virtue of such consolidation, merger, sale or transfer, all the obligations and duties of the Company pursuant to this Agreement; (iii) the term "Company" shall thereafter be deemed to refer to such issuer; and (iv) such issuer shall take such steps (including, but not limited to, the reservation of a sufficient number of its Common Shares in accordance with Section 9 hereof) in connection with such consummation as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in

relation to the Common Shares of the Company thereafter deliverable upon the exercise of the Rights. The Company shall not consummate any such consolidation, merger, sale or transfer unless, prior thereto, the Company and such issuer shall have executed and delivered to the Rights Agent a supplemental agreement so providing. The Company shall not enter into any transaction of the kind referred to in this Section 13 if at the time of such transaction there are any rights, warrants, instruments or securities outstanding or any agreements or arrangements which, as a result of the consummation of such transaction, would eliminate or substantially diminish the benefits intended to be afforded by the Rights. The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or sales or other transfers.

Section 14. Fractional Rights and Fractional Shares. (a) The Company shall not be required to issue fractions of Rights or to distribute Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case, as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to

trading or, if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors of the Company. If on any such date no such market maker is making a market in the Rights, the fair value of the Rights on such date as determined in good faith by the Board of Directors of the Company shall be used.

(b) The Company shall not be required to issue fractions of Preferred Shares (other than fractions which are integral multiples of one one-hundredth of a Preferred Share) upon exercise of the Rights or to distribute certificates which evidence fractional Preferred Shares (other than fractions which are integral multiples of one one-hundredth of a Preferred Share). Fractions of Preferred Shares in integral multiples of one one-hundredth of a Preferred Share

may, at the election of the Company, be evidenced by depositary receipts, pursuant to an appropriate agreement between the Company and a depositary selected by it; provided that such agreement shall provide that the holders of such depositary receipts shall have all the rights, privileges and preferences to which they are entitled as beneficial owners of the Preferred Shares represented by such depositary receipts. In lieu of fractional Preferred Shares that are not integral multiples of one one-hundredth of a Preferred Share, the Company shall pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Preferred Share. For the purposes of this Section 14(b), the current market value of a Preferred Share shall be the

closing price of a Preferred Share (as determined pursuant to the second sentence of Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) The holder of a Right, by the acceptance of the Right, expressly waives such holder's right to receive any fractional Rights or any fractional shares upon exercise of a Right (except as provided above).

Section 15. Rights of Action. All rights of action in respect of this Agreement, excepting the rights of action given to the Rights Agent under Section 18 hereof, are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares), may, in such holder's own behalf and for such holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, such holder's right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement, and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

Section 16. Agreement of Right Holders. Every holder of a Right, by accepting the same, consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares;

(b) after the Distribution Date, the Right Certificates are transferable only on the registry books of the Rights Agent if surrendered at the principal office of the Rights Agent, duly endorsed or accompanied by a proper instrument of transfer; and

(c) the Company and the Rights Agent may deem and treat the person in whose name the Right Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificate or the associated Common Shares certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary.

Section 17. Right Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Right Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the Preferred Shares or any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to

give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25 hereof), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent. The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder, and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability in the premises.

The Rights Agent shall be protected and shall incur no liability for, or in respect of any action taken, suffered or omitted by it in connection with, its administration of this Agreement in reliance upon any Right Certificate or certificate for the Preferred Shares or Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper person or persons, or otherwise upon the advice of counsel as set forth in Section 20 hereof.

Section 19. Merger or Consolidation or Change of Name of Rights Agent. Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the stock transfer or corporate trust powers of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and, in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and, in all such cases, such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and, in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name

or in its changed name; and, in all such cases, such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal

counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer or the Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder to the Company and any other Person only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Right Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Right Certificate; nor shall it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 11(a)(ii) hereof) or any adjustment in the terms of the Rights (including the manner, method or amount thereof) provided for in Section 3, 11, 13, 23 or 24 hereof, or the ascertaining of the existence of facts that would require any such change or adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after actual notice that such change or adjustment is required); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares to be issued pursuant to this Agreement or any Right Certificate or as to whether any Preferred Shares will, when issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Secretary or the Treasurer of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such officer or for any delay in acting while waiting for those instructions.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or

through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, provided that reasonable care was exercised in the selection and continued employment thereof.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice in writing mailed to the Company and to each transfer agent of the Common Shares or

Preferred Shares by registered or certified mail, and to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares or Preferred Shares by registered or certified mail, and to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (which holder shall, with such notice, submit such holder's Right Certificate for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation organized and doing business under the laws of the United States or of the State of [State of Rights Agent] (or of any other state of the United States so long as such corporation is authorized to do business as a banking institution in the State of [State of Rights Agent]), in good standing, having an office in the State of [State of Rights Agent], which is authorized under such laws to exercise corporate trust or stock transfer powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least $50 million. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any

property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares or Preferred Shares, and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Right Certificates. Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by the Board of Directors of the Company to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Right Certificates made in accordance with the provisions of this Agreement.

Section 23. Redemption. (a) The Board of Directors of the Company may, at its option, at any time prior to such time as any Person becomes an Acquiring Person, redeem all but not less than all the then outstanding Rights at a redemption price of $.01 per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"). The redemption of the Rights by the Board of Directors of the Company may be made effective at such time, on such basis and with such conditions as the Board of Directors of the Company, in its sole discretion, may establish.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights pursuant to paragraph (a) of this Section 23, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. The Company shall promptly give public notice of any such redemption; provided, however, that the failure to give, or any defect in, any such notice shall not affect the validity of such redemption. Within 10 days after such action of the Board of Directors of the Company ordering the redemption of the Rights, the Company shall mail a notice of redemption to all the holders of the then outstanding Rights at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. Neither the Company nor any of its Affiliates or Associates may redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 23 or in Section 24 hereof, and other than in connection with the purchase of Common Shares prior to the Distribution Date.

Section 24. Exchange. (a) The Board of Directors of the Company may, at its option, at any time after any Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become void pursuant to the provisions of Section 11(a)(ii) hereof) for Common Shares at an exchange ratio of one Common Share per Right, appropriately adjusted to reflect any adjustment in the number of Rights pursuant to Section 11(i) (such exchange ratio being hereinafter referred to as the

"Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors of the Company shall not be empowered to effect such exchange at any time after any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or any such Subsidiary, or any entity holding Common Shares for or pursuant to the terms of any such plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the Common Shares then outstanding.

(b) Immediately upon the action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to paragraph (a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of a holder of such Rights shall be to receive that number of Common Shares equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall promptly give public notice of any such exchange; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Company promptly shall mail a notice of any such exchange to all of the holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Common Shares for Rights will be effected, and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become void pursuant to the provisions of Section 11(a)(ii) hereof) held by each holder of Rights.

(c) In the event that there shall not be sufficient Common Shares issued but not outstanding or authorized but unissued to permit any exchange of Rights as contemplated in

accordance with this Section 24, the Company shall take all such action as may be necessary to authorize additional Common Shares for issuance upon exchange of the Rights. In the event the Company shall, after good faith effort, be unable to take all such action as may be necessary to authorize such additional Common Shares, the Company shall substitute, for each Common Share that would otherwise be issuable upon exchange of a Right, a number of Preferred Shares or fraction thereof such that the current per share market price of one Preferred Share

multiplied by such number or fraction is equal to the current per share market price of one Common Share as of the date of issuance of such Preferred Shares or fraction thereof.

(d) The Company shall not be required to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. In lieu of such fractional Common Shares, the Company shall pay to the registered holders of the Right Certificates with regard to which such fractional Common Shares would otherwise be issuable an amount in cash equal to the same fraction of the current market value of a whole Common Share. For the purposes of this paragraph (d), the current market value of a whole Common Share shall be the closing price of a Common Share (as determined pursuant to the second sentence of Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of exchange pursuant to this Section 24.

Section 25. Notice of Certain Events. (a) In case the Company shall, at any time after the Distribution Date, propose (i) to pay any dividend payable in stock of any class to the holders of the Preferred Shares or to make any other distribution to the holders of the Preferred Shares (other than a regular quarterly cash dividend), (ii) to offer to the holders of the Preferred Shares rights or warrants to subscribe for or to purchase any additional Preferred Shares or shares of stock of any class or any other securities, rights or options, (iii) to effect any

reclassification of the Preferred Shares (other than a reclassification involving only the subdivision of outstanding Preferred Shares), (iv) to effect any consolidation or merger into or with, or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one or more transactions, of 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to, any other Person, (v) to effect the liquidation, dissolution or winding up of the Company, or (vi) to declare or pay any dividend on the Common Shares payable in Common Shares or to effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares), then, in each such case, the Company shall give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, or distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the Common Shares and/or Preferred Shares, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least 10 days prior to the record date for determining holders of the Preferred Shares for purposes of such action, and, in the case of any such other action, at least 10 days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the Common Shares and/or Preferred Shares, whichever shall be the earlier.

(b) In case the event set forth in Section 11(a)(ii) hereof shall occur, then the Company shall, as soon as practicable thereafter, give to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of the occurrence of such event, which notice shall

describe such event and the consequences of such event to holders of Rights under Section 11(a)(ii) hereof.

Section 26. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

FMC Technologies, Inc.
200 East Randolph Drive
Chicago, Illinois 60601
Attention: Corporate Secretary

Subject to the provisions of Section 21 hereof, any notice or demand authorized

by this Agreement to be given or made by the Company or by the holder of any Right Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

[Name of Rights Agent]

[Address of Rights Agent]
Attention:

Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Right Certificate shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Company.

Section 27. Supplements and Amendments. The Company may from time to time supplement or amend this Agreement without the approval of any holders of Right Certificates in order to cure any ambiguity, to correct or supplement any provision contained

herein which may be defective or inconsistent with any other provisions herein, or to make any other provisions with respect to the Rights which the Company may deem necessary or desirable, any such supplement or amendment to be evidenced by a writing signed by the Company and the Rights Agent; provided, however, that, from and after such time as any Person becomes an Acquiring Person, this Agreement shall not be amended in any manner which would adversely affect the interests of the holders of Rights. Without limiting the foregoing, the Company may at any time prior to such time as any Person becomes an Acquiring Person amend this Agreement to lower the thresholds set forth in Section 1(a) and 3(a) hereof to not less than 10% (the "Reduced Threshold"); provided, however, that no Person who beneficially owns a number of Common Shares equal to or greater than the Reduced Threshold shall become an Acquiring Person unless such Person shall, after the public announcement of the Reduced Threshold, increase its beneficial ownership of the then outstanding Common Shares (other than as a result of an acquisition of Common Shares by the Company) to an amount equal to or greater than the greater of (x) the Reduced Threshold or (y) the sum of (i) the lowest beneficial ownership of such Person as a percentage of the outstanding Common Shares as of any date on or after the date of the public announcement of such Reduced Threshold plus (ii) .001%.

Section 28. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for

the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares).

Section 30. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 31. Governing Law. This Agreement and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such state applicable to contracts to be made and performed entirely within such state.

Section 32. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be

deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 33. Descriptive Headings. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested, all as of the day and year first above written.

Attest:	FMC TECHNOLOGIES, INC.
By _______________________________	By ___________________________________
Name:	Name:
Title:	Title
Attest:	[Rights Agent]
By _______________________________	By ___________________________________
Name:	Name:
Title:	Title

Exhibit A

FORM

of

CERTIFICATE OF DESIGNATIONS

of

SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

of

FMC TECHNOLOGIES, INC.

(Pursuant to Section 151 of the

Delaware General Corporation Law)

FMC Technologies, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation as required by Section 151 of the General Corporation Law at a meeting duly called and held on _________________, 2001:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Certificate of Incorporation, the Board of Directors hereby creates a series of Preferred Stock, par value $.01 per share, of the Corporation (the "Preferred Stock"), and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series A Junior Participating Preferred Stock:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be __________. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock

with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value $.01 per share (the "Common Stock"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $1 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest.

Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Certificate of Designations creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to

dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment,

provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or

combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely

without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its Chairman of the Board and attested by its Secretary this _____ day of ___________, 2001.

____
Chairman of the Board

Attest:

____
Secretary

Exhibit B

Form of Right Certificate

Certificate No. R- _____ Rights

NOT EXERCISABLE AFTER _________, 2011 OR EARLIER IF REDEMPTION OR EXCHANGE OCCURS. THE RIGHTS ARE SUBJECT TO REDEMPTION AT $.01 PER RIGHT AND TO EXCHANGE ON THE TERMS SET FORTH IN THE AGREEMENT.

Right Certificate

FMC TECHNOLOGIES, INC.

This certifies that ____________________, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Agreement, dated as of __________, 2001 (the "Agreement"), between FMC Technologies, Inc., a Delaware corporation (the "Company"), and ____________________ (the "Rights Agent"), to purchase from the Company at any time after the Distribution Date (as such term is defined in the Agreement) and prior to 5:00 P.M., [City of Rights Agent] time, on __________, 2011 at the principal office of the Rights Agent, or at the office of its successor as Rights Agent, one one-hundredth of a fully paid non-assessable share of Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company (the "Preferred Shares"), at a purchase price of $______ per one one-hundredth of a Preferred Share (the "Purchase Price"), upon presentation and surrender of

this Right Certificate with the Form of Election to Purchase duly executed. The number of Rights evidenced by this Right Certificate (and the number of one one-hundredths of a Preferred Share which may be purchased upon exercise hereof) set forth above, and the Purchase Price set forth above, are the number and Purchase Price as of __________, 2001, based on the Preferred Shares as constituted at such date. As provided in the Agreement, the Purchase Price and the number of one one-hundredths of a Preferred Share which may be purchased upon the exercise of the Rights evidenced by this Right Certificate are subject to modification and adjustment upon the happening of certain events.

This Right Certificate is subject to all of the terms, provisions and conditions of the Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Right Certificates. Copies of the Agreement are on file at the principal executive offices of the Company and the offices of the Rights Agent.

This Right Certificate, with or without other Right Certificates, upon surrender at the principal office of the Rights Agent, may be exchanged for another Right Certificate or Right Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of Preferred Shares as the Rights evidenced by the Right Certificate or Right

Certificates surrendered shall have entitled such holder to purchase. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Agreement, the Rights evidenced by this Right Certificate (i) may be redeemed by the Company at a redemption price of $.01 per Right or (ii) may be exchanged in whole or in part for Preferred Shares or shares of the Company's Common Stock, par value $.01 per share.

No fractional Preferred Shares will be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions which are integral multiples of one one-hundredth of a Preferred Share, which may, at the election of the Company, be evidenced by depositary receipts), but, in lieu thereof, a cash payment will be made, as provided in the Agreement.

No holder of this Right Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Agreement), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by this Right Certificate shall have been exercised as provided in the Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal. Dated as of __________, ____.

ATTEST:	FMC TECHNOLOGIES, INC.
	By
--------------------------	------------------------------
Name:	Name:
Title:	Title:

Countersigned:

[Rights Agent]

By

Name:
Title:

Form of Reverse Side of Right Certificate

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED ________________________________ hereby sells, assigns and transfers unto ____
____
(Please print name and address of transferee)

____
this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint ____________________ Attorney, to transfer the within Right Certificate on the books of the within-named Company, with full power of substitution.

Dated: ___________________

____
Signature

Signature Guaranteed:

All Guarantees must be made by a financial institution (such as a bank or broker) which is a participant in the Securities Transfer Agents Medallion Program ("STAMP"), the New York Stock Exchange, Inc. Medallion Signature Program ("MSP"), or the Stock Exchanges Medallion Program ("SEMP") and must not be dated. Guarantees by a notary public are not acceptable.

The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not beneficially owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Agreement).

____
Signature

Form of Reverse Side of Right Certificate - continued

FORM OF ELECTION TO PURCHASE

(To be executed if holder desires to exercise Rights represented by the Right Certificate.)

To: FMC TECHNOLOGIES, INC.

The undersigned hereby irrevocably elects to exercise _________ Rights represented by this Right Certificate to purchase the Preferred Shares issuable upon the exercise of such Rights and requests that certificates for such Preferred Shares be issued in the name of:

Please insert social security
or other identifying number

(Please print name and address)

If such number of Rights shall not be all the Rights evidenced by this Right Certificate, a new Right Certificate for the balance remaining of such Rights shall be registered in the name of and delivered to:

Please insert social security
or other identifying number

(Please print name and address)

Dated: _________________

____
Signature

Signature Guaranteed:

All Guarantees must be made by a financial institution (such as a bank or broker) which is a participant in the Securities Transfer Agents Medallion Program ("STAMP"), the New York Stock Exchange, Inc. Medallion Signature Program ("MSP"), or the Stock Exchanges Medallion Program ("SEMP") and must not be dated. Guarantees by a notary public are not acceptable.

The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not beneficially owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Agreement).

____
Signature

NOTICE

The signature in the Form of Assignment or Form of Election to Purchase, as the case may be, must conform to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above in the Form of Assignment or the Form of Election to Purchase, as the case may be, is not completed, the Company and the Rights Agent will deem the beneficial owner of the Rights evidenced by this Right Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Agreement) and such Assignment or Election to Purchase will not be honored.

Exhibit C

SUMMARY OF RIGHTS TO PURCHASE PREFERRED SHARES

Introduction

On ______ __, 2001, the Board of Directors of our Company, FMC Technologies, Inc., a Delaware corporation, declared a dividend of one preferred share purchase right (a "Right") for each outstanding share of common stock, par value $.01 per share. The dividend is payable on _________ __, 2001 to the stockholders of record on _________ __, 2001.

Our Board has adopted this Rights Agreement to protect stockholders from coercive or otherwise unfair takeover tactics. In general terms, it works by imposing a significant penalty upon any person or group which acquires 15% or more of our outstanding common stock without the approval of our Board. The

Rights Agreement should not interfere with any merger or other business combination approved by our Board.

For those interested in the specific terms of the Rights Agreement as made between our Company and ____, as the Rights Agent, on ______ __, 2001, we provide the following summary description. Please note, however, that this description is only a summary, and is not complete, and should be read together with the entire Rights Agreement, which has been filed with the Securities and Exchange Commission as an exhibit to a Registration Statement on Form S-1 dated _________ __, 2001. A copy of the agreement is available free of charge from our Company.

The Rights. Our Board authorized the issuance of a Right with respect to each outstanding share of common stock on _________ __, 2001. The Rights will initially trade with, and will be inseparable from, the common stock. The Rights are evidenced only by certificates that represent shares of common stock. New Rights will accompany any new shares of common stock we issue after _________ __, 2001 until the Distribution Date described below.

Exercise Price. Each Right will allow its holder to purchase from our Company one one-hundredth of a share of Series A Junior Participating Preferred Stock ("Preferred Share") for $___, once the Rights become exercisable. This portion of a Preferred Share will give the stockholder approximately the same dividend, voting, and liquidation rights as would one share of common stock. Prior to exercise, the Right does not give its holder any dividend, voting, or liquidation rights.

Exercisability. The Rights will not be exercisable until

- 10 days after the public announcement that a person or group has become an "Acquiring Person" by obtaining beneficial ownership of 15% or more of our outstanding common stock, or, if earlier,

- 10 business days (or a later date determined by our Board before any person or group becomes an Acquiring Person) after a person or group begins a tender or exchange offer which, if completed, would result in that person or group becoming an Acquiring Person.

In light of FMC Corporation's substantial ownership position, the Rights Agreement contains provisions excluding FMC Corporation from the operation of the adverse terms of the Rights Agreement until the first time it ceases to beneficially own at least 15% of our outstanding common stock.

We refer to the date when the Rights become exercisable as the "Distribution Date." Until that date, the common stock certificates will also evidence the Rights, and any transfer of shares of common stock will constitute a transfer of Rights. After that date, the Rights will separate from the common stock and be evidenced by book-entry credits or by Rights certificates that we will mail to all eligible holders of common stock. Any Rights held by an Acquiring Person are void and may not be exercised.

Our Board may reduce the threshold at which a person or group becomes an Acquiring Person from 15% to not less than 10% of the outstanding common stock.

Consequences of a Person or Group Becoming an Acquiring Person.

- Flip In. If a person or group becomes an Acquiring Person, all holders of Rights except the Acquiring Person may, for $___, purchase shares of our common stock with a market value of $___, based on the market price of the common stock prior to such acquisition.

- Flip Over. If our Company is later acquired in a merger or similar transaction after the Rights Distribution Date, all holders of Rights except the Acquiring Person may, for $___, purchase shares of the acquiring corporation with a market value of $___ based on the market price of the acquiring corporation's stock, prior to such merger.

Preferred Share Provisions.

Each one one-hundredth of a Preferred Share, if issued:

- will not be redeemable.
- will entitle holders to quarterly dividend payments of $.01 per share, or an amount equal to the dividend paid on one share of common stock, whichever is greater.
- will entitle holders upon liquidation either to receive $1 per share or an amount equal to the payment made on one share of common stock, whichever is greater.
- will have the same voting power as one share of common stock.
- if shares of our common stock are exchanged via merger, consolidation, or a similar transaction, will entitle holders to a per share payment equal to the payment made on one share of common stock.

The value of one one-hundredth interest in a Preferred Share should approximate the value of one share of common stock.

Expiration. The Rights will expire on _________ __, 2011.

Redemption. Our Board may redeem the Rights for $.01 per Right at any time before any person or group becomes an Acquiring Person. If our Board redeems any Rights, it must redeem all of the Rights. Once the Rights are redeemed, the only right of the holders of Rights will be to receive the redemption price of $.01 per Right. The redemption price will be adjusted if we have a stock split or stock dividends of our common stock.

Exchange. After a person or group becomes an Acquiring Person, but before an Acquiring Person owns 50% or more of our outstanding common stock, our Board may extinguish the Rights by exchanging one share of common stock or an equivalent security for each Right, other than Rights held by the Acquiring Person.

Anti-Dilution Provisions. Our Board may adjust the purchase price of the Preferred Shares, the number of Preferred Shares issuable and the number of outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split, a reclassification of the Preferred Shares or common stock. No adjustments to the Exercise Price of less than 1% will be made.

Amendments. The terms of the Rights Agreement may be amended by our Board without the consent of the holders of the Rights. However, our Board may not amend the Rights Agreement to lower the threshold at which a person or group becomes an Acquiring Person to below 10% of our outstanding common stock. In addition, the Board may not cause a person or group to become an Acquiring Person by lowering this threshold below the percentage interest that such person or group already owns. After a person or group becomes an Acquiring Person, our Board may not amend the agreement in a way that adversely affects holders of the Rights.

Exhibit 10.4

FMC TECHNOLOGIES, INC.
INCENTIVE COMPENSATION AND STOCK PLAN

SECTION 1. PURPOSE

The purpose of the Plan is to give the Company a competitive advantage in attracting, retaining and motivating officers, employees, directors and consultants of the Company and its Affiliates.

SECTION 2. DEFINITIONS

2.1 GENERAL. For purposes of the Plan, the following terms are defined as set forth below:

(a) "AFFILIATE" means a corporation or other entity controlled by, controlling or under common control with the Company, including, without limitation, any corporation, partnership, joint venture or other entity during any period in which at least a fifty percent (50%) voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.

(b) "ANNUAL RETAINER" means the retainer fee established by the Board and paid to a Non-Employee Director for services on the Board for a specified year.

(c) "AWARD" means a Management Incentive Award, Stock Option, Stock Appreciation Right, Performance Unit, Restricted Stock or other award authorized under the Plan.

(d) "AWARD CYCLE" means a period of consecutive fiscal years or portions thereof designated by the Committee over which Awards are to be earned.

(e) "BOARD" means the Board of Directors of the Company.

(f) "BUSINESS UNIT" means a unit of the business of the Company or its Affiliates as determined by the Committee and the CEO.

(g) "CAPITAL EMPLOYED" means operating working capital plus net property, plant and equipment.

(h) "CAUSE" means (1) "Cause" as defined in any Individual Agreement to which the participant is a party, or (2) if there is no such Individual Agreement, or, if it does not define "Cause": (A) the participant having been convicted of, or pleading guilty or nolo contendere to, a felony under federal or state law; (B) the Willful and continued failure on the part of the participant to substantially perform his or her employment duties in any material respect (other than such failure resulting from Disability), after a written demand for substantial performance is delivered to the participant that specifically identifies the manner in which the Company believes the participant has failed to perform his or her duties, and after the

participant has failed to resume substantial performance of his or her duties within thirty (30) days of such demand; or (C) Willful and deliberate conduct on the part of the participant that is materially injurious to the Company or an Affiliate; or (D) prior to a Change in Control, such other events as will be determined by the Committee. The Committee will, unless otherwise provided in an Individual Agreement with the participant, determine whether "Cause" exists.

(i) "CEO" means the Company's chief executive officer.

(j) "CHANGE IN CONTROL" and "CHANGE IN CONTROL PRICE" have the meanings set forth in Sections 15.2 and 15.3, respectively.

(k) "CODE" means the Internal Revenue Code of 1986, as amended from time

to time, and any successor thereto.

(l) "COMMITTEE" means the Compensation and Organization Committee of the Board, or such other committee as the Board may from time to time designate.

(m) "COMMON STOCK" means (1) the common stock of the Company, par value $.10 per share, subject to adjustment as provided in Section 4.1 Shares Available for Issuance; or (2) if there is a merger or consolidation and the Company is not the surviving corporation, the capital stock of the surviving corporation given in exchange for such common stock of the Company.

(n) "COMPANY" means FMC Technologies, Inc., a Delaware corporation.

(o) "COVERED EMPLOYEE" means a participant who has received a Management Incentive Award, Restricted Stock or Performance Units, who has been designated as such by the Committee and who is or may be a "covered employee" within the meaning of Section 162(m)(3) of the Code in the year in which the Management Incentive Award, Restricted Stock or Performance Units are expected to be taxable to such participant.

(p) "DISABILITY" means, unless otherwise provided by the Committee, (1) "Disability" as defined in any Individual Agreement to which the participant is a party, or (2) if there is no such Individual Agreement, or, if it does not define "Disability," permanent and total disability as determined under the Company's long-term disability plan.

(q) "DISTRIBUTION" means FMC's distribution of its controlling interest in the Company.

(r) "DIVIDEND EQUIVALENT RIGHTS" means the right to receive cash, Stock Options, Restricted Stock or Performance Units, as determined by the Committee, in an amount equal to any dividends that would have been paid on a Stock Option, Restricted Stock or a Performance Unit, as applicable, with Dividend Equivalent Rights if such Stock Option, Restricted Stock or Performance Unit, as applicable, was a share of Common Stock held by the participant on the dividend payment

date. Unless the Committee determines that Dividend Equivalent Rights will be paid in cash as of the dividend payment date, such Dividend Equivalent Rights, once credited, will be converted into an equivalent number of Stock Options, shares of Restricted Stock or Performance Units, as applicable; provided, however, that the number of shares subject to any Award will always be a whole number. Unless otherwise determined by the Committee as of the dividend payment date, if a dividend is paid in cash, the number of Stock Options, shares of Restricted Stock or Performance Units into which a Dividend Equivalent Right will be converted will be calculated as of the dividend payment date, in accordance with the following formula:

$$(A \times B)/C$$

in which "A" equals the number of Stock Options, shares of Restricted Stock or Performance Units with Dividend Equivalent Rights held by the participant on the dividend payment date, "B" equals the cash dividend per share and "C" equals the Fair Market Value per share of Common Stock on the dividend payment date. Unless otherwise determined by the Committee as of the dividend payment date, if a dividend is paid in property other than cash, the number of Stock Options, shares of Restricted Stock or Performance Units, as applicable into which a Dividend Equivalent Right will be converted will be calculated, as of the dividend payment date, in accordance with the formula set forth above, except that "B" will equal the fair market value per share of the property which the participant would have received if the Stock Option, share of Restricted Stock or Performance Unit, as applicable, with Dividend Equivalent Rights held by the participant on the dividend payment date was a share of Common Stock.

(s) "EFFECTIVE DATE" means ___________, 2001, the date the Plan was adopted by the Board, subject to the approval by at least a majority

of the holders of outstanding shares of Common Stock of the Company.

(t) "ELIGIBLE INDIVIDUALS" means officers, employees, directors and consultants of the Company or any of its Affiliates, and prospective employees, directors and consultants who have accepted offers of employment, membership on a board or consultancy from the Company or its Affiliates, who are or will be responsible for or contribute to the management, growth or profitability of the business of the Company or its Affiliates, as determined by the Committee.

(u) "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

(v) "EXPIRATION DATE" means the date on which an Award becomes unexercisable and/or not payable by reason of lapse of time or otherwise as provided in Section 6.2 Expiration Date.

(w) "FAIR MARKET VALUE" means, except as otherwise provided by the Committee, as of any given date, the closing price for the shares on the New York Stock

Exchange for the specified date (as of 4 p.m. Eastern Standard Time or Eastern Daylight Savings Time, whichever is then in effect), or, if the shares were not traded on the New York Stock Exchange on such date, then on the next preceding date on which the shares were traded, all as reported by such source as the Committee may select.

(x) "FMC" means FMC Corporation.

(y) "GRANT DATE" means the date designated by the Committee as the date of grant of an Award.

(z) "INCENTIVE STOCK OPTION" means any Stock Option designated as, and qualified as, an "incentive stock option" within the meaning of Section 422 of the Code.

(aa) "INDIVIDUAL AGREEMENT" means a severance, employment, consulting or similar agreement between a participant and the Company or one of its Affiliates.

(bb) "IPO" means the initial registered public offering by FMC of shares of Common Stock of the Company.

(cc) "MANAGEMENT INCENTIVE AWARD" means an Award of cash, Common Stock, Restricted Stock or a combination of cash, Common Stock and Restricted Stock, as determined by the Committee.

(dd) "NET CONTRIBUTION" means for a Business Unit, its operating profit after-tax, less the product of (1) a percentage as determined by the Committee; and (2) the Business Unit's Capital Employed.

(ee) "NON-EMPLOYEE DIRECTOR" means each director of the Company who is not otherwise an employee of the Company or its Affiliates.

(ff) "NONQUALIFIED STOCK OPTION" means any Stock Option that is not an Incentive Stock Option.

(gg) "NOTICE" means the written evidence of an Award granted under the Plan in such form as the Committee will from time to time determine.

(hh) "PERFORMANCE GOALS" means the performance goals established by the Committee in connection with the grant of Management Incentive Awards, Restricted Stock or Performance Units as set forth in the Notice. In the case of Qualified Performance-Based Awards, Performance Goals will be set by the Committee within the time period prescribed by Section 162(m) of the Code and related regulations, and will be based on Net Contribution, or such other performance criteria selected by the Committee, including, without limitation, the Fair Market Value of the Common Stock, the Company's or a Business Unit's market share, sales, earnings, costs, productivity, return on equity or return on Capital Employed.

(ii) "PERFORMANCE UNITS" means an Award granted under Section 12 Performance Units.

(jj) "PLAN" means the FMC Technologies, Inc. Incentive Compensation and Stock Plan, as set forth herein and as hereinafter amended from time to time.

(kk) "QUALIFIED PERFORMANCE-BASED AWARD" means a Management Incentive Award, an Award of Restricted Stock or an Award of Performance Units designated as such by the Committee, based upon a determination that (1) the recipient is or may be a Covered Employee; and (2) the Committee wishes such Award to qualify for the Section 162(m) Exemption.

(ll) "RESTRICTED STOCK" means an Award granted under Section 11 Restricted Stock.

(mm) "SECTION 162(M) EXEMPTION" means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code.

(nn) "SEPARATION FROM SERVICE" means the cessation of a Non-Employee Director's service on the Board. Temporary absences from service on the Board because of illness, vacation or leave of absence will not be considered a Separation from Service.

(oo) "STOCK APPRECIATION RIGHT" means an Award granted under Section 10 Stock Appreciation Rights.

(pp) "STOCK OPTION" means an Award granted under Section 9 Stock Options.

(qq) "TERMINATION OF EMPLOYMENT" means the termination of the participant's employment with, or performance of services for, the Company and any of its Affiliates. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Affiliates will not be considered a Termination of Employment.

(rr) "VESTING DATE" means the date on which an Award becomes vested, and, if applicable, fully exercisable and/or payable by or to the participant as provided in Section 6.3 Vesting.

(ss) "WILLFUL" means any action or omission by the participant that was not in good faith and without a reasonable belief that the action or omission was in the best interests of the Company or its Affiliates. Any act or omission based upon authority given pursuant to a duly adopted resolution of the Board, or, upon the instructions of the CEO or any other senior officer of the Company, or, based upon the advice of counsel for the Company will be conclusively presumed to be taken or omitted by the participant in good faith and in the best interests of the Company and/or its Affiliates.

2.2 OTHER DEFINITIONS. In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

SECTION 3. ADMINISTRATION

3.1 COMMITTEE ADMINISTRATION. The Committee is the administrator of the Plan. Among other things, the Committee has the authority, subject to the terms of the Plan:

(a) To select the Eligible Individuals to whom Awards are granted;

(b) To determine whether and to what extent Awards are granted;

(c) To determine the amount of each Award;

(d) To determine the terms and conditions of any Award, including, but not limited to, the option price, any vesting condition, restriction or

limitation regarding any Award and the shares of Common Stock relating thereto, based on such factors as the Committee will determine;

(e) To modify, amend or adjust the terms and conditions of any Award, at any time or from time to time;

(f) To determine to what extent and under what circumstances Common Stock and other amounts payable with respect to an Award will be deferred; and

(g) To determine under what circumstances an Award may be settled in cash or Common Stock or a combination of cash and Common Stock.

The Committee has the authority to adopt, alter and repeal administrative rules, guidelines and practices governing the Plan, to interpret the terms and provisions of the Plan, any Award, any Notice and any other agreement relating to any Award and to take any action it deems appropriate for the administration of the Plan.

3.2 COMMITTEE ACTION. The Committee may act only by a majority of its members then in office unless it allocates or delegates its authority to a Committee member or other person to act on its behalf. Except to the extent prohibited by applicable law or applicable rules of a stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and may delegate all or any part of its responsibilities and powers to any other person or persons. Any such allocation or delegation may be revoked by the Committee at any time.

Any determination made by the Committee or its delegate with respect to any Award will be made in the sole discretion of the Committee or such delegate. All decisions of the Committee or its delegate are final, conclusive and binding on all parties.

3.3 BOARD AUTHORITY. Any authority granted to the Committee may also be exercised by the full Board. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action will control. Notwithstanding anything herein

to the contrary, the Board is the administrator of the portion of the Plan applicable to Non-Employee Directors.

SECTION 4. SHARES

4.1 SHARES AVAILABLE FOR ISSUANCE. The maximum number of shares of Common Stock that may be delivered to participants and their beneficiaries under the Plan will be 12,000,000. Shares subject to an Award under the Plan may be authorized and unissued shares or may be treasury shares.

The maximum number of shares of Common Stock that may be subject to Management Incentive Awards, Restricted Stock and Performance Units is 1,000,000 shares of Common Stock.

No Award will be counted against the shares available for delivery under the Plan if the Award is payable to the participant only in the form of cash, or if the Award is paid to the participant in cash.

If any Award is forfeited, or if any Stock Option (and any related Stock Appreciation Right) terminates, expires or lapses without being exercised, or if any Stock Appreciation Right is exercised for cash, the shares of Common Stock subject to such Awards will again be available for delivery in connection with Awards under the Plan. If the option price of any Stock Option granted under the Plan is satisfied by delivering shares of Common Stock to the Company (by either actual delivery or by attestation), only the number of shares of Common Stock delivered to the participant, net of the shares of Common Stock delivered or attested to, will be deemed delivered for purposes of determining the maximum numbers of shares of Common Stock available for delivery under the Plan. To the extent any shares of Common Stock subject to an Award are not delivered to a participant because such shares are used to satisfy an applicable tax-withholding obligation, such shares will not be deemed to have been delivered for purposes of determining the maximum number of shares of Common Stock available for delivery under the Plan.

In the event of any corporate event or transaction, (including, but not limited to, a change in the number of shares of Common Stock outstanding), such as a stock split, merger, consolidation, separation, including a spin-off or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code) or any partial or complete liquidation of the Company, the Committee may make such substitution or adjustments in the aggregate number, kind, and price of shares reserved for issuance under the Plan, and the maximum limitation upon any Awards to be granted to any participant, in the number, kind and price of shares subject to outstanding Awards granted under the Plan and/or such other equitable substitution or adjustments as it may determine to be appropriate; provided, however, that the number of shares subject to any Award will always be a whole number. Such adjusted price will be used to determine the amount payable in cash or shares, as applicable, by the Company upon the exercise of any Award.

4.2 INDIVIDUAL LIMITS. No participant may be granted Stock Options and Stock Appreciation Rights covering in excess of 750,000 shares of Common Stock in any calendar

year. The maximum aggregate amount with respect to each Management Incentive Award, Award of Performance Units or Award of Restricted Stock that may be granted, or, that may vest, as applicable, in any calendar year for any individual participant is 750,000 shares of Common Stock, or the dollar equivalent of 750,000 shares of Common Stock.

SECTION 5. ELIGIBILITY

Awards may be granted under the Plan to Eligible Individuals. Incentive Stock Options may be granted only to employees of the Company and its subsidiaries or parent corporation (within the meaning of Section 424(f) of the Code).

SECTION 6. TERMS AND CONDITIONS OF AWARDS

6.1 GENERAL. Awards will be in the form and upon the terms and conditions as determined by the Committee, subject to the terms of the Plan. The Committee is authorized to grant Awards independent of, or in addition to other Awards granted under the Plan. The terms and conditions of each Award may vary from other Awards. Awards will be evidenced by Notices, the terms and conditions of which will be consistent with the terms of the Plan and will apply only to such Award.

6.2 EXPIRATION DATE. Unless otherwise provided in the Notice, the Expiration Date of an Award will be the earlier of the date that is ten (10) years after the Grant Date or the date of the participant's Termination of Employment.

6.3 VESTING. Each Award vests and becomes fully payable, exercisable and/or released of any restriction on the Vesting Date. The Vesting Date of each Award, as determined by the Committee, will be set forth in the Notice.

SECTION 7. QUALIFIED PERFORMANCE-BASED AWARDS

The Committee may designate a Management Incentive Award, or an Award of Restricted Stock or an Award of Performance Units as a Qualified Performance-Based Award, in which case, the Award is contingent upon the attainment of Performance Goals.

SECTION 8. MANAGEMENT INCENTIVE AWARDS

8.1 MANAGEMENT INCENTIVE AWARDS. The Committee is authorized to grant Management Incentive Awards, subject to the terms of the Plan. Notices for Management Incentive Awards will indicate the Award Cycle, any applicable Performance Goals, any applicable designation of the Award as a Qualified Performance-Based Award and the form of payment of the Award.

8.2 SETTLEMENT. As soon as practicable after the later of the Vesting Date and the date any applicable Performance Goals are satisfied, Management Incentive Awards will be paid to the participant in cash, Common Stock, Restricted Stock or a combination of cash, Common Stock and Restricted Stock, as determined by the Committee. The number of shares of Common

Stock payable under the stock portion of a Management Incentive Award will equal the amount of such portion of the award divided by the Fair Market Value of the Common Stock on the date of payment.

SECTION 9. STOCK OPTIONS

9.1 STOCK OPTIONS. The Committee is authorized to grant Stock Options, including both Incentive Stock Options and Nonqualified Stock Options, subject to the terms of the Plan. Notices will indicate whether the Stock Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option, the option price, the term and the number of shares to which it pertains. To the extent that any Stock Option is not designated as an Incentive Stock Option, or, even if so designated does not qualify as an Incentive Stock Option on or subsequent to its Grant Date, it will constitute a Nonqualified Stock Option.

9.2 OPTION PRICE. The option price per share of Common Stock purchasable under a Stock Option will be determined by the Committee and will not be less than the Fair Market Value of the Common Stock subject to the Stock Option on the Grant Date; provided, however, that a Stock Option granted in connection with the IPO may be granted at an option price equal to the initial price at which Common Stock is offered to the public in the IPO.

9.3 INCENTIVE STOCK OPTIONS. The terms of the Plan addressing Incentive Stock Options and each Incentive Stock Option will be interpreted in a manner consistent with Section 422 of the Code and all valid regulations issued thereunder.

9.4 EXERCISE. Stock Options will be exercisable at such time or times and subject to the terms and conditions set forth in the Notice. A participant can exercise a Stock Option, in whole or in part, at any time on or after the Vesting Date and before the Expiration Date by giving written notice of exercise to the Company specifying the number of shares of Common Stock subject to the Stock Option to be purchased. Such notice will be accompanied by payment in full to the Company of the option price by certified or bank check or such other cash equivalent instrument as the Company may accept. If approved by the Committee, payment in full or in part may also be made in the form of Common Stock (by delivery of such shares or by attestation) already owned by the optionee of the same class as the Common Stock subject to the Stock Option, based on the Fair Market Value of the Common Stock on the date the Stock Option is exercised. Notwithstanding the foregoing, the right to make payment in the form of already owned shares of Common Stock applies only to shares that have been held by the optionee for at least six (6) months at the time of exercise or that were purchased on the open market.

If approved by the Committee, payment in full or in part may also be made by delivering a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the option price, and, if requested, by the amount of any federal, state, local or foreign withholding taxes. To facilitate the foregoing, the Company may enter into agreements for coordinated procedures with one or more brokerage firms. The Committee may also provide for Company loans to be made for purposes of the exercise of Stock Options.

9.5 SETTLEMENT. As soon as practicable after the exercise of a Stock Option, the Company will deliver to or on behalf of the optionee certificates of Common Stock for the number of shares purchased. No shares of Common Stock will be issued until full payment therefor has been made. Except as otherwise provided in Section 9.8 Deferral of Stock Options Shares below, an optionee will have all of the rights of a stockholder of the Company holding Common Stock, including, but not limited to, the right to vote the shares and the right to

receive dividends, when the optionee has given written notice of exercise, has paid in full for such shares and, if requested, has given the representation described in Section 19 General Provisions. The Committee may give optionees Dividend Equivalent Rights.

9.6 NONTRANSFERABILITY. No Stock Option will be transferable by the optionee other than by will or by the laws of descent and distribution. All Stock Options will be exercisable, subject to the terms of the Plan, only by the optionee, the guardian or legal representative of the optionee, or any person to whom such Stock Option is transferred pursuant to this paragraph, it being understood that the term "holder" and "optionee" include such guardian, legal representative and other transferee. No Stock Option will be subject to execution, attachment or other similar process.

Notwithstanding anything herein to the contrary, the Committee may permit a participant at any time prior to his or her death to assign all or any portion without consideration therefor of a Nonqualified Stock Option to:

(a) The participant's spouse or lineal descendants;

(b) The trustee of a trust for the primary benefit of the participant and his or her spouse or lineal descendants, or any combination thereof;

(c) A partnership of which the participant, his or her spouse and/or lineal descendants are the only partners;

(d) Custodianships under the Uniform Transfers to Minors Act or any other similar statute; or

(e) Upon the termination of a trust by the custodian or trustee thereof, or the dissolution or other termination of the family partnership or the termination of a custodianship under the Uniform Transfers to Minors Act or any other similar statute, to the person or persons who, in accordance with the terms of such trust, partnership or custodianship are entitled to receive the Nonqualified Stock Option held in trust, partnership or custody.

In such event, the spouse, lineal descendant, trustee, partnership or custodianship will be entitled to all of the participant's rights with respect to the assigned portion of the Nonqualified Stock Option, and such portion will continue to be subject to all of the terms, conditions and restrictions applicable to the Nonqualified Stock Option.

9.7 CASHING OUT. On receipt of written notice of exercise, the Committee may elect to cash out all or part of the portion of the shares of Common Stock for which a Stock Option is being exercised by paying the optionee an amount, in cash or Common Stock, equal to the excess

of the Fair Market Value of the Common Stock over the option price times the number of shares of Common Stock for which the Stock Option is being exercised on the effective date of such cash-out. In addition, notwithstanding any other provision of the Plan, the Committee, either on the Grant Date or thereafter, may give a participant the right to voluntarily cash-out the participant's outstanding Stock Options, whether or not then vested, during the sixty (60)-day period following a Change in Control. A participant who has such a cash-out right and elects to cash-out Stock Options may do so during the sixty (60)-day period following a Change in Control by giving notice to the Company to elect to surrender all or part of the Stock Option to the Company and to receive cash, within thirty (30) days of such election, in an amount equal to the amount by which the Change in Control Price per share of Common Stock on the date of such election exceeds the exercise price per share of Common Stock under the Stock Option multiplied by the number of shares of Common Stock granted under the Stock Option as to which this cash-out right is exercised. Notwithstanding the foregoing, if any cash-out right would make a Change in Control transaction ineligible for pooling-of-interests accounting, the Committee may eliminate or modify such cash-out right.

9.8 DEFERRAL OF STOCK OPTION SHARES. The Committee may from time to time establish procedures pursuant to which an optionee may elect to defer, until a time or times later than the exercise of a Stock Option, receipt of all or a portion of the shares of Common Stock subject to such Stock Option and/or to receive cash at such later time or times in lieu of such deferred shares, all on

such terms and conditions as the Committee will determine. If any such deferrals are permitted, an optionee who elects such deferral will not have any rights as a stockholder with respect to such deferred shares unless and until shares are actually delivered to the optionee with respect thereto, except to the extent otherwise determined by the Committee.

SECTION 10. STOCK APPRECIATION RIGHTS

10.1 STOCK APPRECIATION RIGHTS. The Committee is authorized to grant Stock Appreciation Rights, subject to the terms of the Plan. Stock Appreciation Rights granted with a Nonqualified Stock Option may be granted either on or after the Grant Date. Stock Appreciation Rights granted with an Incentive Stock Option may be granted only on the Grant Date of such Stock Option. Notices of Stock Appreciation Rights granted with Stock Options may be incorporated into the Notice of the Stock Option. Notices of Stock Appreciation Rights will indicate whether the Stock Appreciation Right is independent of any Award or granted with a Stock Option, the price, the term, the method of exercise and the form of payment.

10.2 EXERCISE. A participant can exercise Stock Appreciation Rights, in whole or in part, at any time after the Vesting Date and before the Expiration Date, or, with respect to Stock Appreciation Rights granted in connection with any Stock Option, at such time or times and to the extent that the Stock Options to which they relate are exercisable, by giving written notice of exercise to the Company specifying the number of Stock Appreciation Rights to be exercised. A Stock Appreciation Right granted with a Stock Option may be exercised by an optionee by surrendering any applicable portion of the related Stock Option in accordance with procedures established by the Committee. To the extent provided by the Committee, Stock Options which have been so surrendered will no longer be exercisable to the extent the related Stock Appreciation Rights have been exercised.

10.3 SETTLEMENT. As soon as practicable after the exercise of a Stock Appreciation Right, an optionee will be entitled to receive an amount in cash, shares of Common Stock or a combination of cash and shares of Common Stock, as determined by the Committee, in value equal to the excess of the Fair Market Value on the date of exercise of one share of Common Stock over the Stock Appreciation Right price per share multiplied by the number of shares in respect of which the Stock Appreciation Right is being exercised. Upon the exercise of a Stock Appreciation Right granted with any Stock Option, the Stock Option or part thereof to which such Stock Appreciation Right is related will be deemed to have been exercised for the purpose of the limitation set forth in Section 4 Shares on the number of shares of Common Stock to be issued under the Plan, but only to the extent of the number of shares delivered upon the exercise of the Stock Appreciation Right.

10.4 NONTRANSFERABILITY. Stock Appreciation Rights will be transferable only to the extent they are granted with any Stock Option, and only to permitted transferees of such underlying Stock Option in accordance with the Nontransferability provisions of Section 9.

SECTION 11. RESTRICTED STOCK

11.1 RESTRICTED STOCK. The Committee is authorized to grant Restricted Stock, subject to the terms of the Plan. Notices for Restricted Stock may be in the form of a Notice and book-entry registration or issuance of one or more stock certificates. Any certificate issued in respect of shares of Restricted Stock will be registered in the name of such participant and will bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, substantially in the following form:

> "The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions, including, but not limited to, forfeiture of the FMC Technologies, Inc. Incentive Compensation and Stock Plan and a Restricted Stock Notice. Copies of such Plan and Notice are on file at the offices of FMC Technologies, Inc."

The Committee may require that the certificates evidencing such shares be held in custody by the Company until the restrictions thereon will have lapsed and that, as a condition of any Award of Restricted Stock, the participant will

have delivered a stock power, endorsed in blank, relating to the Common Stock covered by such Award. The Notice or certificates will indicate any applicable Performance Goals, any applicable designation of the Restricted Stock as a Qualified Performance-Based Award and the form of payment.

11.2 PARTICIPANT RIGHTS. Subject to the terms of the Plan and the Notice or certificate of Restricted Stock, the participant will not be permitted to sell, assign, transfer, pledge or otherwise encumber shares of Restricted Stock until the later of the Vesting Date and the date any applicable Performance Goals are satisfied. Notwithstanding the foregoing, a participant may pledge Restricted Stock as security for a loan to obtain funds to pay the option price for Stock Options. Except as provided in the Plan and the Notice or certificate of the Restricted Stock, the participant will have, with respect to the shares of Restricted Stock, all of the rights of a stockholder of the Company holding Common Stock, including, but not limited to, the right to vote the shares and Dividend Equivalent Rights, if so granted.

11.3 SETTLEMENT. As soon as practicable after the later of the Vesting Date and the date any applicable Performance Goals are satisfied and prior to the Expiration Date, unlegended certificates for such shares of Common Stock will be delivered to the participant upon surrender of any legended certificates, if applicable.

SECTION 12. PERFORMANCE UNITS

12.1 PERFORMANCE UNITS. The Committee is authorized to grant Performance Units, subject to the terms of the Plan. Notices of Performance Units will indicate any applicable Performance Goals, any applicable designation of the Award as a Qualified Performance-Based Award and the form of payment.

12.2 SETTLEMENT. As soon as practicable after the later of the Vesting Date and the date any applicable Performance Goals are satisfied, Performance Units will be paid in the manner as provided in the Notice. Payment of Performance Units will be made in an amount of cash equal to the Fair Market Value of one share of Common Stock multiplied by the number of Performance Units earned or, if applicable, in a number of shares of Common Stock equal to the number of Performance Units earned, each as determined by the Committee. The Committee may at or after the Grant Date give the participant a right to defer receipt of cash or shares in settlement of Performance Units for a specified period or until a specified event. Subject to any exceptions adopted by the Committee, an election by a participant to defer must be made before the commencement of the Award Cycle for the Performance Units.

SECTION 13. OTHER AWARDS

The Committee is authorized to make, either alone or in conjunction with other Awards, Awards of cash or Common Stock and Awards that are valued in whole or in part by reference to, or are otherwise based upon, Common Stock, including, without limitation, convertible debentures.

SECTION 14. NON-EMPLOYEE DIRECTOR AWARDS

14.1 ANNUAL RETAINER. Each Non-Employee Director will receive an Annual Retainer in such amount as will be determined from time to time by the Board. Until changed by resolution of the Board, the Grant Date of the Annual Retainer will be May 1 of each year, and the amount of the Annual Retainer will be $40,000, $25,000 of which will be paid in the form of Performance Units on the Grant Date and the remainder of which will be paid in cash in quarterly installments at the end of each calendar quarter. Not less than sixty (60) days prior to the close of the Grant Date of the Annual Retainer, each Non-Employee Director may elect to defer all of his or her remaining Annual Retainer to be paid in the form of Performance Units by providing written notice of such election to the Company. The number of Performance Units constituting the Annual Retainer for each Non-Employee Director will be equal to the number obtained by dividing $25,000 plus the portion of his or her remaining Annual Retainer that he or she elected to defer by the Fair Market Value of the Common Stock on the Grant Date.

14.2 ANNUAL AWARD. In addition to the Annual Retainer, the Board has the authority to grant Non-Employee Directors Stock Options, Restricted Stock or Performance Units, subject to the terms of the Plan.

14.3 MEETING FEES. Each Non-Employee Director will receive a meeting fee in such amount as will be determined from time to time by the Board for attending each meeting of the Board and its committees, including extraordinary and special meetings. Until changed by resolution of the Board, the meeting fee will be $1,000 per meeting, payable in cash at the end of each calendar quarter.

14.4 COMMITTEE CHAIRMAN FEES. Each Non-Employee Director who serves as a chairman of a committee of the Board will receive a committee chairman fee in such amount as determined by the Board for the tenure of such service. Until changed by resolution of the Board, the committee chairman fee will be paid in cash at an annualized rate of $4,000 in equal installments at the end of each calendar quarter.

14.5 VESTING. Awards granted to Non-Employee Directors will have a Vesting Date as determined by the Board. Unless otherwise provided in the Award, such Vesting Date will be the date of the Company's annual stockholder's meeting next following the Grant Date.

14.6 SEPARATION FROM SERVICE. Except as provided below, if a Non-Employee Director has a Separation from Service prior to the Vesting Date of a Performance Unit, any unvested Performance Units are forfeited and all further rights of the Non-Employee Director to or with respect to such Performance Units terminate. If a Non-Employee Director dies while serving as a director of the Company, any vested Performance Units will be paid to the person designated in the Non-Employee Director's last will and testament or, in the absence of such designation, to his or her estate. Any unvested Performance Units will vest and become payable in a proportionate amount, based upon the full months of service completed during the vesting period from the Grant Date to the date of death. Any unvested Performance Units vest and become immediately payable upon a Change in Control.

14.7 SETTLEMENT. Payments with respect to Performance Units of a Non-Employee Director will be made in shares of Common Stock issued to the Non-Employee Director as soon as practicable after his or her Separation from Service. Performance Units will be valued using the Fair Market Value of Common Stock on the last business day of his or her service on the Board. Notwithstanding anything herein to the contrary, payments made upon the occurrence of a Change in Control will be made in a single lump sum cash payment in an amount calculated by using the Change in Control Price multiplied by the number of shares of Common Stock relating to the Performance Units with respect to which such payment is made.

SECTION 15. CHANGE IN CONTROL

15.1 IMPACT OF CHANGE IN CONTROL. Notwithstanding any other provision of the Plan to the contrary, in the event of a Change in Control, as of the date such Change in Control is determined to have occurred, any outstanding:

(a) Stock Options and Stock Appreciation Rights become fully exercisable and vested to the full extent of the original grant;

(b) Restricted Stock becomes free of all restrictions and deferral limitations and becomes fully vested and transferable to the full extent of all or a portion of the maximum amount of the original grant as provided in the Notice, or, if not provided in the Notice, as determined by the Committee;

(c) Performance Units are considered earned and payable to the full extent of all or a portion of the maximum amount of the original grant as provided in the Notice, or, if not provided in the Notice, as determined by the Committee, any deferral or other restrictions lapse and such Performance Units will be settled in cash or Common Stock, as determined by the Committee, as promptly as is practicable following the Change in Control; and

(d) Management Incentive Awards become fully vested to the full extent of all or a portion of the maximum amount of the original grant as provided in the Notice, or, if not provided in the Notice, as determined by the Committee, and such Management Incentive Awards will be settled in cash or Common Stock, as determined by the Committee, as promptly as is practicable following the Change in Control.

The Committee may also make additional substitutions, adjustments and/or settlements of outstanding Awards as it deems appropriate and consistent with the Plan's purposes.

15.2 DEFINITION OF CHANGE IN CONTROL. For purposes of the Plan, a "Change in Control" will mean the happening of any of the following events:

(a) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) or more of either (1) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (A) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (D) any acquisition pursuant to a transaction which complies with Subsections (1), (2) and (3) of Subsection (c) of this Section 15.2;

(b) A change in the composition of the Board such that the individuals who, as of the Effective Date, constitute the Board (such Board will be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of

the Board; provided, however, for purposes of this Section 15.2, that any individual who becomes a member of the Board subsequent to the Effective Date, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) will be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board will not be so considered as a member of the Incumbent Board;

(c) Consummation of a reorganization, merger or consolidation, sale or other disposition of all or substantially all of the assets of the Company, or acquisition by the Company of the assets or stock of another entity ("Corporate Transaction"); excluding, however, such a Corporate Transaction pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (60%) of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (2) no Person (other than the Company,

any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, twenty percent (20%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction, and (3) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

In addition, a Change in Control will be deemed to occur upon a change in control of FMC, as determined under the change in control provisions of FMC's executive severance plan, if at the time of its change in control, FMC owns more than fifty percent (50%) of the

Outstanding Company Common Stock. Notwithstanding the foregoing, neither the IPO, nor the Distribution will be treated as a Change in Control of the Company.

15.3 CHANGE IN CONTROL PRICE. For purposes of the Plan, "Change in Control Price" means the higher of (a) the highest reported sales price, regular way, of a share of Common Stock in any transaction reported on the New York Stock Exchange or other national exchange on which such shares are listed during the sixty (60)-day period prior to and including the date of a Change in Control; or (b) if the Change in Control is the result of a tender or exchange offer or a Corporate Transaction, the highest price per share of Common Stock paid in such tender or exchange offer or Corporate Transaction; provided, however, that in the case of Incentive Stock Options and Stock Appreciation Rights relating to Incentive Stock Options, the Change in Control Price will be in all cases the Fair Market Value of the Common Stock on the date such Incentive Stock Option or Stock Appreciation Right is exercised. To the extent that the consideration paid in any such transaction described above consists all or in part of securities or other noncash consideration, the value of such securities or other noncash consideration will be determined by the Committee.

SECTION 16. FORFEITURE OF AWARDS

Notwithstanding anything in the Plan to the contrary, the Committee may, in the event of serious misconduct by a participant (including, without limitation, any misconduct prejudicial to or in conflict with the Company or its Affiliates, or any Termination of Employment for Cause), or any activity of a participant in competition with the business of the Company or any Affiliate, (a) cancel any outstanding Award granted to such participant, in whole or in part, whether or not vested or deferred, and/or (b) if such conduct or activity occurs within one year following the exercise or payment of an Award, require such participant to repay to the Company any gain realized or payment received upon the exercise or payment of such Award (with such gain or payment valued as of the date of exercise or payment). Such cancellation or repayment obligation will be effective as of the date specified by the Committee. Any repayment obligation may be satisfied in Common Stock or cash or a combination thereof (based upon the Fair Market Value of Common Stock on the day of payment), and the Committee may provide for an offset to any future payments owed by the Company or any Affiliate to the participant if necessary to satisfy the repayment obligation. The determination of whether a participant has engaged in a serious breach of conduct or any activity in competition with the business of the Company or any Affiliate will be made by the Committee in good faith. This Section 16 will have no application following a Change in Control.

SECTION 17. AMENDMENT AND TERMINATION

The Committee may amend, alter, or discontinue the Plan or any Award, prospectively or retroactively, but no amendment, alteration or discontinuation may impair the rights of a recipient of any Award without the recipient's consent, except such an amendment made to comply with applicable law, stock exchange rules or accounting rules.

No amendment will be made without the approval of the Company's stockholders to the extent such approval is required by applicable law or stock exchange rules, or, to the extent such

amendment increases the number of shares available for delivery under the Plan, or changes the option price after the Grant Date.

SECTION 18. UNFUNDED STATUS OF PLAN

It is presently intended that the Plan constitutes an "unfunded" plan for incentive and deferred compensation. The Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Common Stock or make payments; provided, however, that unless the Committee otherwise determines, the existence of such trusts or other arrangements will be consistent with the "unfunded" status of the Plan.

SECTION 19. GENERAL PLAN PROVISIONS

19.1 GENERAL PROVISIONS. The Plan will be administered in accordance with the following provisions and any other rule, guideline and practice determined by the Committee:

(a) Each person purchasing or receiving shares pursuant to an Award may be required to represent to and agree with the Company in writing that he or she is acquiring the shares without a view to the distribution of the shares.

(b) The certificates for shares issued under an Award may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.

(c) Notwithstanding any other provision of the Plan, any Award, any Notice or any other agreements made pursuant thereto, the Company is not required to issue or deliver any shares of Common Stock prior to fulfillment of all of the following conditions:

   (i) Listing or approval for listing upon notice of issuance, of such shares on the New York Stock Exchange, Inc., or such other securities exchange as may at the time be the principal market for the Common Stock;

   (ii) Any registration or other qualification of such shares of the Company under any state or federal law or regulation, or the maintaining in effect of any such registration or other qualification which the Committee deems necessary or advisable; and

   (iii) Obtaining any other consents, approval, or permit from any state or federal governmental agency which the Committee deems necessary or advisable.

(d) The Company will not issue fractions of shares. Whenever, under the terms of the Plan, a fractional share would otherwise be required to be issued, the participant will be paid at Fair Market Value for such fractional share by rounding down the number of shares received to the nearest whole number and paying in cash the value of the fractional share.

(e) In the case of a grant of an Award to any Eligible Individual of an Affiliate of the Company, the Company may, if the Committee so directs, issue or transfer the shares of Common Stock, if any, covered by the Award to the Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer the shares of Common Stock to the Eligible Individual in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. All shares of Common

Stock underlying Awards that are forfeited or canceled revert to the Company.

19.2 EMPLOYMENT. The Plan will not constitute a contract of employment, and adoption of the Plan will not confer upon any employee any right to continued employment, nor will it interfere in any way with the right of the Company or an Affiliate to terminate at any time the employment of any employee or the membership of any director on a board of directors or any consulting arrangement with any Eligible Individual.

19.3 TAX WITHHOLDING OBLIGATIONS. No later than the date as of which an amount first becomes includible in the gross income of the participant for federal income tax purposes with respect to any Award under the Plan, the participant will pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Company, withholding obligations may be settled with Common Stock, including Common Stock that is part of the Award that gives rise to the withholding requirement; provided, that not more than the legally required minimum withholding may be settled with Common Stock. The obligations of the Company under the Plan will be conditional on such payment or arrangements, and the Company and its Affiliates will, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the participant. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for the settlement of withholding obligations with Common Stock.

19.4 BENEFICIARIES. The Committee will establish such procedures as it deems appropriate for a participant to designate a beneficiary to whom any amounts payable in the event of the participant's death are to be paid or by whom any rights of the participant, after the participant's death, may be exercised.

19.5 GOVERNING LAW. The Plan and all Awards made and actions taken thereunder will be governed by and construed in accordance with the laws of the State of Delaware, without reference to principles of conflict of laws. Notwithstanding anything herein to the contrary, in the event an Award is granted to Eligible Individual who is employed or providing services outside the United States and who is not compensated from a payroll maintained in the United States, the Committee may modify the provisions of the Plan and/or any such Award as they pertain to such individual to comply with and account for the tax and accounting rules of the applicable foreign law so as to maintain the benefit intended to be provided to such participant under the Award.

19.6 NONTRANSFERABILITY. Except as otherwise provided in Section 9 Stock Options and Section 10 Stock Appreciation Rights, or by the Committee, Awards under the Plan are not transferable except by will or by laws of descent and distribution.

19.7 SEVERABILITY. Wherever possible, each provision of the Plan and of each Award and of each Notice will be interpreted in such a manner as to be effective and valid under applicable law. If any provision of the Plan, any Award or any Notice is found to be prohibited by or invalid under applicable law, then (a) such provision will be deemed amended to and to have contained from the outset such language as will be necessary to accomplish the objectives of the provision as originally written to the fullest extent permitted by law; and (b) all other provisions of the Plan and any Award will remain in full force and effect.

19.8 STRICT CONSTRUCTION. No rule of strict construction will be applied against the Company, the Committee or any other person in the interpretation of the terms of the Plan, any Award, any Notice, any other agreement or any rule or procedure established by the Committee.

19.9 STOCKHOLDER RIGHTS. Except as otherwise provided herein, no participant will have dividend, voting or other stockholder rights by reason of a grant of an Award or a settlement of an Award in cash.

Exhibit 21.1

LIST OF SIGNIFICANT SUBSIDIARIES OF FMC TECHNOLOGIES, INC.

COMPANY(1)	ORGANIZED UNDER LAWS OF
Direct Measurement Corporation	Colorado
EMD SA de CV	Mexico
FA Sening GmbH	Germany
FMC Airline Equipment Europe SA	Spain
FMC Argentina SA	Argentina
FMC Australia Ltd.	Australia
FMC Corporation UK Ltd.	United Kingdom
FMC Corporation UK Pension Plan	United Kingdom
FMC do Brasil Industria e Comercio SA	Brazil
FMC Europe NV	Belgium
FMC Europe SA	France
FMC Food Machinery SA	France
FMC Food Tech NZ Ltd	New Zealand
FMC Food Tech SL	Spain
FMC Funding Corporation	Delaware
FMC GmbH	Germany
FMC Hong Kong Ltd.	Hong Kong
FMC International AG	Switzerland
FMC Italia SpA	Italy
FMC KK	Japan
FMC Kongsberg International AG	Switzerland
FMC Kongsberg Service Ltd.	United Kingdom
FMC Offshore Canada Company	Canada
FMC Petroleum Equipment Malaysia Sdn. Bhd.	Malaysia
FMC Productos Y Servicios SP de CV	Mexico
FMC Sanmar Ltd.	India
FMC South Africa Pty. Ltd.	South Africa
FMC Southeast Asia Pte. Ltd.	Singapore
FMC Thailand Ltd	Thailand
FMC Wellhead de Venezuela SA	Venezuela
FMC Wellhead Equipment Sdn. Bhd.	Malaysia
Food Machinery Coordination Center SA	Belgium
Frigoscandia Equipment AB	Delaware
Frigoscandia Equipment Iberica SL	Spain
Frigoscandia Equipment Inc	Delaware
Frigoscandia Equipment Pte. Ltd.	Singapore
Frigoscandia Equipment Pty. Ltd.	Australia
Frigoscandia Equipment SA	France
Key Technology Corporation	[STATE]
Kongsberg Offshore A/S	Norway
MODEC International LLC	Delaware

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(1) The names of various active and inactive subsidiaries have been omitted. Such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Potato Processing Machinery AB	Delaware
PT FMC Santana Petroleum Equipment	Indonesia
Smith Meter GmbH	Germany
Smith Meter Inc.	Delaware
SOFEC, Inc	Texas

EXHIBIT 23.1

[KPMG LLP LETTERHEAD]

The Board of Directors and Stockholder
FMC Technologies, Inc.:

We consent to the use in the registration statement on Form S-1/A of FMC Technologies, Inc. of our report dated February 9, 2001, with respect to the combined balance sheets of FMC Technologies, Inc. as of December 31, 1999 and 2000, and the related combined statements of income, cash flows and changes in stockholder's equity for each of the years in the three-year period ended December 31, 2000, and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Chicago, Illinois

April 2, 2001

Exhibit 24.2

POWER OF ATTORNEY

Know all persons by these presents, that each person whose signature appears below, as a director or officer of the registrant, does hereby make, constitute and appoint Stephanie K. Kushner, Randall S. Ellis and Steven H. Shapiro, or any one of them acting alone, his lawful at-torneys, with full power of substitution and resubstitution, in his name, place and stead, in any and all capacities, to execute and sign this registration statement on Form S-1 for the registration of shares of common stock of the registrant, par value $0.01 per share, and any associated pre-ferred share purchase rights to be issued in the initial public offering by the registrant, any regis-tration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, as amended, and any and all amendments or post-effective amendments to this registration statement, with all exhibits and any and all documents required to be filed with respect thereto with the Securities and Exchange Commission or any regulatory authority, giving and granting unto said attorneys full power and authority to do and perform such actions as fully as they might have done or could do if personally present and exe-cuting any of said documents.

/s/ Ronald D. Mambu

Name: Ronald D. Mambu
Position: Controller and Principal Accounting Officer

Exhibit 99.1

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of FMC Technologies, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-55920) and any amendments thereto.

/s/ Mike R. Bowlin

Name: Mike R. Bowlin

Dated: , 2001

Exhibit 99.2

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of FMC Technologies, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-55920) and any amendments thereto.

/s/ B.A. Bridgewater, Jr.

Name: B.A. Bridgewater, Jr.

Dated: , 2001

Exhibit 99.3

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of FMC Technologies, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-55920) and any amendments thereto.

/s/ Asbjorn Larsen

Name: Asbjorn Larsen

Dated: , 2001

Exhibit 99.4

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of FMC Technologies, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-55920) and any amendments thereto.

/s/ Edward J. Mooney

Name: Edward J. Mooney

Dated: , 2001

Exhibit 99.5

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of FMC Technologies, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-55920) and any amendments thereto.

/s/ William J. Reilly

Name: William J. Reilly

Dated: , 2001

Exhibit 99.6

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of FMC Technologies, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-55920) and any amendments thereto.

/s/ James M. Ringler

Name: James M. Ringler

Dated: , 2001

Exhibit 99.7

CONSENT OF PERSON NAMED AS
ABOUT TO BECOME A DIRECTOR

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, the undersigned hereby consents to be named as a person about to become a director of FMC Technologies, Inc., a Delaware corporation, in its Registration Statement on Form S-1 of the Company (File No. 333-55920) and any amendments thereto.

/s/ James R. Thompson

Name: James R. Thompson

Dated: , 2001