

FMC TECHNOLOGIES INC
Form 10-Q
August 03, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2006

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 1-16489

FMC Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

(281) 591-4000

(Registrant's telephone number, including area code)

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

77067
(Zip code)

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

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

Large accelerated filer Accelerated filer Non-accelerated filer

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

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

Class	Outstanding as of July 31, 2006
Common Stock, par value \$0.01 per share	68,526,553

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

(In millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Revenue	\$ 998.4	\$ 812.5	\$ 1,867.7	\$ 1,494.1
Costs and expenses:				
Cost of sales	785.1	673.0	1,468.8	1,256.0
Selling, general and administrative expense	104.2	91.6	202.0	180.2
Research and development expense	11.8	13.4	23.9	26.7
Total costs and expenses	901.1	778.0	1,694.7	1,462.9
Net (loss) gain on disposal of assets	(0.1)	2.2	0.1	4.9
Minority interests	(0.3)	(0.3)	(1.1)	(1.1)
Income before net interest expense and income taxes	96.9	36.4	172.0	35.0
Net interest expense	2.3	1.2	3.8	2.4
Income before income taxes	94.6	35.2	168.2	32.6
Provision for income taxes	31.0	5.8	57.6	3.2
Income from continuing operations	63.6	29.4	110.6	29.4
Income from discontinued operations, net of tax (Note 11)	1.9		1.9	
Net income	\$ 65.5	\$ 29.4	\$ 112.5	\$ 29.4
Basic earnings per share (Note 2):				
Income from continuing operations	\$ 0.92	\$ 0.43	\$ 1.61	\$ 0.42
Income from discontinued operations	0.03		0.03	
Basic earnings per share	\$ 0.95	\$ 0.43	\$ 1.64	\$ 0.42
Diluted earnings per share (Note 2):				
Income from continuing operations	\$ 0.90	\$ 0.42	\$ 1.57	\$ 0.41
Income from discontinued operations	0.03		0.03	
Diluted earnings per share	\$ 0.93	\$ 0.42	\$ 1.60	\$ 0.41
Weighted average shares outstanding (Note 2):				
Basic	68.7	69.0	68.7	69.1
Diluted	70.4	70.7	70.4	70.7

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

FMC Technologies, Inc. and Consolidated SubsidiariesConsolidated Balance Sheets

	June 30,	December 31,
(In millions, except per share data)	2006 (Unaudited)	2005
Assets:		
Current assets:		
Cash and cash equivalents	\$ 113.4	\$ 152.9
Trade receivables, net of allowances of \$9.3 in 2006 and \$9.6 in 2005	787.7	736.3
Inventories (Note 4)	557.7	449.4
Prepaid expenses	26.9	21.1
Other current assets	84.5	68.4
Total current assets	1,570.2	1,428.1
Investments	22.3	22.3
Property, plant and equipment, net of accumulated depreciation of \$488.3 in 2006 and \$452.9 in 2005	393.8	353.3
Goodwill	120.6	117.4
Intangible assets, net	61.7	61.1
Deferred income taxes	77.7	79.6
Other assets	35.0	33.8
Total assets	\$ 2,281.3	\$ 2,095.6
Liabilities and stockholders' equity:		
Current liabilities:		
Short-term debt and current portion of long-term debt	\$ 4.4	\$ 3.3
Accounts payable, trade and other	378.6	366.2
Advance payments and progress billings	345.7	348.6
Other current liabilities	299.5	289.2
Income taxes payable	31.7	28.3
Current portion of accrued pension and other postretirement benefits	16.3	15.2
Deferred income taxes	21.9	7.4
Total current liabilities	1,098.1	1,058.2
Long-term debt, less current portion	261.3	252.6
Accrued pension and other postretirement benefits, less current portion	29.6	21.8
Reserve for discontinued operations	2.3	6.1
Other liabilities	52.9	50.2
Minority interests in consolidated companies	7.4	7.2
Commitments and contingent liabilities (Note 10)		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 12.0 shares authorized; no shares issued in 2006 or 2005		
Common stock, \$0.01 par value, 195.0 shares authorized; 71.0 and 70.0 shares issued in 2006 and 2005, respectively; 68.5 and 68.1 shares outstanding in 2006 and 2005, respectively	0.7	0.7
Common stock held in employee benefit trust, at cost, 0.1 shares outstanding in 2006 and 2005	(4.3)	(3.6)
Common stock held in treasury, at cost; 2.3 and 1.8 shares in 2006 and 2005, respectively	(95.2)	(63.9)
Capital in excess of par value of common stock	708.6	681.6
Retained earnings	305.7	193.2
Accumulated other comprehensive loss	(85.8)	(108.5)
Total stockholders' equity	829.7	699.5
Total liabilities and stockholders' equity	\$ 2,281.3	\$ 2,095.6

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

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

(In millions)	Six Months Ended	
	June 30,	
	2006	2005
Cash provided (required) by operating activities of continuing operations:		
Net income	\$ 112.5	\$ 29.4
Adjustments to reconcile net income to cash provided (required) by operating activities of continuing operations:		
Depreciation	27.7	26.3
Amortization	6.5	5.8
Employee benefit plan costs	26.9	20.5
Deferred income tax benefit		(17.7)
Gain on disposal of assets	(0.1)	(4.9)
Income from discontinued operations, net of tax	(1.9)	
Other	6.0	5.3
Changes in operating assets and liabilities, net of effects of acquisitions:		
Trade receivables, net	(31.7)	(8.3)
Inventories	(99.7)	(122.5)
Other current assets and other assets	(26.5)	6.7
Accounts payable, trade and other	(2.8)	(9.8)
Advance payments and progress billings	(8.1)	42.8
Other current liabilities and other liabilities	1.1	(22.0)
Income taxes payable	15.6	(28.3)
Accrued pension and other postretirement benefits, net	(7.2)	(9.5)
Cash provided (required) by operating activities of continuing operations	18.3	(86.2)
Operating cash required by discontinued operations revised*	(0.8)	(0.2)
Cash provided (required) by investing activities:		
Capital expenditures	(61.2)	(28.9)
Proceeds from disposal of property, plant and equipment and other long-lived assets	1.3	8.3
Other	1.2	
Cash required by investing activities	(58.7)	(20.6)
Cash provided (required) by financing activities:		
Net increase in short-term debt and current portion of long-term debt	1.0	0.2
Net increase in commercial paper		86.9
Proceeds from issuance of long-term debt	8.3	
Repayments of long-term debt		(0.6)
Proceeds from issuance of common stock upon exercise of stock options	18.8	9.9
Increase in common stock held in treasury	(40.2)	(25.5)
Excess tax benefits	13.5	1.9
Net increase in common stock held in employee benefit trust	(0.7)	(0.5)
Cash provided by financing activities	0.7	72.3
Effect of exchange rate changes on cash and cash equivalents	1.0	(4.0)
Decrease in cash and cash equivalents	(39.5)	(38.7)
Cash and cash equivalents, beginning of period	152.9	124.1

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Cash and cash equivalents, end of period

\$ 113.4 \$ 85.4

* All cash required by discontinued operations related solely to operating activities.
The accompanying notes are an integral part of the consolidated financial statements.

FMC Technologies, Inc. and Consolidated Subsidiaries

Notes to Consolidated Financial Statements (Unaudited)

Note 1: Basis of Presentation

The accompanying unaudited consolidated financial statements, and notes thereto (the