

Energy Production Systems

Energy Production Systems' second quarter revenue was \$822.9 million, including subsea systems revenue of \$675 million. Energy Production Systems' operating profit of \$129.6 million decreased from the prior-year quarter due to lower volume in both the subsea systems and surface wellhead businesses. The impact from the lower volume was partially offset by higher operating margin in subsea systems.

Energy Production Systems' inbound orders for the second quarter were \$1.1 billion. This total was nearly double the inbound recorded in the second quarter of 2009 and included subsea systems orders of \$946 million. Backlog for Energy Production Systems was \$2.6 billion including \$2.3 billion in subsea systems. Both orders and backlog increased for the second consecutive quarter.

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Energy Processing Systems' second quarter revenue was \$192.4 million, an 11 percent increase over the prior-year quarter. Energy Processing Systems' second quarter operating profit of \$33.4 million was up 17 percent from the prior-year quarter. The increase was driven by higher volume and operating margin in the fluid control business, partially offset by operating profit declines in all other businesses within the segment.

Energy Processing Systems' inbound orders were \$225.7 million for the second quarter, a 60 percent increase compared to the prior-year quarter. The increases in revenue, operating profit and orders were predominately driven by the fluid control business, which continued to benefit from the resurgence in North American pressure pumping activity. Backlog for the segment was \$255.6 million at the end of the quarter.

Corporate Items

Corporate expense in the second quarter was \$10.1 million, an increase of \$1.0 million from the prior-year quarter. Other expense, net, was \$9.9 million, an increase of \$4.1 million from the prior-year quarter.

The Company ended the second quarter with net debt of \$196.4 million. Net interest expense was \$2.4 million in the quarter.

The Company repurchased 1.3 million shares of common stock in the quarter for \$73.0 million and now has 3.2 million shares remaining in its stock repurchase authorization.

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

	Six Months Ended June 30	
	2010	2009
Cash provided (required) by operating activities of continuing operations:		
Income from continuing operations	\$ 195.2	\$ 177.2
Depreciation and amortization	52.3	40.1
Trade accounts receivable, net	(92.9)	75.0
Inventories	38.3	(53.0)
Accounts payable, trade	(50.8)	(91.0)
Advance payments and progress billings	(186.1)	(79.1)
Other	(20.1)	134.5
Net cash (required) provided by operating activities of continuing operations	(64.1)	203.7
Cash provided (required) by operating activities of discontinued operations	—	(1.0)
Cash provided (required) by investing activities:		
Capital expenditures	(38.7)	(54.9)
Proceeds from disposal of assets	1.9	18.2
Net cash required by investing activities	(36.8)	(36.7)
Cash provided (required) by financing activities:		
Net issuance (repayment) of debt	181.8	(165.1)
Issuance of capital stock	1.4	0.2
Purchase of stock held in treasury	(123.5)	(95.7)
Other financing	(13.3)	(4.7)
Net cash provided (required) by financing activities	46.4	(265.3)
Effect of changes in foreign exchange rates on cash and cash equivalents	(2.4)	15.4
Decrease in cash and cash equivalents	(56.9)	(83.9)
Cash and cash equivalents, beginning of period	460.7	340.1
Cash and cash equivalents, end of period	<u>\$ 403.8</u>	<u>\$ 256.2</u>