



**the Power of Solutions**  
Building Shareholder Value

**FMC**



## Randall Woods

*Director,  
Investor Relations  
FMC Corporation*



# Agenda

<b>Corporate Overview</b>	<b>8:30</b>
<b>Energy Systems</b>	<b>9:50</b>
<b>Break</b>	<b>10:10 – 10:30</b>
<b>Food and Transportation</b>	<b>10:30</b>
<b>Agricultural Products Group</b>	<b>11:00</b>
<b>Specialty Chemicals Group</b>	<b>11:30</b>
<b>Industrial Chemicals Group</b>	<b>12:00</b>
<b>Closing Comments</b>	<b>12:30</b>
<b>Lunch</b>	<b>12:45</b>

Statement under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995: These slides and the accompanying presentations contain “forward-looking statements,” which represent management’s best judgment as of the date hereof based on information currently available. Actual results of the Company may differ materially from those contained in the forward-looking statements. Additional information concerning factors that may cause results to materially differ from those in the forward-looking statements is contained in the Company’s periodic reports filed under the Securities Exchange Act of 1934, as amended. The Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.





**Robert N. Burt**

***Chairman and Chief Executive  
Officer,  
FMC Corporation***

**FMC**



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**Joseph H. Netherland**

***President,  
FMC Corporation***

**FMC**

# FMC Corporation

Results Since Our 1998 Analysts' Meeting

*November 2000*





*Corporate Strategy Study: Basic Conclusions*

## Distinctive Traits of Premium Conglomerates

1. Consistently grow earnings
2. Grow from a high ROI base
3. Report few surprises
4. Invest in high ROI businesses and actively manage the portfolio

*Corporate Strategy Study: Basic Conclusions*

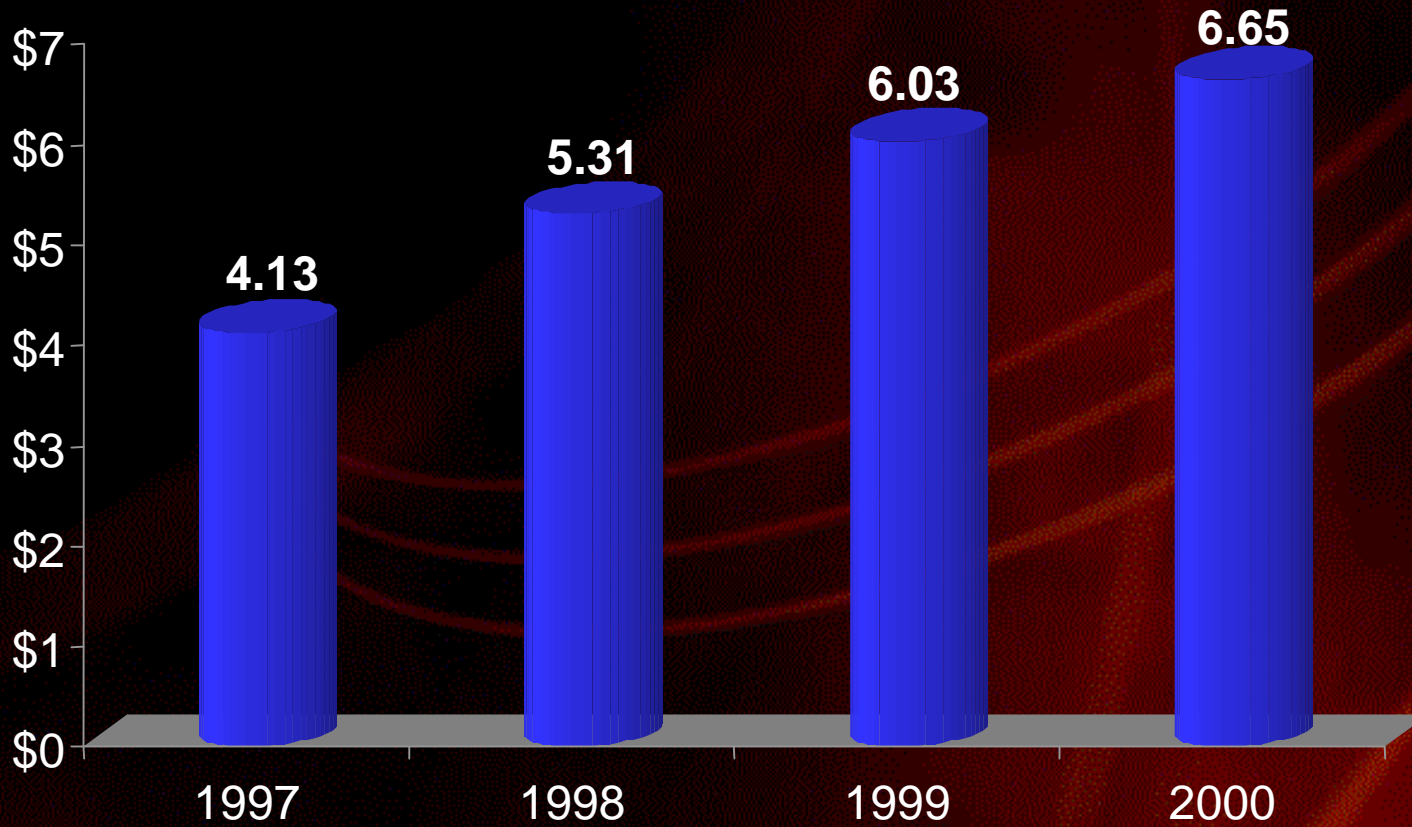
# Distinctive Traits of Successful Multi-Industry Companies

1. Consistently grow earnings
2. Grow from a high ROI base
3. Report few surprises
4. Invest in high ROI businesses and actively manage the portfolio

**Basic Conclusion/FMC Performance**

**Successful Multi-Industry Companies  
Display Consistent Quarterly Earnings  
Growth Over Time**

**Earnings Per Share**

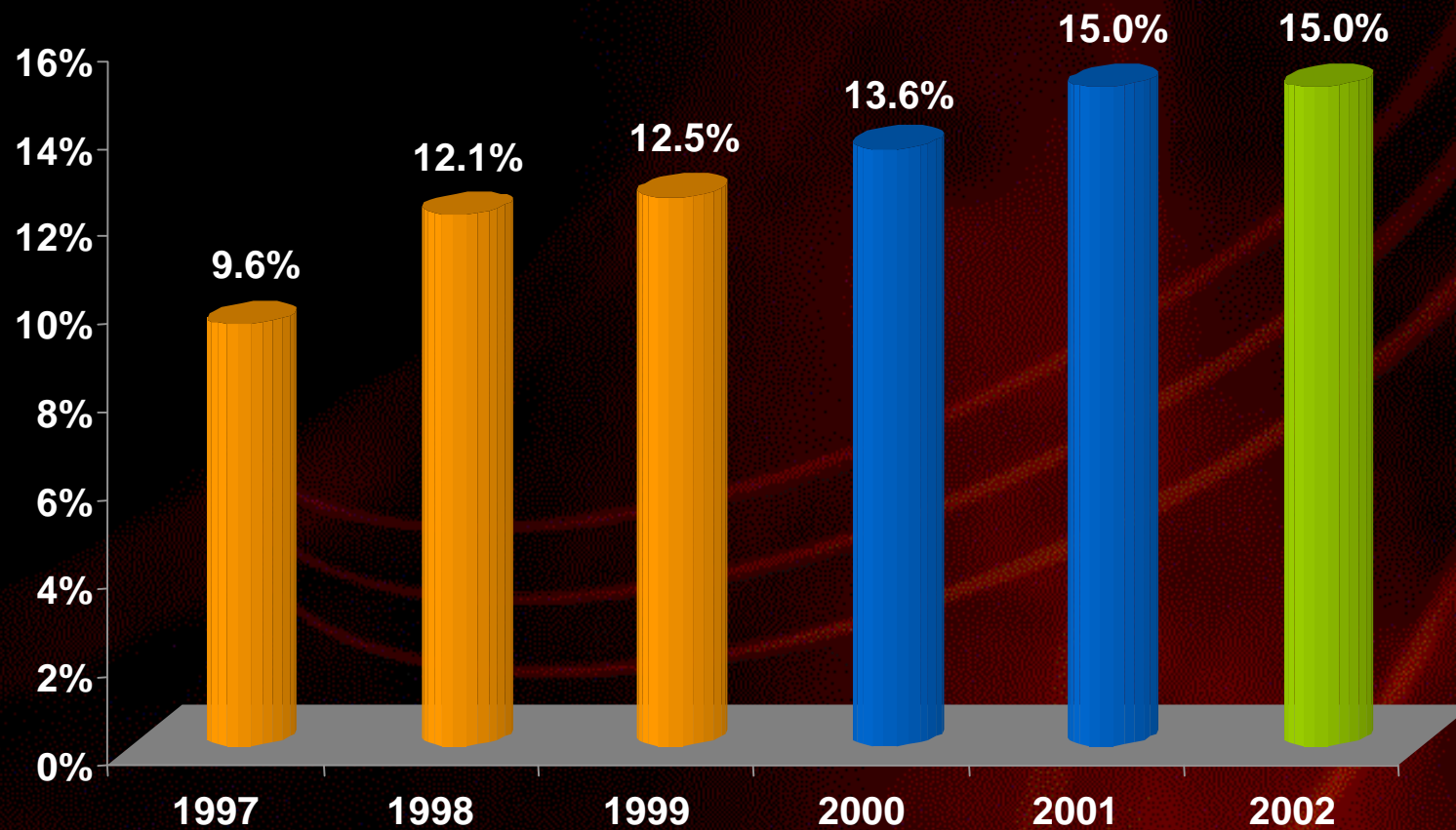


# *Corporate Strategy Study: Basic Conclusions*

## **Distinctive Traits**

1. Consistently grow earnings
2. **Grow from a high ROI base**
3. Report few surprises
4. Invest in high ROI businesses and actively manage the portfolio

# ROI (After Tax)

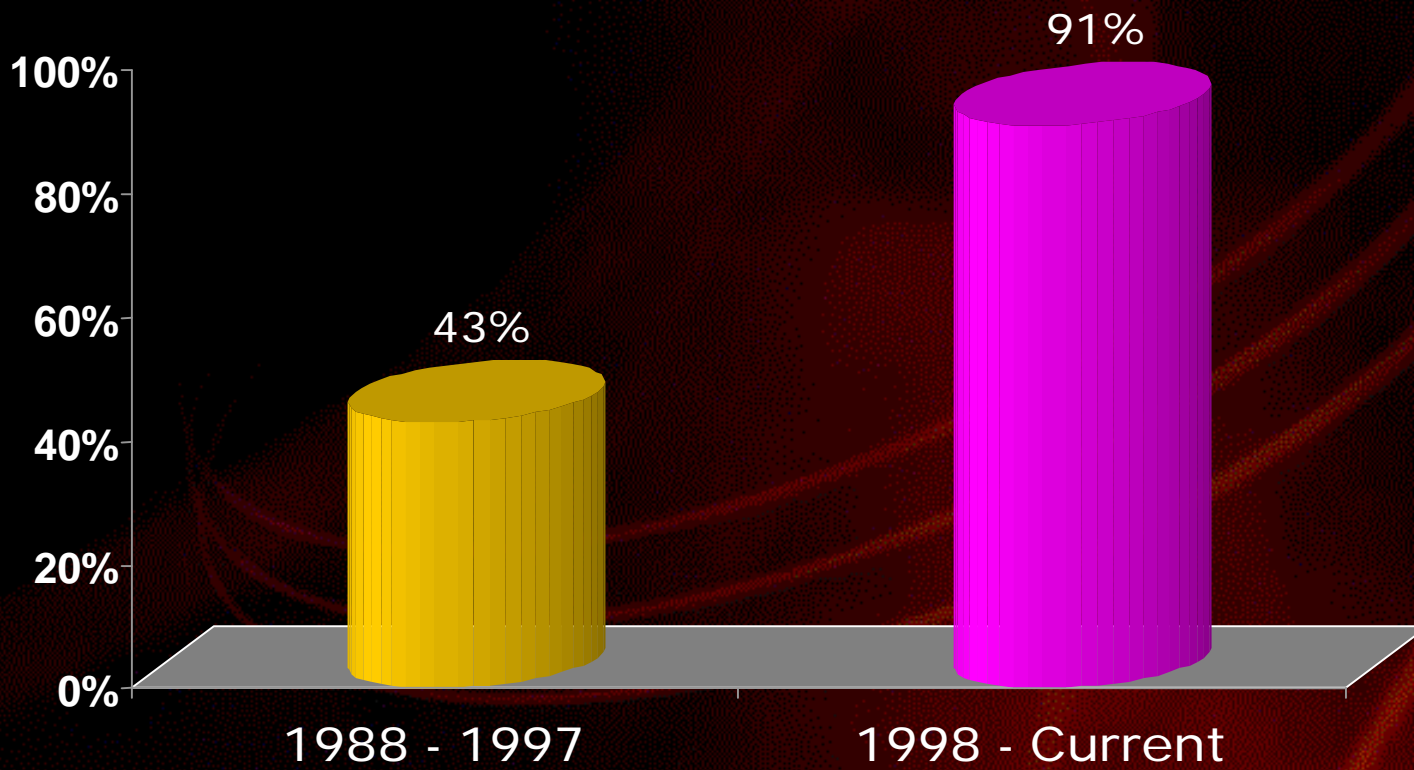


# *Corporate Strategy Study: Basic Conclusions*

## **Distinctive Traits**

- 1. Consistently grow earnings**
- 2. Grow from a high ROI base**
- 3. Report few surprises**
- 4. Invest in high ROI businesses and actively manage the portfolio**

# Forecast Earnings



## *Corporate Strategy Study: Basic Conclusions*

# Distinctive Traits

1. Consistently grow earnings
2. Grow from a high ROI base
3. Report few surprises
4. Invest in high ROI businesses and actively manage the portfolio



## ***Basic Conclusion/FMC Performance***

# **Divestitures**

**(1998 - 2000 to date)**

### **Business**

Process Additives

Crosby Valve

BioProducts

Converting product line

Traveling water screens

Water treatment equipment product line

Exhausted lithium mine

P<sub>2</sub>S<sub>5</sub> product line

Tomato harvesting product line

Bronze bearings

***Total Dollar Value  
of Divestitures***

**\$410M**

**FMC**

## *Basic Conclusion/FMC Performance*

# Acquisitions and JV's

(1998 - 2000 to date)

### **Business**

---

Pronova

CBV

TG Soda

Northfield

MODEC

PECO metering product line

Towbarless tug

LOKE (Energy Systems software)

Three others

Astaris

***Total Dollar Value  
of Acquisitions***

**\$436M**

**FMC**

## *Basic Conclusion/FMC Performance*

# Consistently Invest in High ROI

## Businesses

(1998 - 2000)

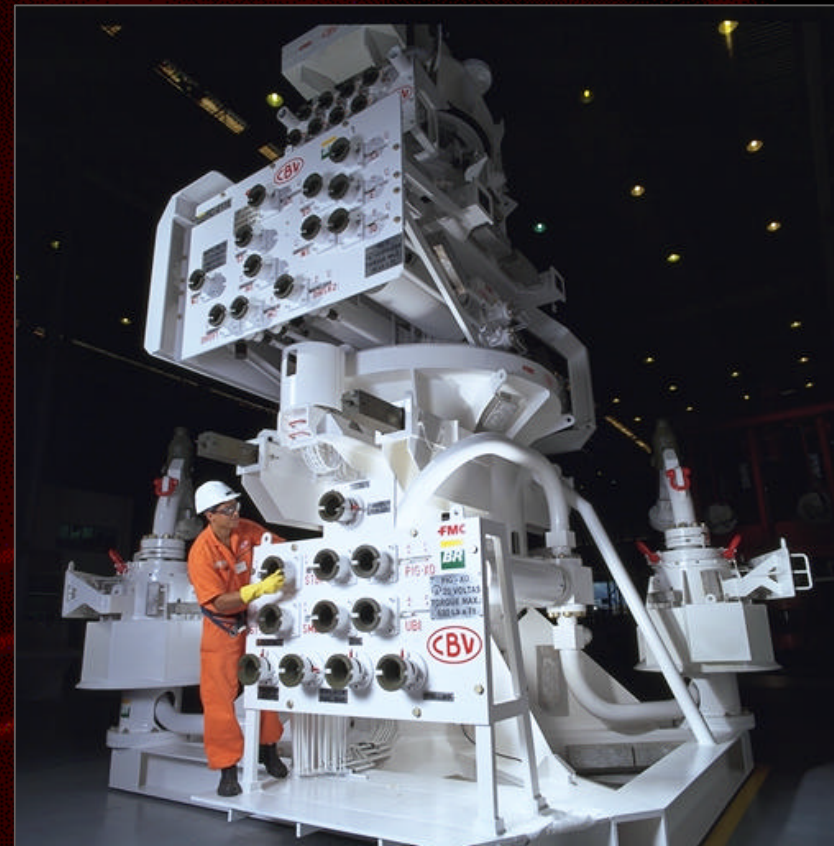
	To businesses with ROI <10.5%	To businesses with ROI >10.5%	Total
CAPEX environmental	\$ 185M	\$ 44M	\$229M
CAPEX non environmental	\$ 162M	\$388M	\$550M
Acquisitions	\$ 92M	\$344M	\$436M
Divestitures	(\$370M)	(\$ 40M)	(\$410M)
Total	\$ 69M	\$736M	\$805M

Where We Are Headed...

**FMC**

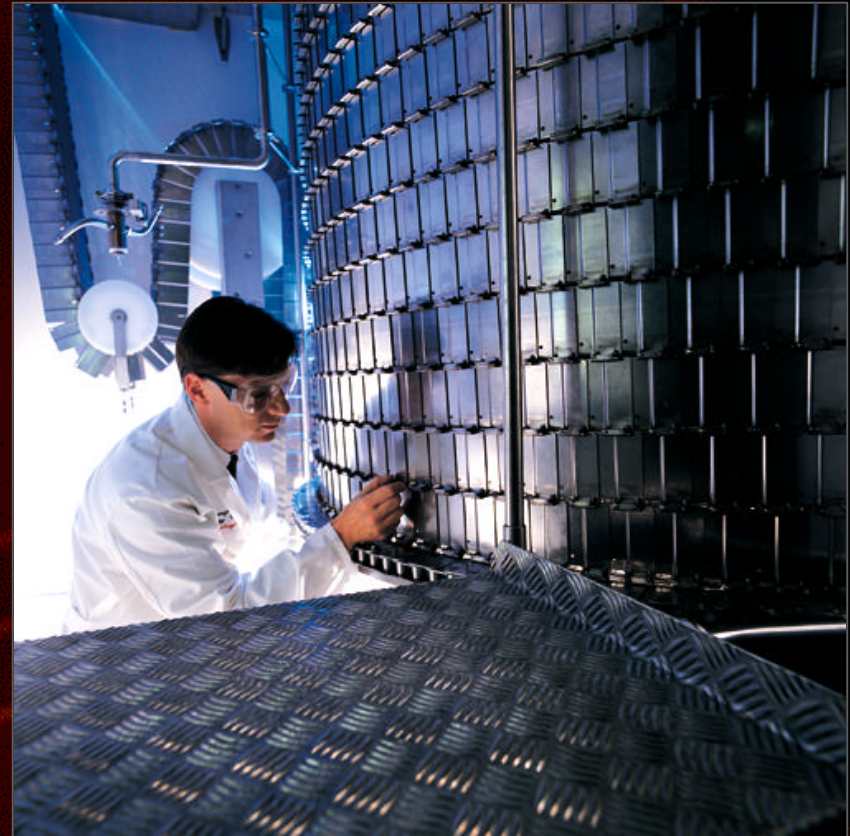
# FMC Energy Systems

- **1999 Results**
  - Sales: \$1,129M
  - EBIT: \$97M
  - Capital employed: \$439M



# Food and Transportation Systems

- **1999 Results:**
  - Sales: \$826M
  - EBIT: \$64M
  - Capital employed: \$370M



# Airport Products and Systems



# Agricultural Products

- **1999 Results**
  - Sales: \$632M
  - EBIT: \$64M
  - Capital employed: \$552M





# FMC Specialty Chemicals

- **1999 Results**
  - Sales: \$565M
  - EBIT: \$73M
  - Capital employed: \$653M



# FMC Industrial Chemicals

- **1999 Results**
  - Sales: \$978M
  - EBIT: \$144M
  - Capital employed: \$818M





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Building Shareholder Value



**William H. Schumann**

***Senior Vice President and  
Chief Financial Officer,  
FMC Corporation***

**FMC**

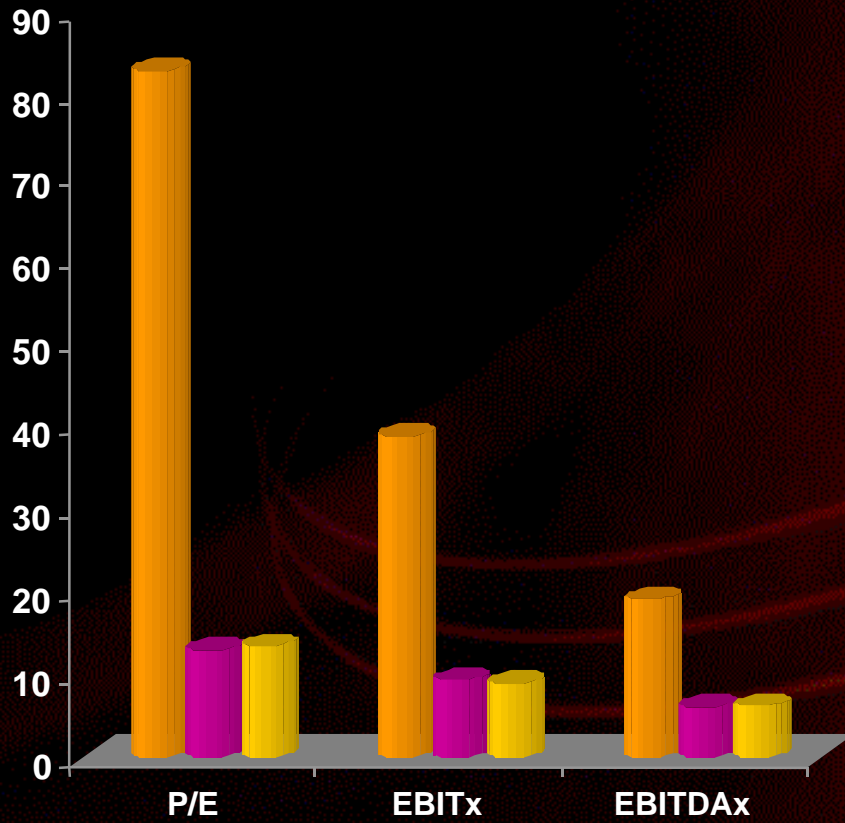


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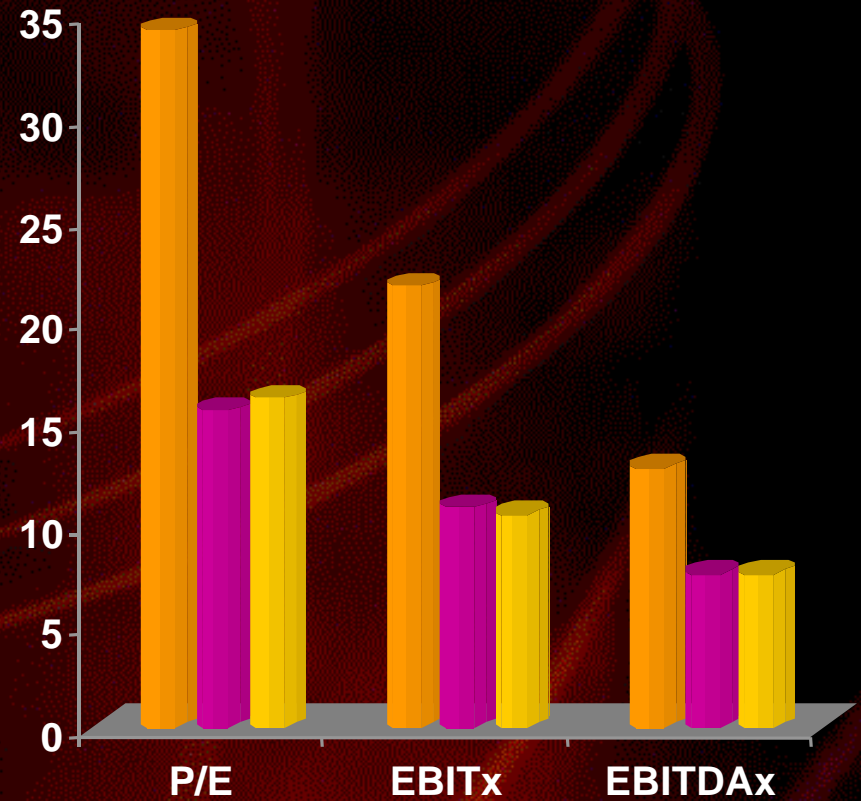
**FMC**

# Summary of Comparative Multiples

## Current



## 5-Year Averages



Energy Systems      Chemicals

Machinery



# Financial History

	1996	1997	1998	1999	9 mos. 2000
<b>Machinery Segments</b>					
Sales	1,688	2,034	2,189	1,956	1,391
EBIT	76	140	168	161	99
EBITDA	134	205	230	220	138
<b>Chemical Segments</b>					
Sales	2,293	2,254	2,220	2,175	1,463
EBIT	341	248	272	282	239
EBITDA	492	408	407	396	331

Does not include Corporate expense



# Debt and Liabilities

## Debt

IPO proceeds will be used to pay down debt

Remainder allocated to machinery and chemical based on industry norms

## Other Liabilities

Allocated by business



# Machinery Initial Public Offering Timeline

<b>Audit</b>	<b>8-12 weeks</b>
<b>SEC Prospectus review</b>	<b>4-6 weeks</b>
<b>Roadshow &amp; offering</b>	<b>4 weeks</b>

 **Second quarter offering**

# Financial Performance

## *Income Statement September YTD*

<b>\$M</b>	<b>1999</b>	<b>2000</b>
<b>Sales</b>	\$3,079	\$2,984*
<b>EBIT</b>	273	290
<b>EBIT % Sales</b>	8.9%	9.7%
<b>Interest Expense</b>	82	75
<b>Profit Before Tax</b>	192	215
<b>Tax</b>	49	53
<b>Tax Rate</b>	25.7%	24.5%
<b>Net Income</b>	142	162
<b>EPS</b>	\$4.35	\$5.15

\*Note: Sales include FMC share of Astaris. FMC's share of Astaris interest included in interest expense.



# Financial Performance

## September YTD Cash Flow

<b>\$M</b>	<b>1999</b>	<b>2000*</b>
Income from continuing operations	\$ 143	\$ 162
Depreciation and amortization	134	131
Change in op wkg capital/other op adj	13	(156)
Fixed asset additions	<u>(181)</u>	<u>(152)</u>
Operating cash flow after FAA	109	(15)
Acquisitions	(274)	(50)
Property sales and dispositions	233	-
Joint venture dividend	-	89
Shares repurchased	<u>(124)</u>	<u>-</u>
Taxes, spec chgs, disc rsrvs, other	<u>(8)</u>	<u>(10)</u>
Total cash provided /(required)	\$ (64)	\$ 14
Period-end debt	<u>\$ 1,560</u>	<u>\$ 1,274</u>

\* Does not reflect Tyco stock sale of \$129M received in early October.



# 2000 Estimates

- **Comfortable with Wall Street estimates – 10% EPS growth**
- **Fourth quarter will be lower than record fourth quarter in 1999**
- **Lower Industrial Chemicals due to euro and energy**

# 2001 Forecast

- **Pension expense - will increase by \$15M**
- **Capital expenditures - approximately \$220M**
- **Depreciation - approximately \$190M**
- **Tax rate - approximately 24.5%**

# FMC Corporate Panel

**Robert N. Burt**

**Chairman and Chief Executive Officer  
FMC Corporation**

**Joseph H. Netherland**

**President  
FMC Corporation**

**William H. Schumann**  
**Financial Officer**

**Senior Vice President and Chief  
FMC Corporation**





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**Peter D. Kinneear**

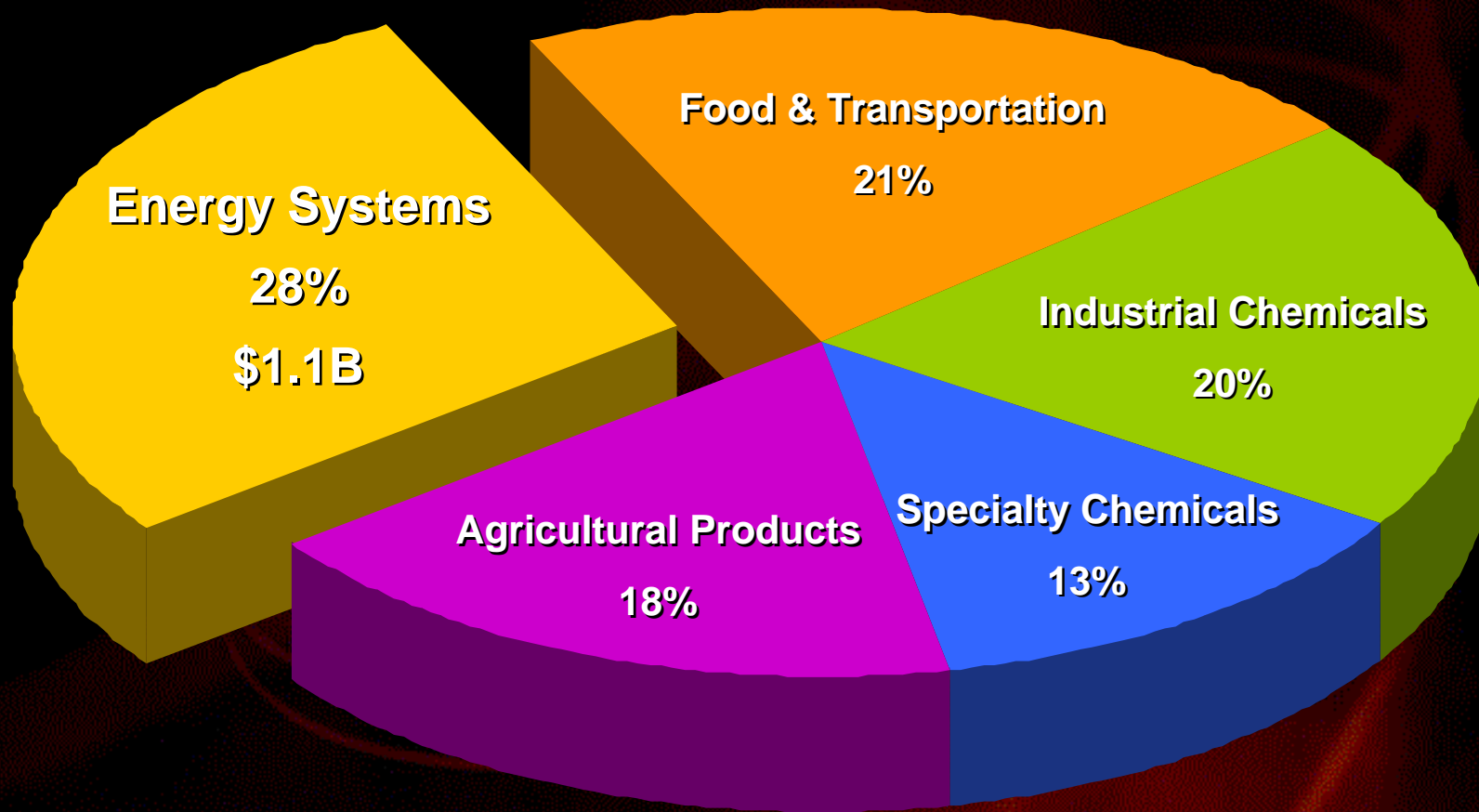
***Vice President and General  
Manager,  
Petroleum Equipment and  
Systems***

**FMC**



# Energy Systems

2000 Forecast

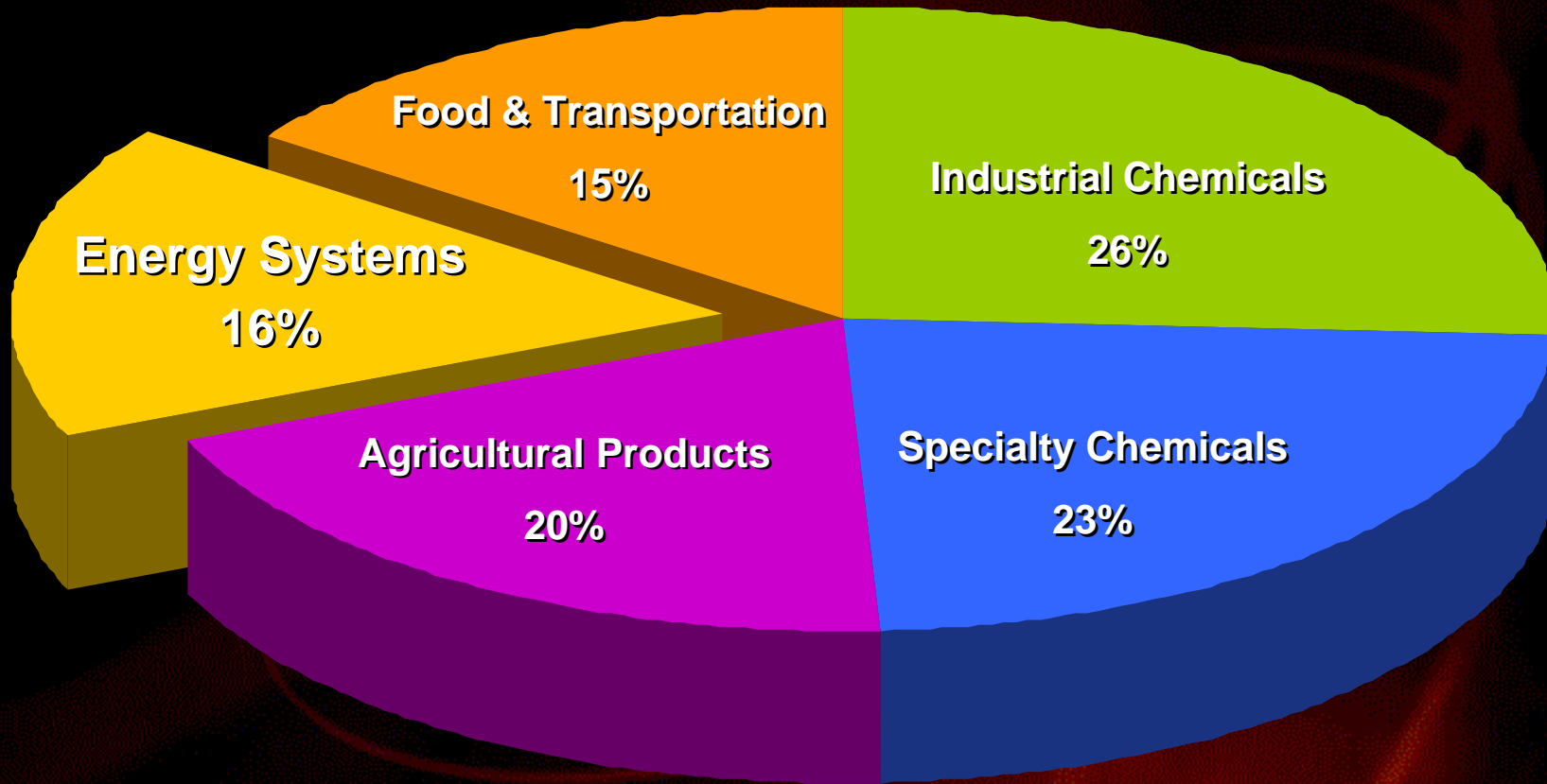


**Total FMC Sales = \$3.9 Billion**



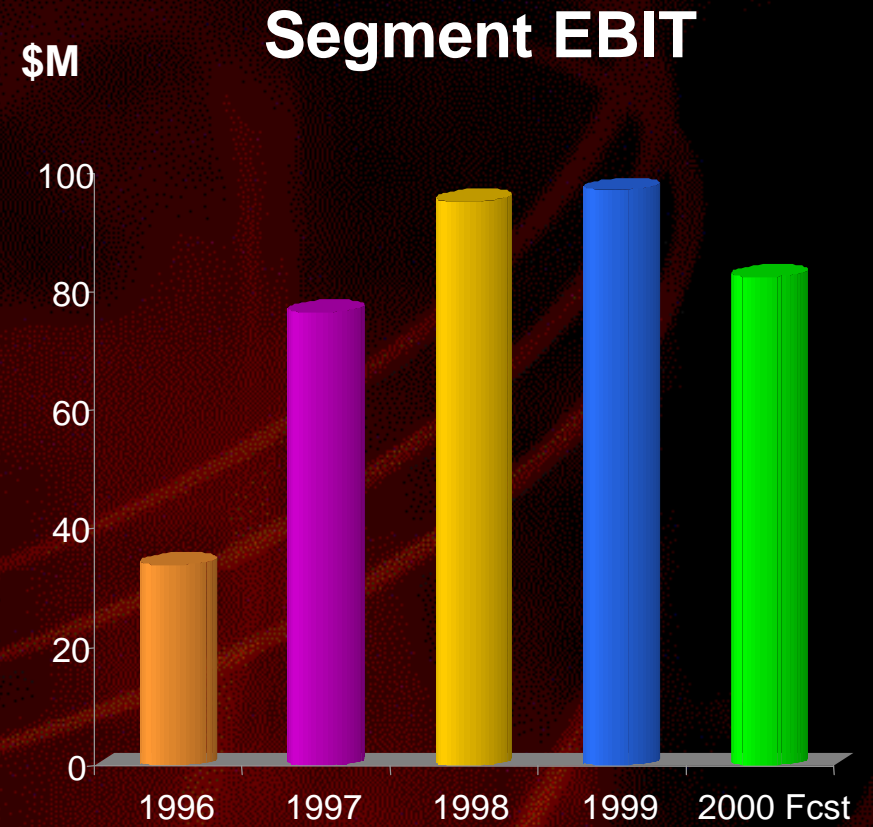
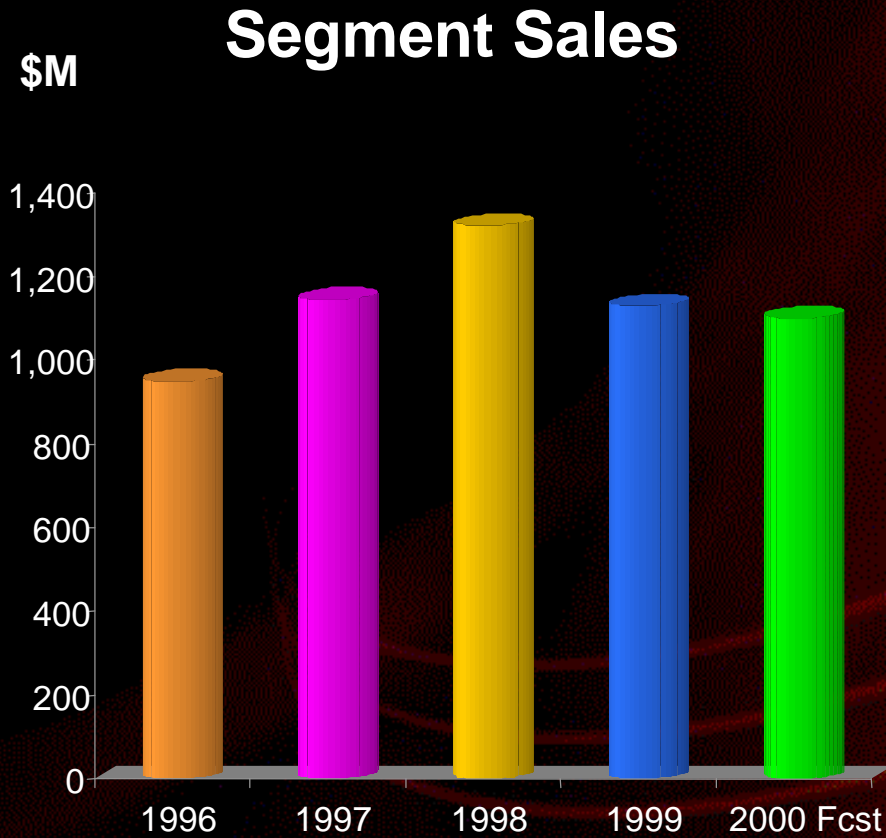
# Energy Systems

## Segment Capital Employed



Total September 2000 capital employed = \$2.7 Billion

# Energy Systems



# FMC's Energy Business Well Positioned

- **Sales over \$1 billion**
- **Historically high oil and gas prices**
- **E&P spending increasing**
- **Products critical to our customers**
- **Earning returns above the cost of capital**

# FMC's Two Energy Segments

- **Exploration and Production**
- **Transportation and Processing**

# Exploration and Production



Surface Tree



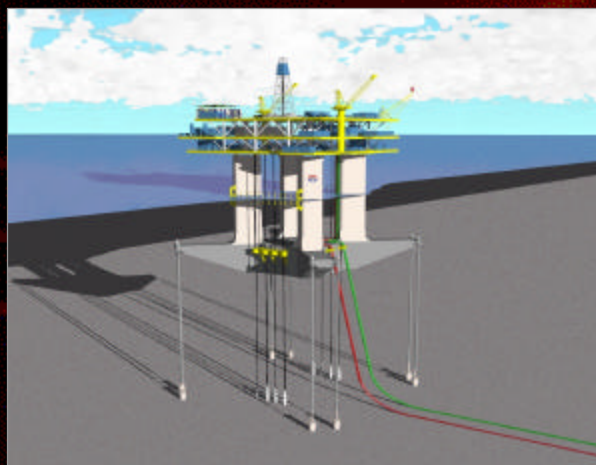
Subsea Tree with Controls



Subsea Manifolds



Floating Production Storage and Offloading/Turret Mooring System



Mini Tension Leg Platform



Integrated Developments

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# Transportation and Processing



**Measurement Solutions**



**Blending & Transfer**



**Production Manifold Systems**



**Loading Systems**



**Marine Terminals**

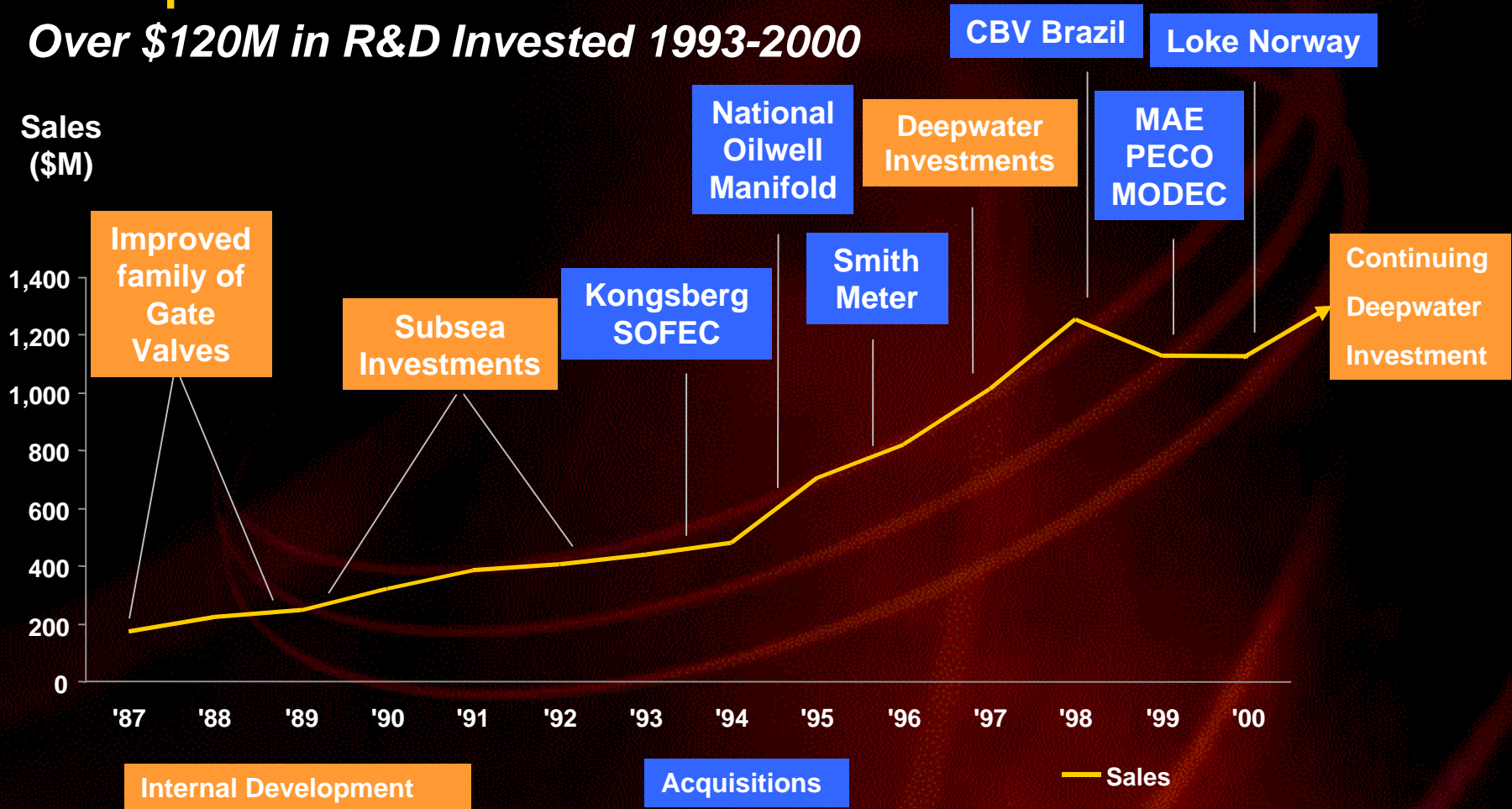
# Energy Products

	<i>Market Position</i>	<i>Market Size (\$M)</i>
Subsea Systems	1	1,300
Loading Systems	1	200
Flowline Products	1	150
Production Manifold Systems	1	85
Measurement Solutions	2	550
Surface Wellheads	2	950
Marine Terminals	2	140
FPSO Turret Mooring Systems	2	560
Blending & Transfer	2	135



# Growth Driven by R&D and Acquisitions

Over \$120M in R&D Invested 1993-2000



# Energy Market Trends

- **Increased use of new technologies**
- **Development of deepwater basins**
- **Continued industry consolidation**

# Exploration and Production Technology

*Emerging technologies with the most impact on E&P spending*

	'94	'97	'99
3D Seismic Technology	75%	58%	71%
Horizontal/Directional Drilling	53%	27%	37%
Subsea/Floating Production/Deepwater	7%	21%	27%

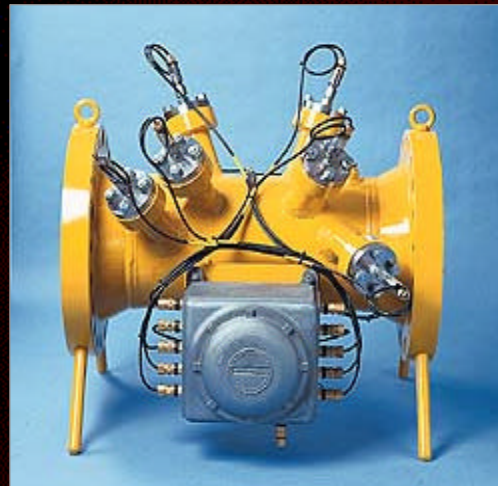
Source: Salomon, Smith Barney



# Transportation and Processing Technologies



**Coriolis Flowmeter**



**Ultrasonic Flowmeter**



**Offshore LNG  
Loading System**

# Deepwater Basins

## Top 3 Deepwater Plays

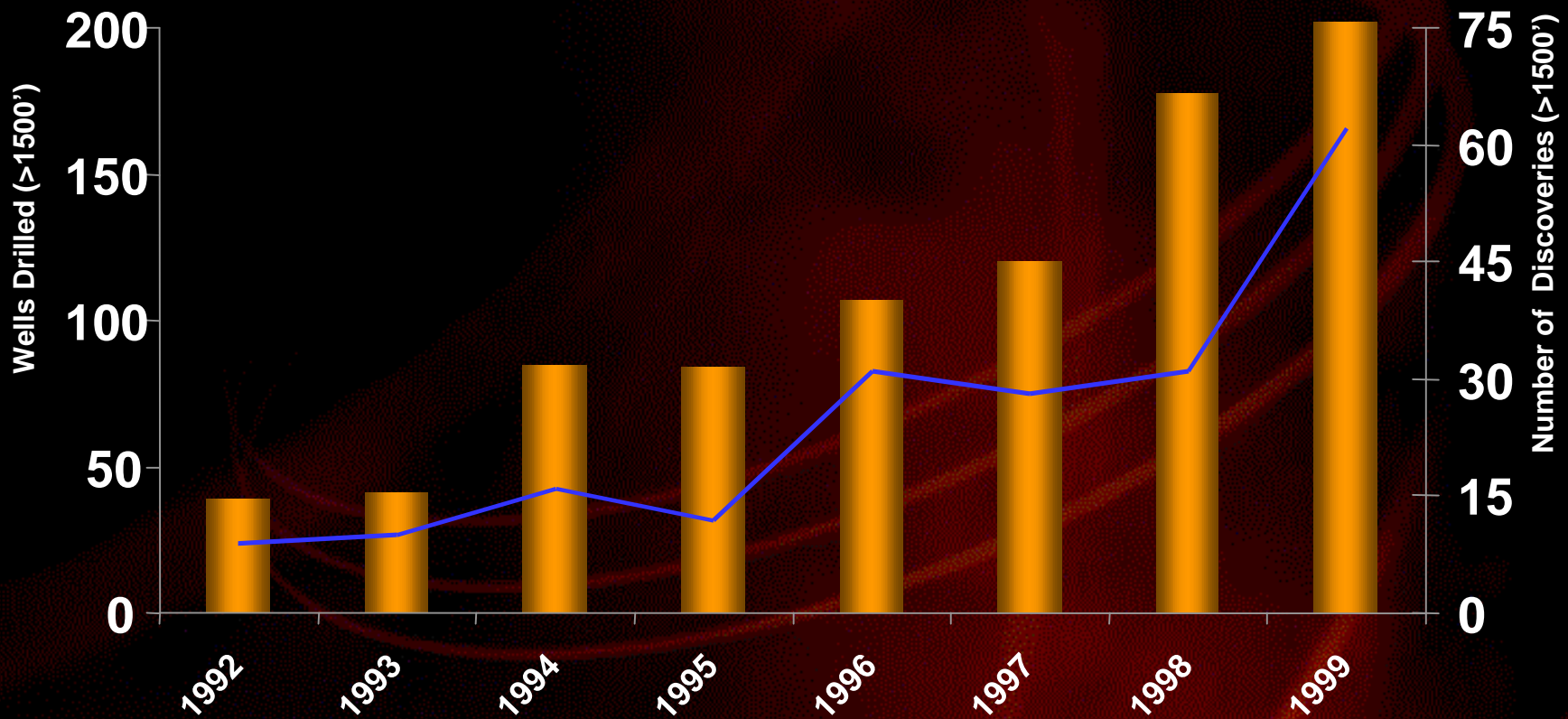
### Identified Prospects (Billion of Barrels Oil Equivalent)

<b>West Africa</b>	<b>6.0</b>
<b>Gulf of Mexico</b>	<b>5.2</b>
<b>Brazil</b>	<b>4.2</b>

Source: Douglas - Woodward Ltd 2000



# Deepwater Activity Levels (> 1500 ft)



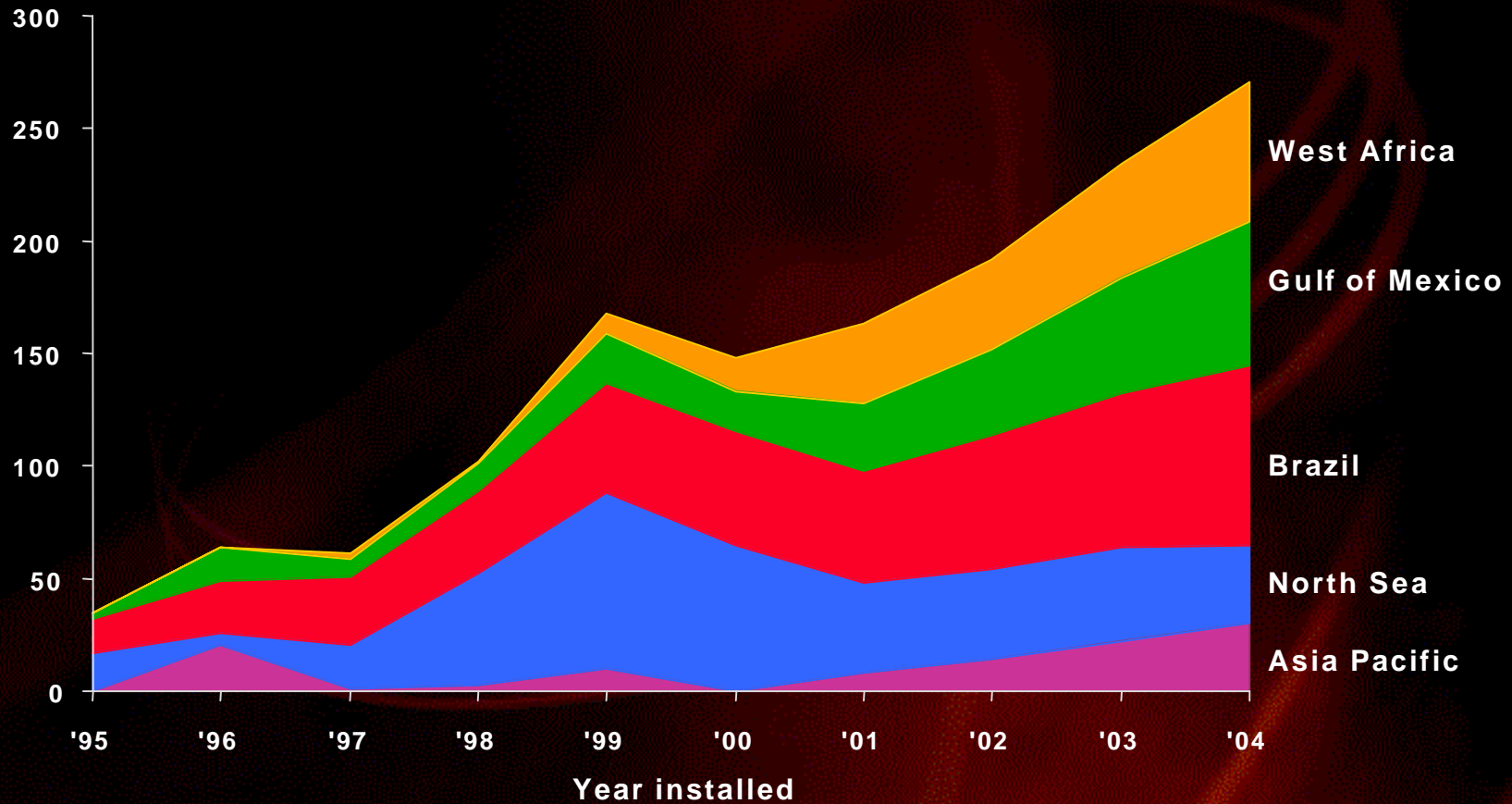
Source: Offshore Data Services

**Wells Drilled**    **Discoveries**



# Subsea Completions Forecast

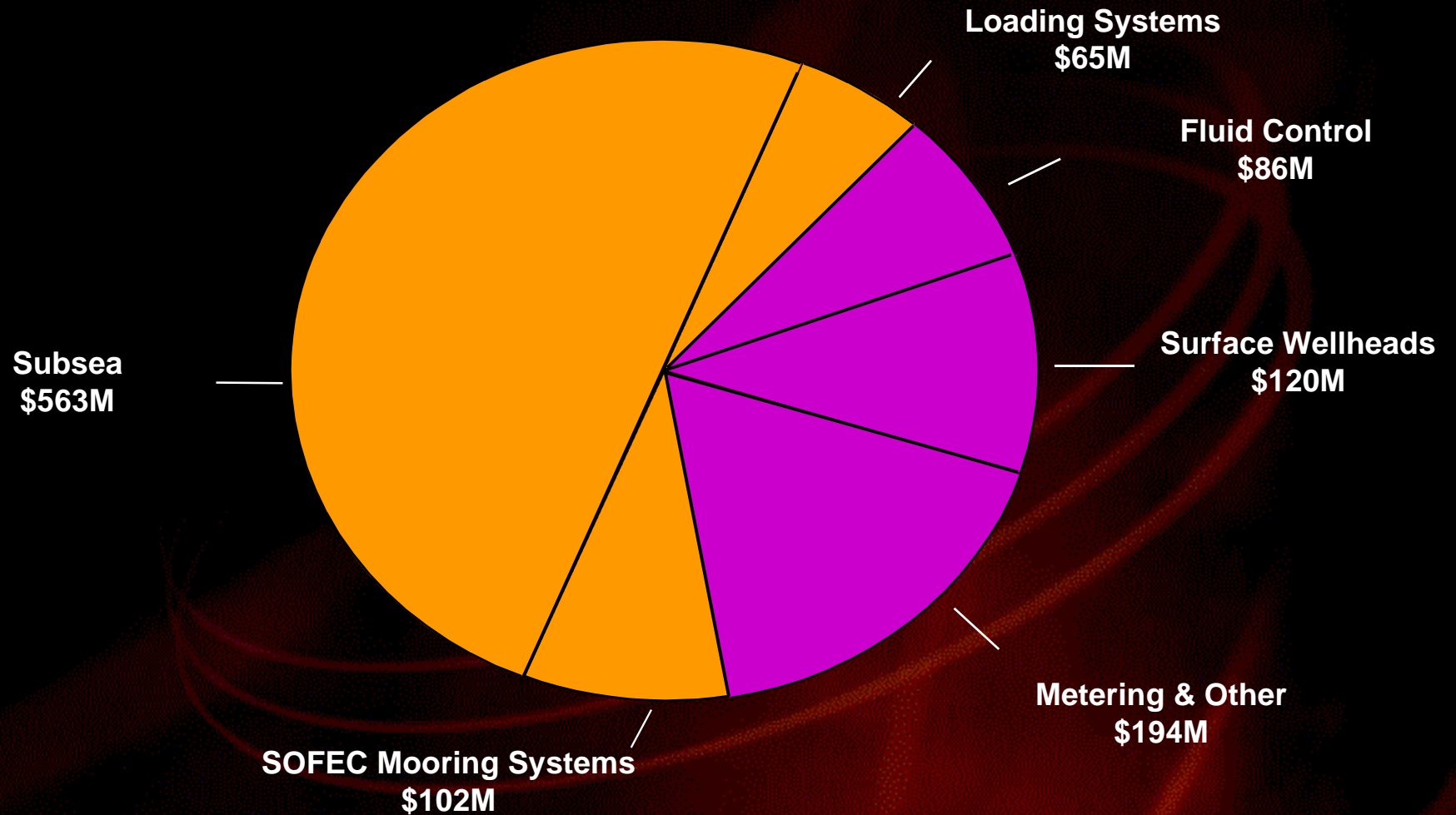
Number of trees



Source: Douglas - Westwood Limited 2000

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# 1999 Revenue Mix\*

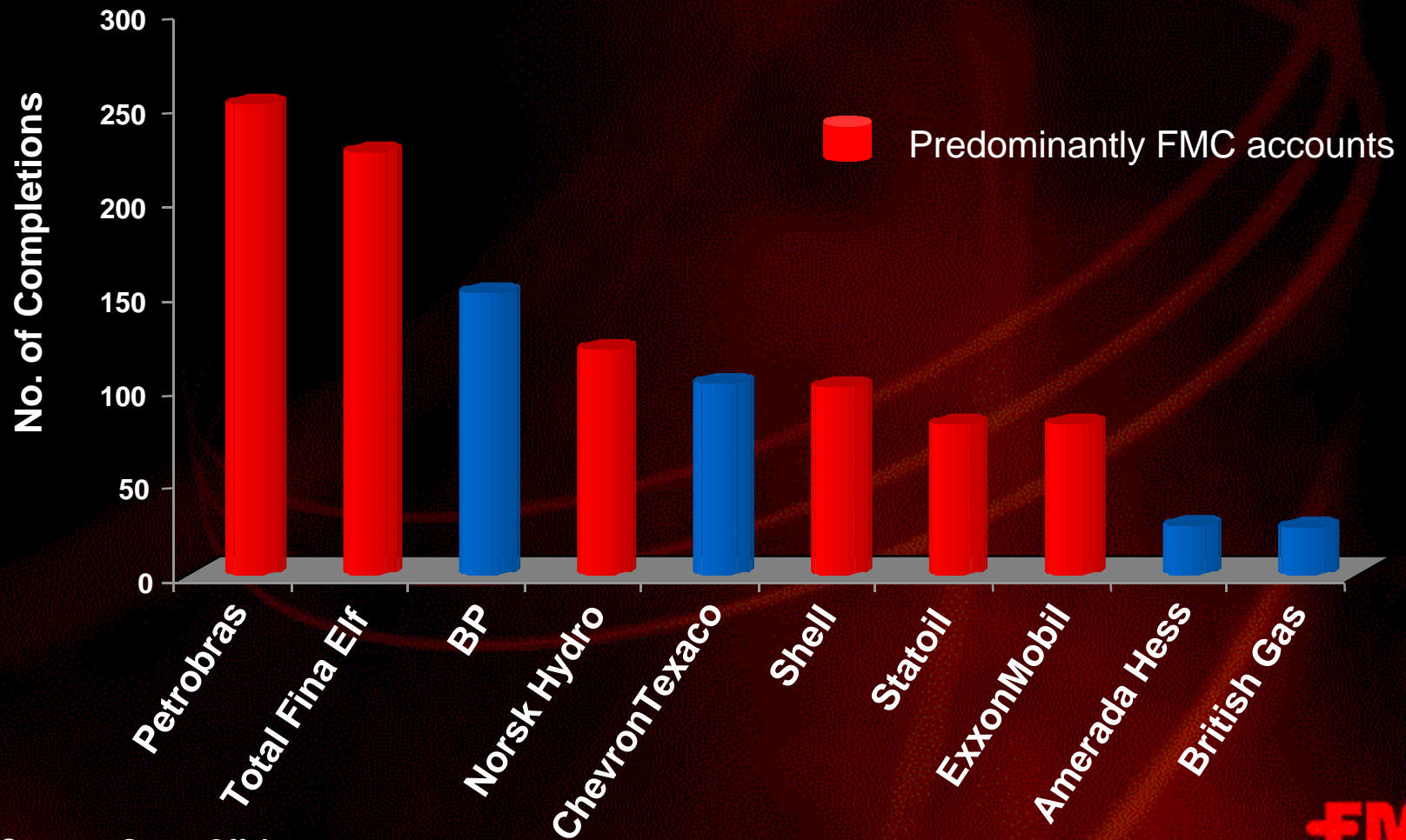


\* Modec Joint Venture Floating Production not consolidated





# Subsea Completions by Operator 2000 to 2004



Source: Quest Offshore



# Industry Consolidation

## *Consolidation among oil companies*

- **Competitive dynamics have driven consolidation**  
↓
- **Further outsourcing by major oil companies**  
↓
- **Selection of vendors that can provide package of related services**  
↓

*Alliances / Integrated Solutions*

# FMC's Key Alliances

## *Customer*

**Agip**

**BP-Latin America/Alaska**

**ExxonMobil**

**Norsk Hydro**

**Schlumberger**

**Shell-USA**

**Statoil**

## *Product*

**Subsea**

**Surface Wellhead**

**Lube Blending**

**Subsea/Metering**

**Flowline Products**

**Subsea**

**Subsea/Metering**

The logo for FMC Energy Systems is centered on a dark background with a red grid pattern. The letters 'FMC' are in a bold, red, sans-serif font. The words 'Energy Systems' are in a white, sans-serif font with a slight drop shadow, positioned to the right of 'FMC'.

**FMC** Energy Systems

# Energy Systems Panel

**Peter D. Kinnear** Vice President and General Manager  
Petroleum Equipment and Systems

**Robert L. Potter** General Manager  
Energy Transportation and Measurement

**Bradley D. Beitler** General Manager  
Western Hemisphere Subsea

**Tore Halvorsen** General Manager  
Eastern Hemisphere Subsea



**Charles H. Cannon**

***Vice President and General  
Manager,  
Food and Transportation  
Systems***

**FMC**

# Food and Transportation Systems

**FMC** FoodTech



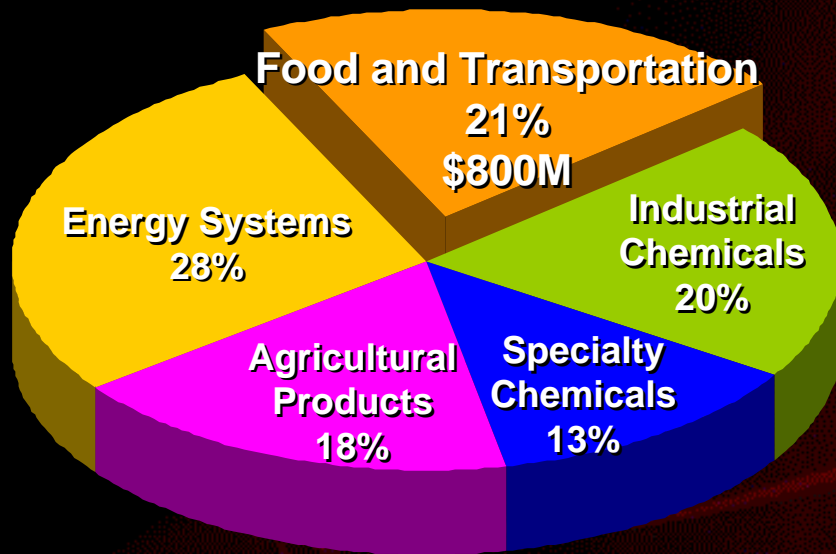
**FMC** AirportSystems



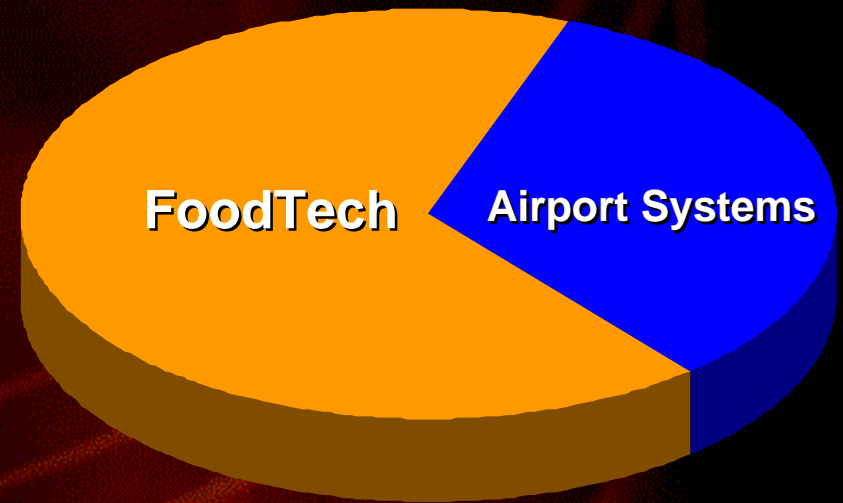
**FMC**

# Food and Transportation Systems

## 2000 Forecast



**Total FMC Sales = \$3.9 Billion**

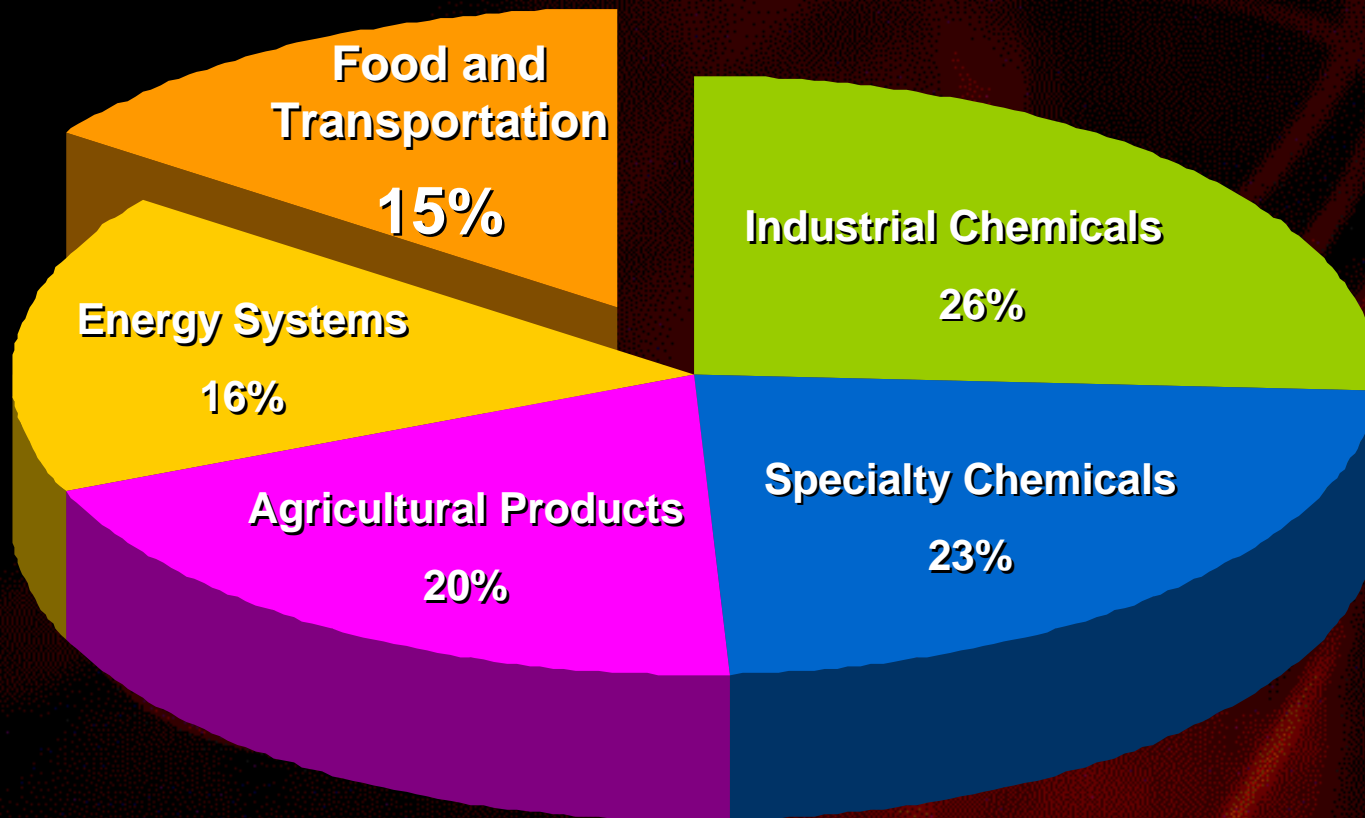


**Total Food & Transportation  
Sales = \$800 Million**



# Food and Transportation Systems

## Segment Capital Employed

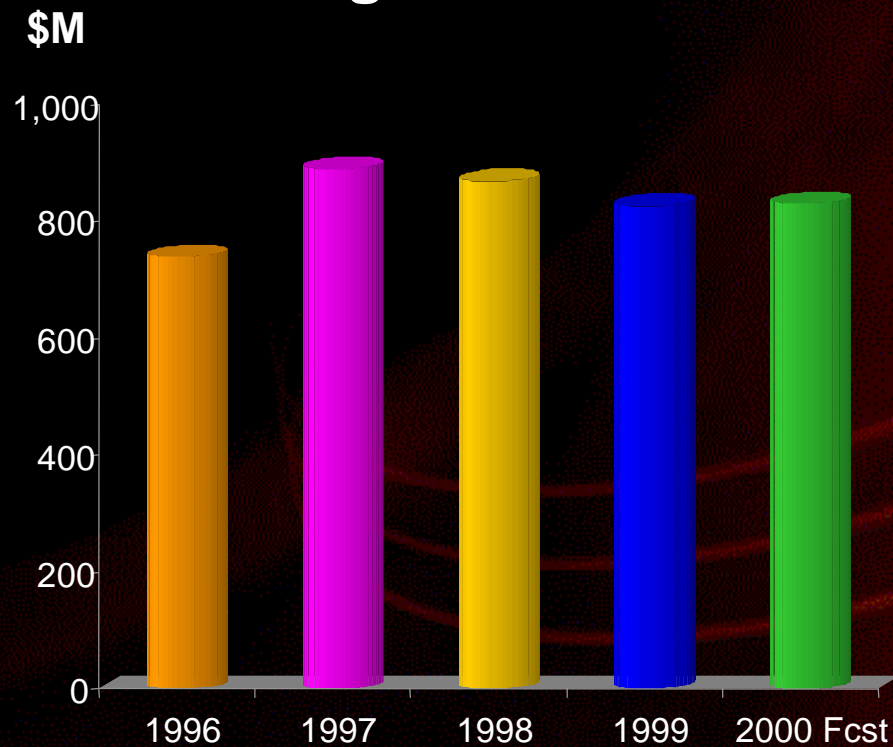


Total June 2000 capital employed = \$2.7 Billion

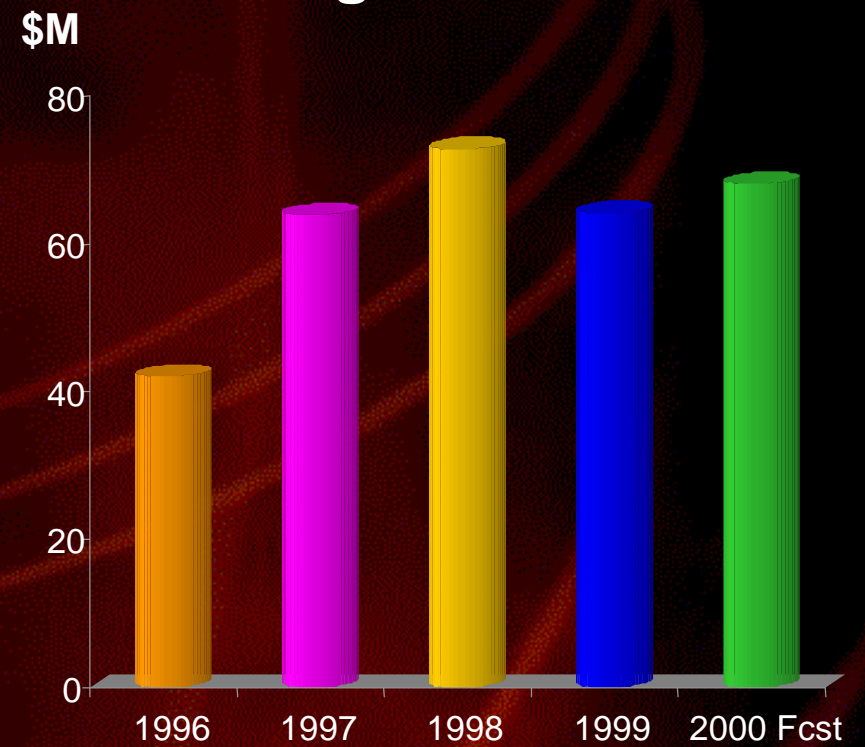
**FMC**

# Food and Transportation Systems

## Segment Sales



## Segment EBIT



# Food and Transportation Systems

- **Products differentiated by technology and service**
- **#1 or #2 market positions**
- **Consolidating fragmented industries**
- **Growing aftermarkets**

# FMC FoodTech: Industry Leader and Partner

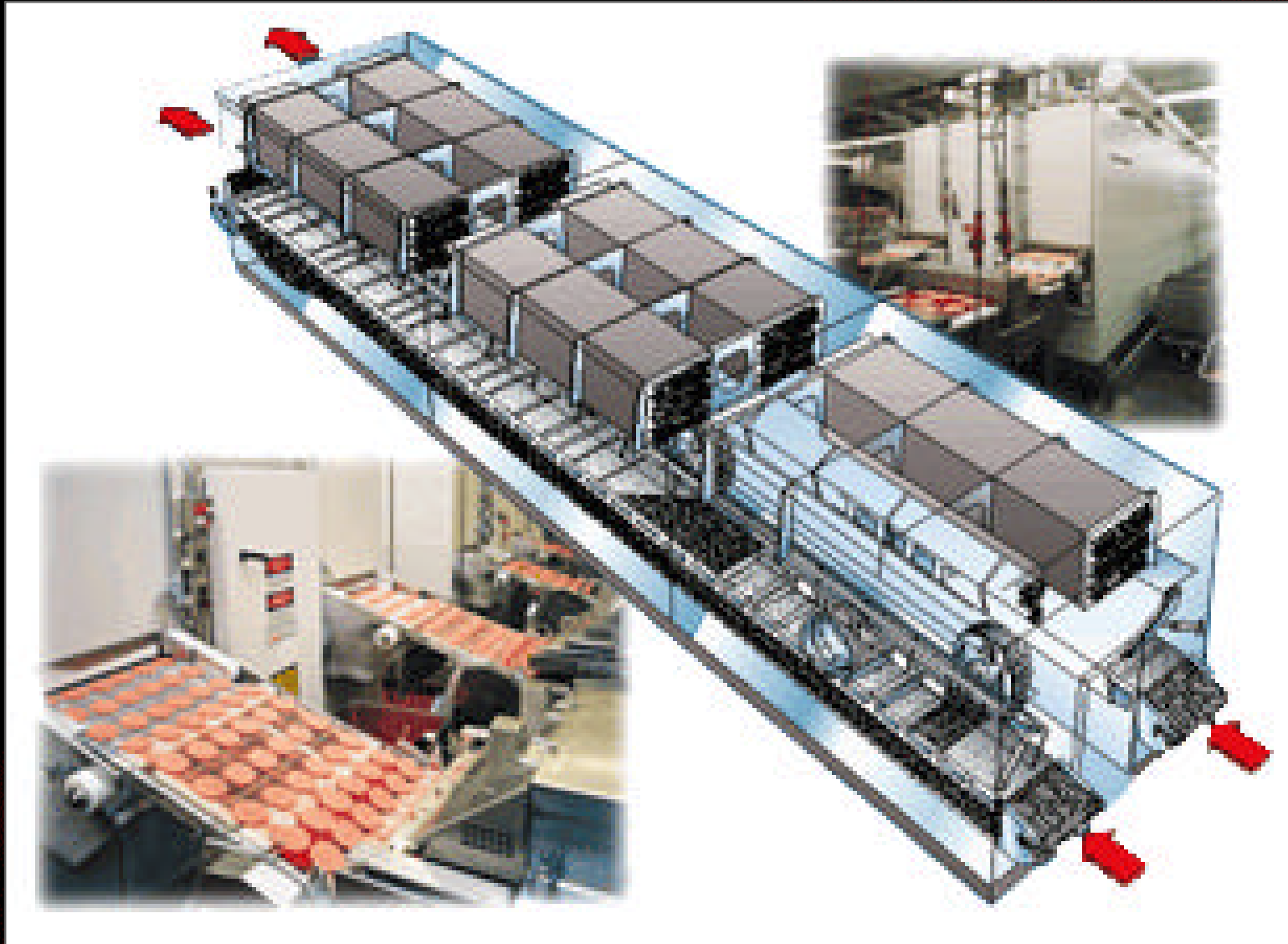
- #1 in freezing systems
- #1 in sterilizing systems
- #1 in citrus systems
- #1 in value-added poultry
- #2 in tomato processing

## Major Customers



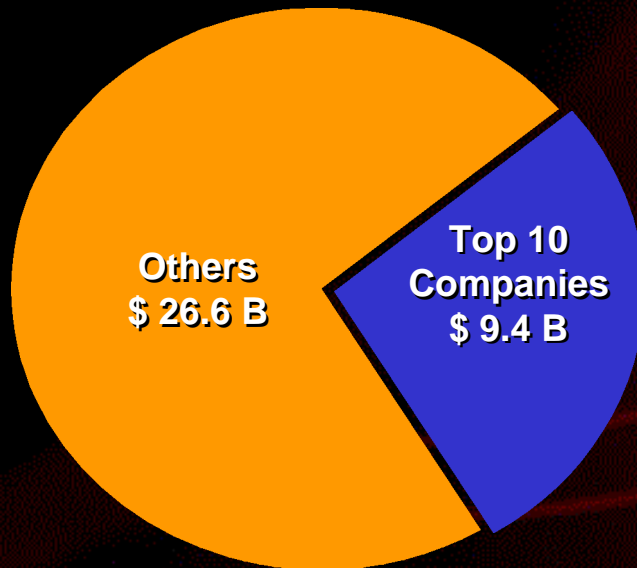


**FMC**



# Consolidating Fragmented Industry

## Food Equipment Market



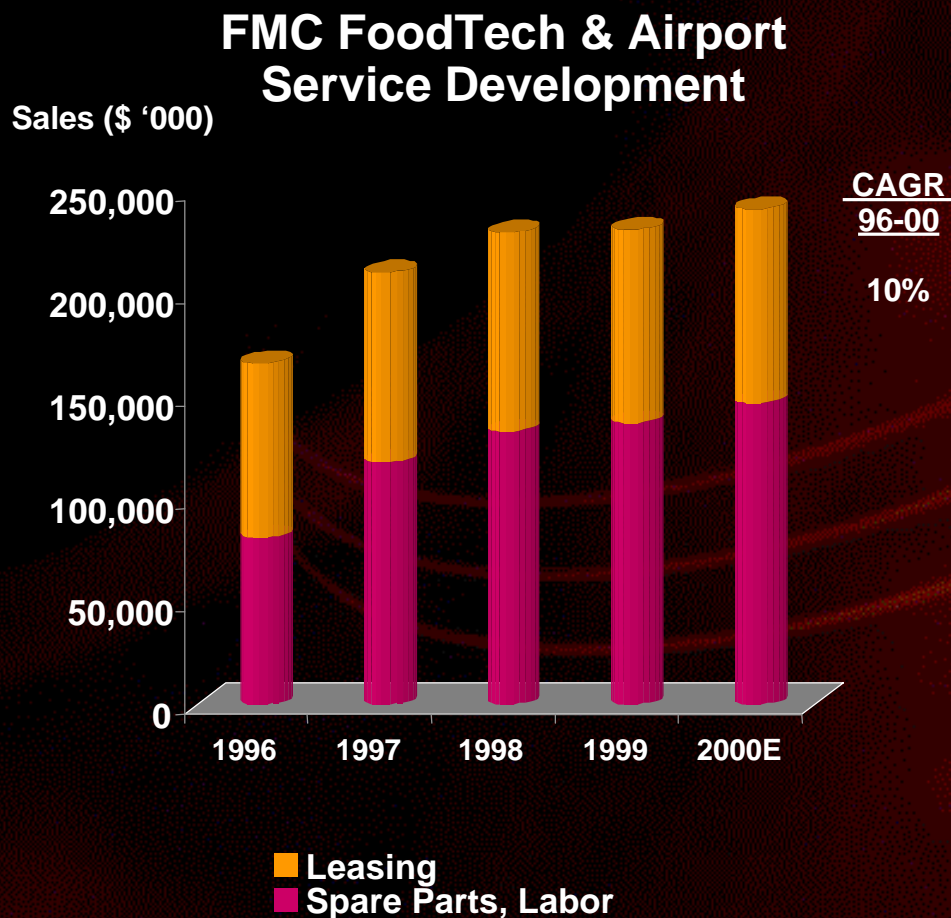
**Global Total \$36B**

**Avg. CAGR 3%**

## Acquisitions in 2000

- Northfield Freezing Systems
- Allen Machinery
- Perkin Elmer X-ray Food Inspection technology

# Focus on Strategic Lever – Installed Base



- Huge installed base creates opportunity for product services
- Utilizing internet to expand profit opportunities
- Early internet investments could create chance to virtually aggregate fragmented industry



# FMC Airport Systems: Industry Leader and Partner

- #1 in cargo loaders
- #1 in push-back tractors
- #1 in de-icers
- #1 in Jetways
- #2 in AUX Power Units

## Major Customers





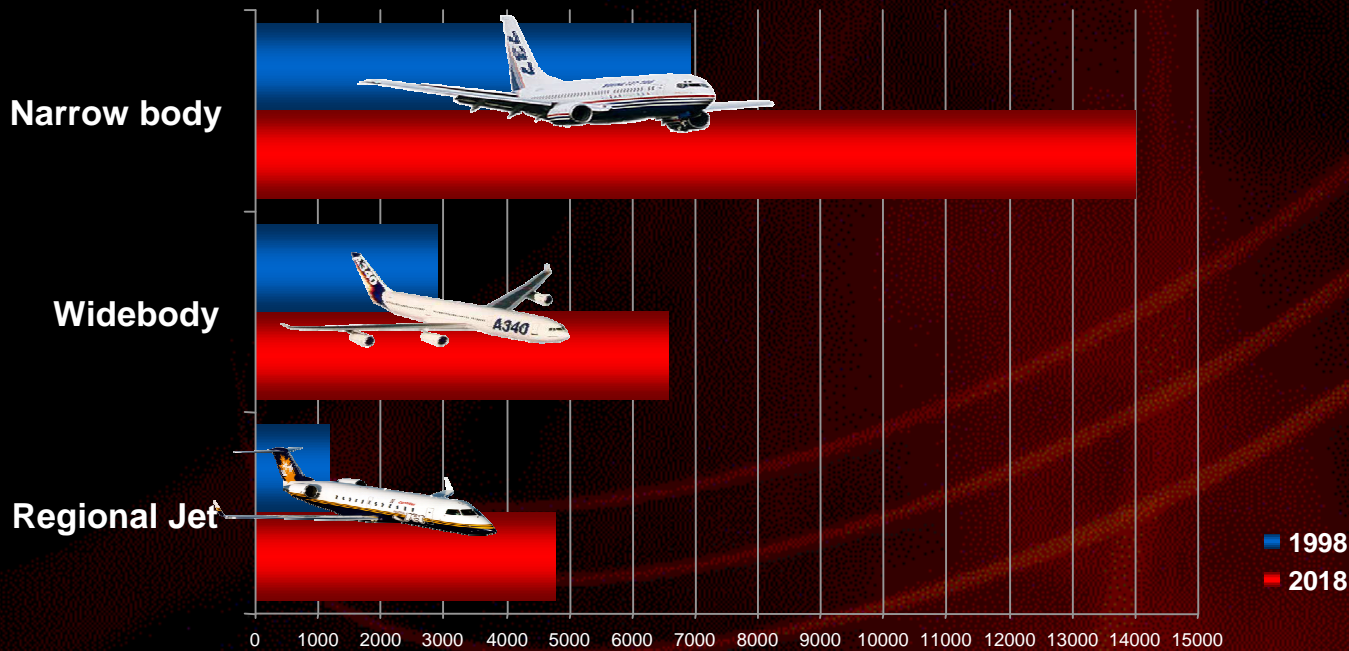
**FMC**



**FMC**

# FMC Airport Systems Serve Higher – Growth Markets

## Airline Fleet Growth



- Passenger traffic will grow at an average rate of 5% annually
- Air freight will grow at an average rate of 6% annually

# #1 in Commercial Market Extending into Government Market



- **Next Generation Small Loader (NGSL) worth \$135M over next 5 years**
- **Technology position justified premium pricing**
- **Potential revenue approximately \$458M over next 15 years**

# Food and Transportation Systems

**FMC** FoodTech



**FMC** AirportSystems



**FMC**

# Food and Transportation Panel

**Charles H. Cannon**

**Vice President and General Manager  
Food and Transportation Systems**

**Liam E. Collins**

**General Manager  
FMC Airport Systems**

**Jeffrey G. Simoneau**

**General Manager  
Frigoscandia Equipment**

**Juan C. Podestá**

**General Manager  
Food Processing Systems**





**W. Kim Foster**

***Vice President and General  
Manager,  
Agricultural Products Group***

**FMC**



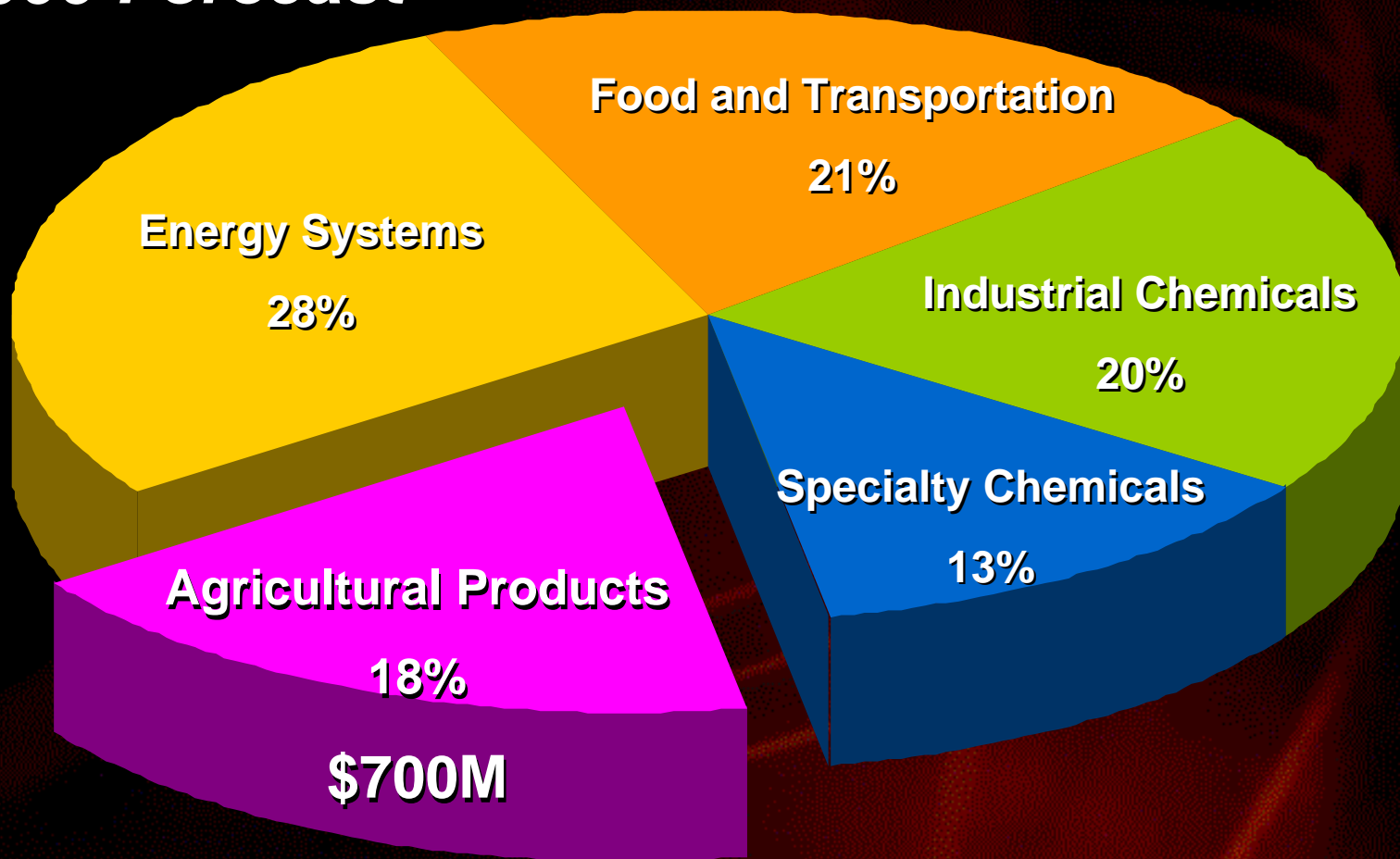


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# Agricultural Products

## 2000 Forecast

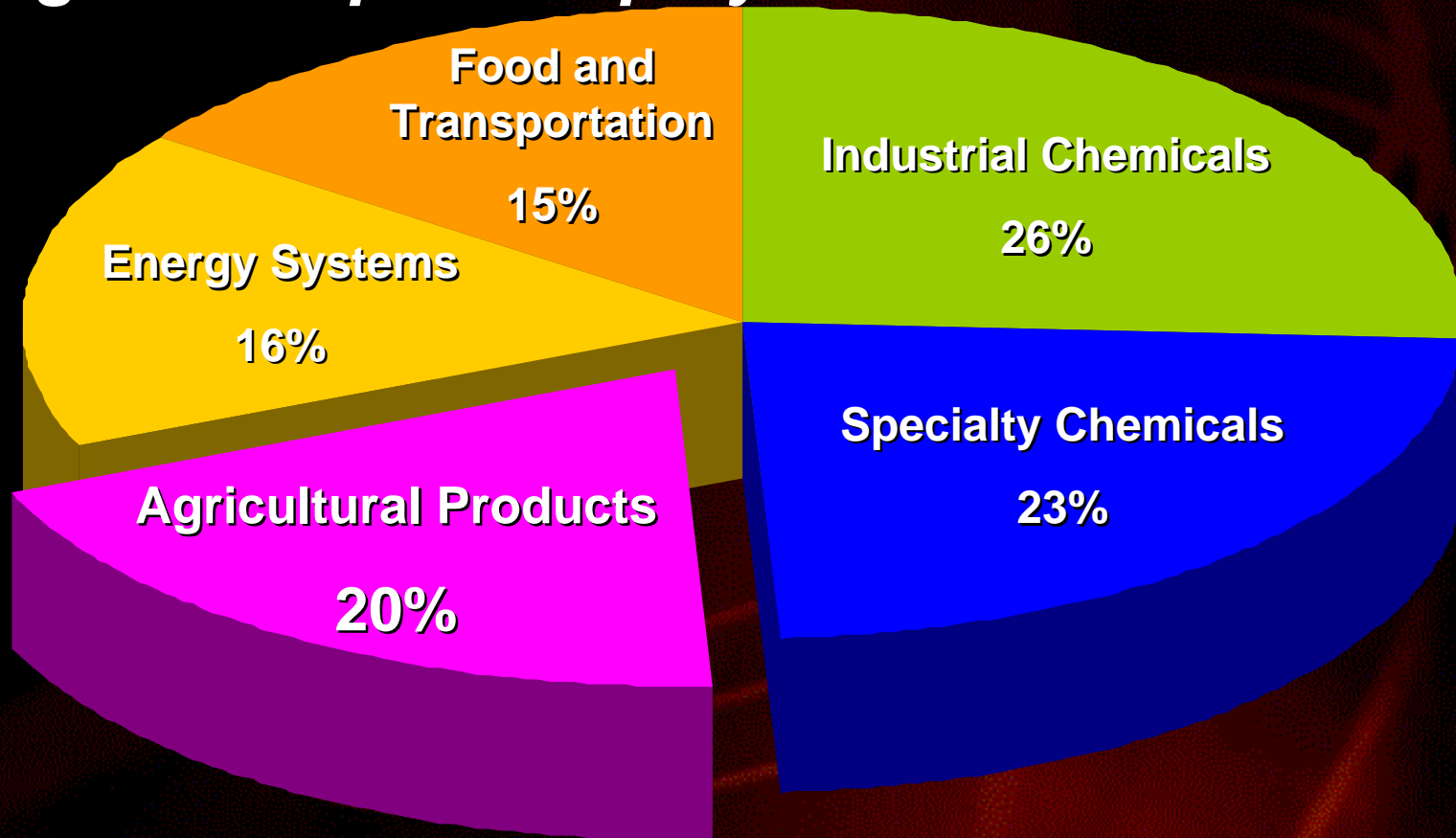


**Total FMC Sales = \$3.9 Billion**



# Agricultural Products

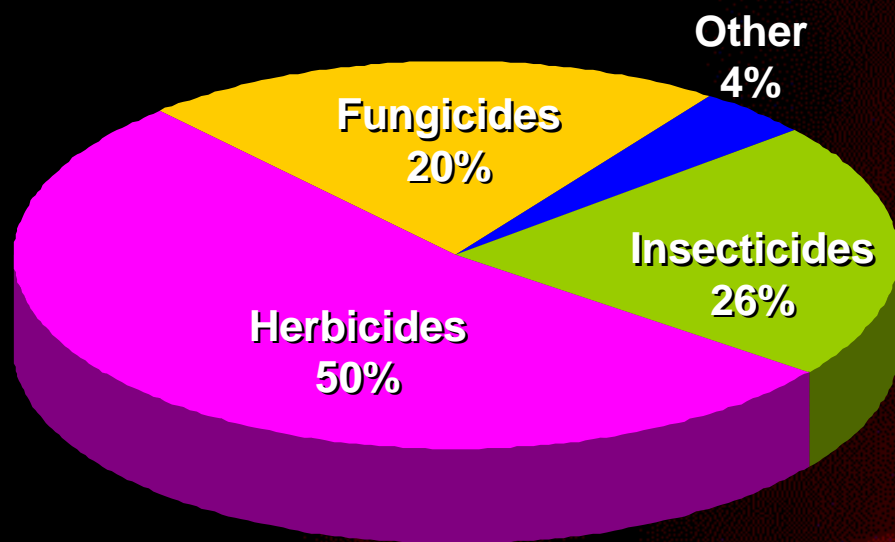
*Segment capital employed*



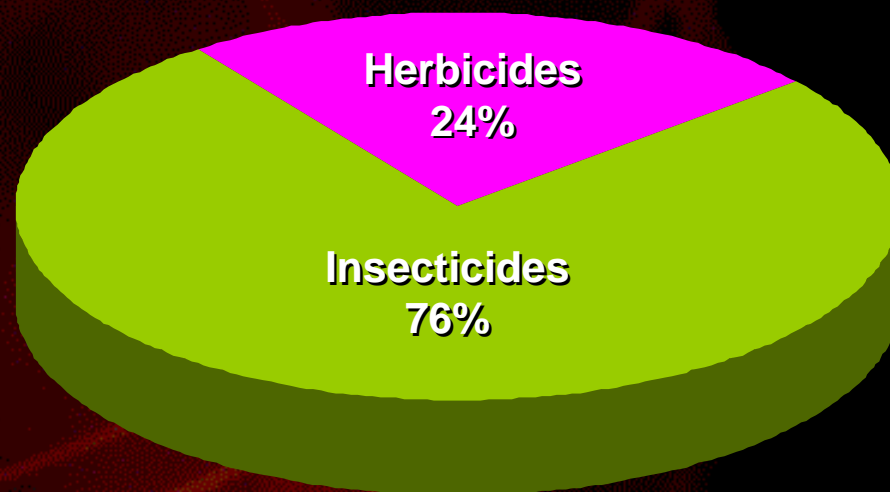
**Total September 2000 capital employed = \$2.7 Billion**

# Agricultural Products

## 1999 Product Comparison



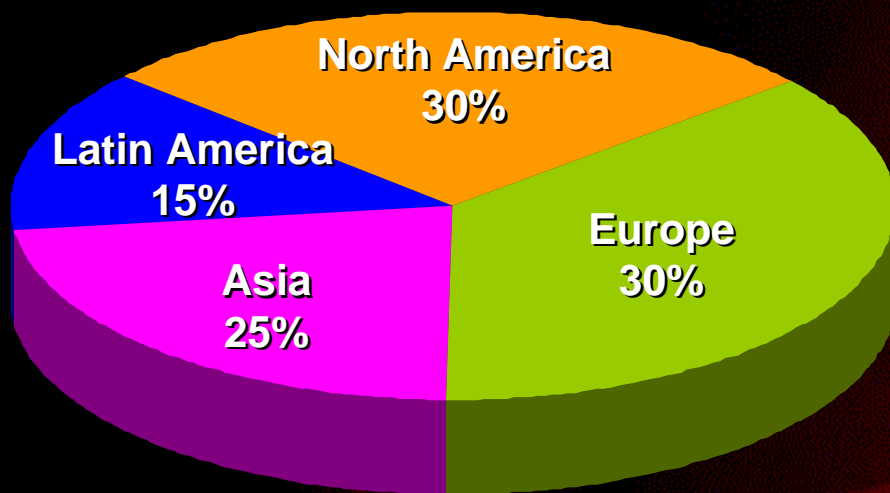
Industry Sales of \$29B



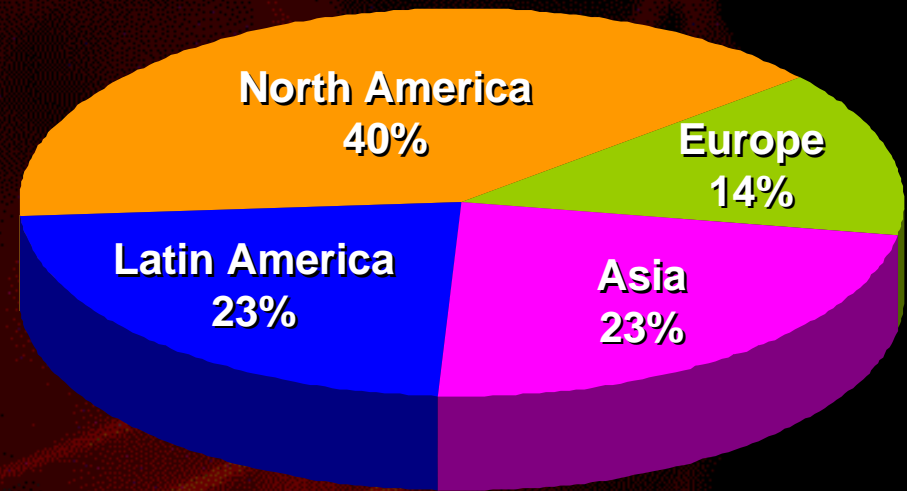
FMC Sales of \$0.6B



# Agricultural Products 1999 Geographic Comparison



**Industry Sales of \$29B**

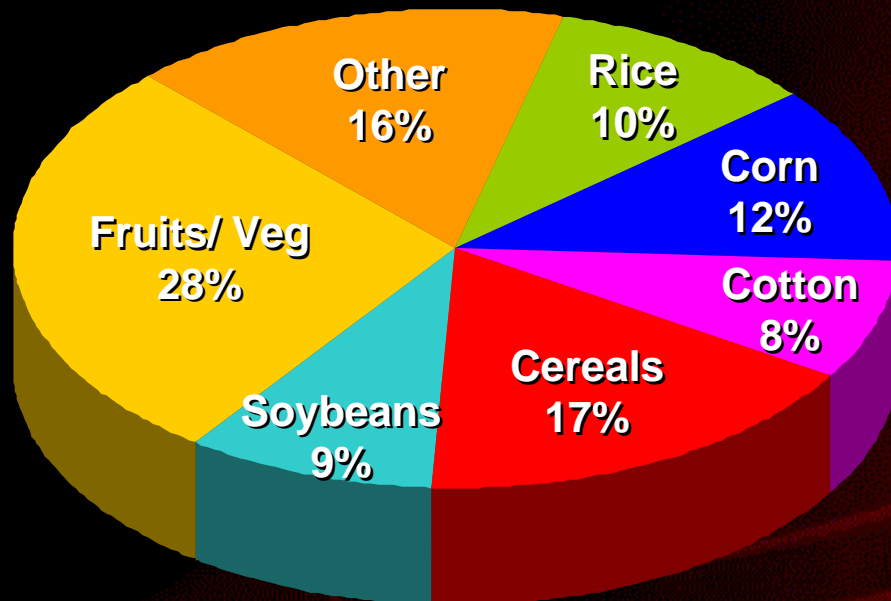


**FMC Sales of \$0.6B**

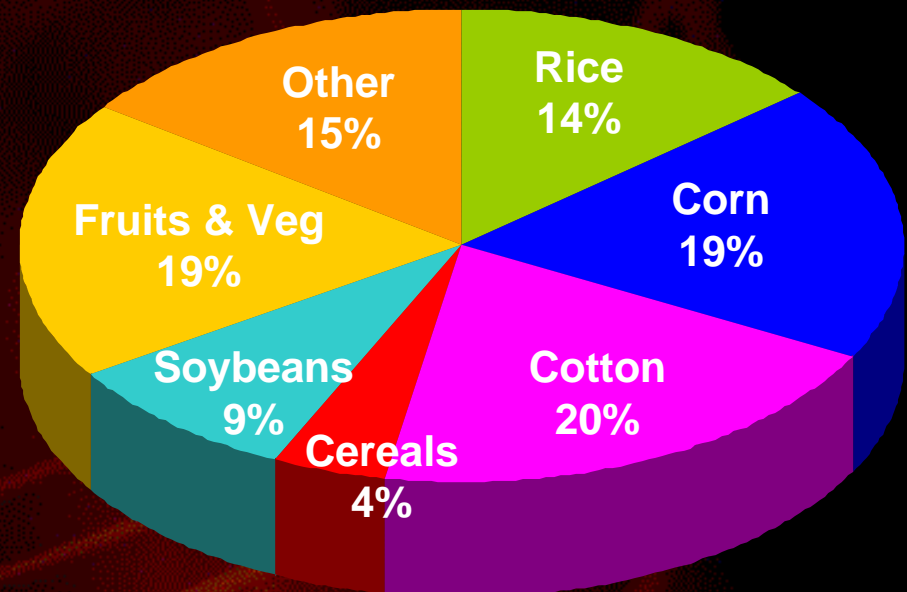


# Agricultural Products

## 1999 Crop Comparison



**Industry Sales of \$29B**



**FMC Sales of \$0.6B**



# Agricultural Products

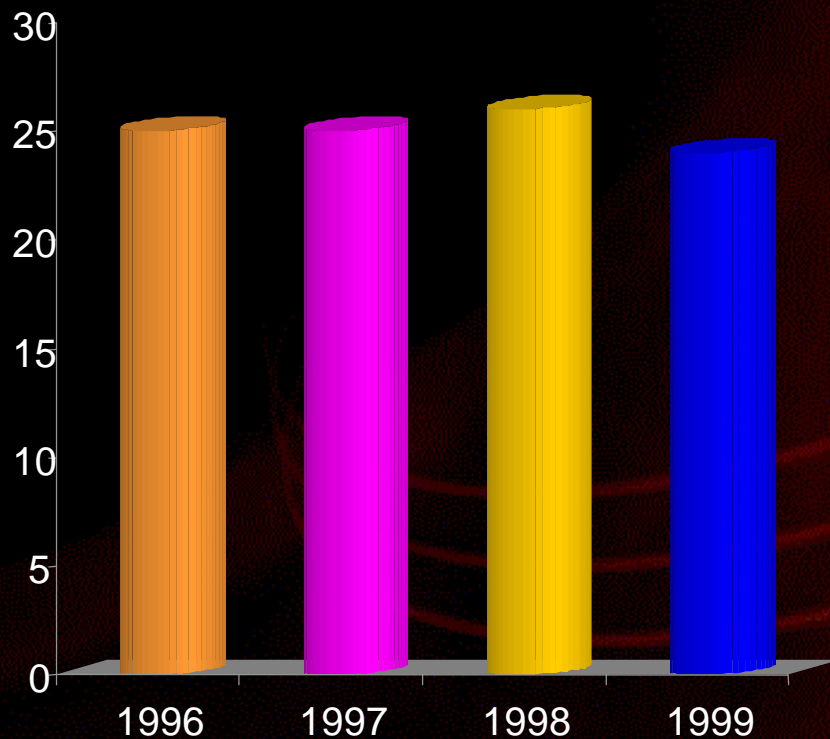
## *What is our message*

- We have recovered in 2000
- We compare favorably to Tier 1 companies
- Our current initiatives will drive 10% EBIT growth in the near term
- We are excited about the longer term promise of our new discovery paradigm

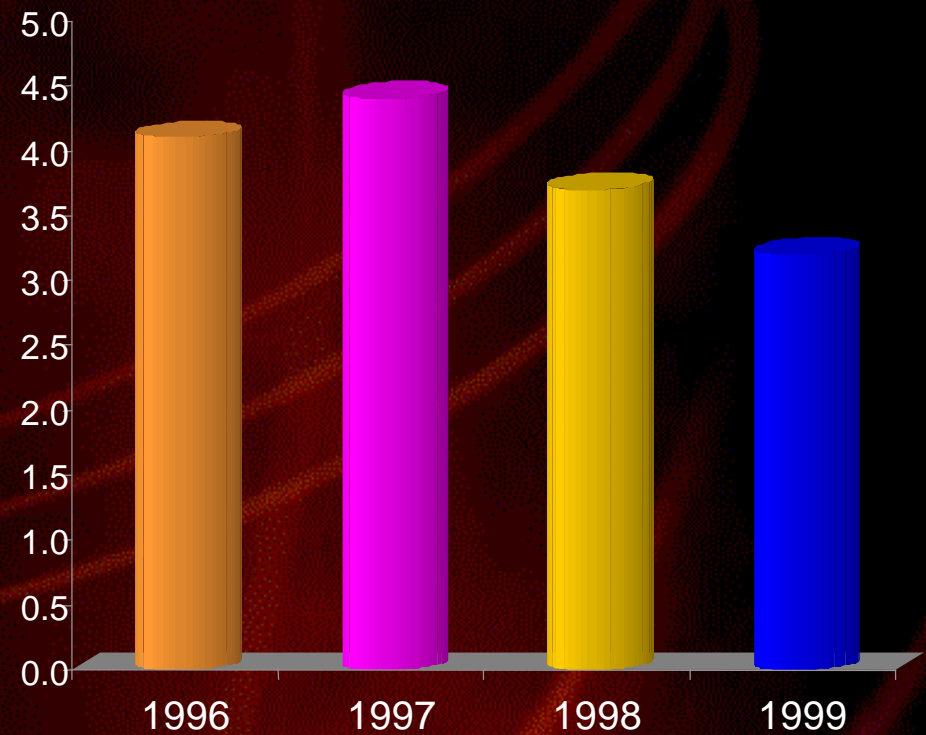
# Agricultural Products

## Industry Sales and Profits

\$B Tier 1 Company Sales



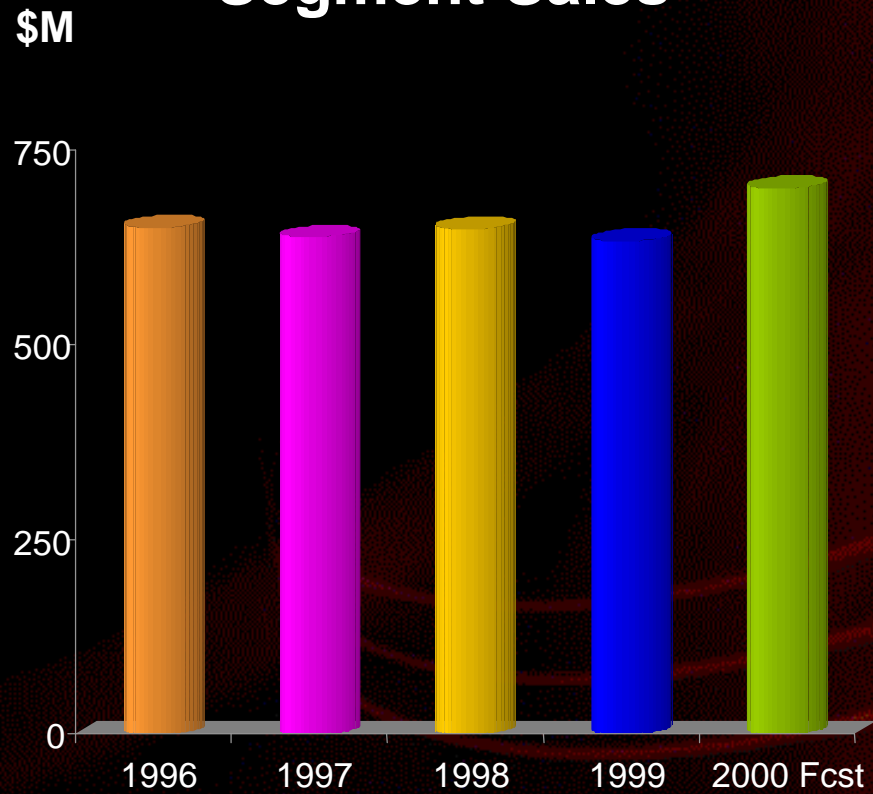
\$B Tier 1 Company EBITDA



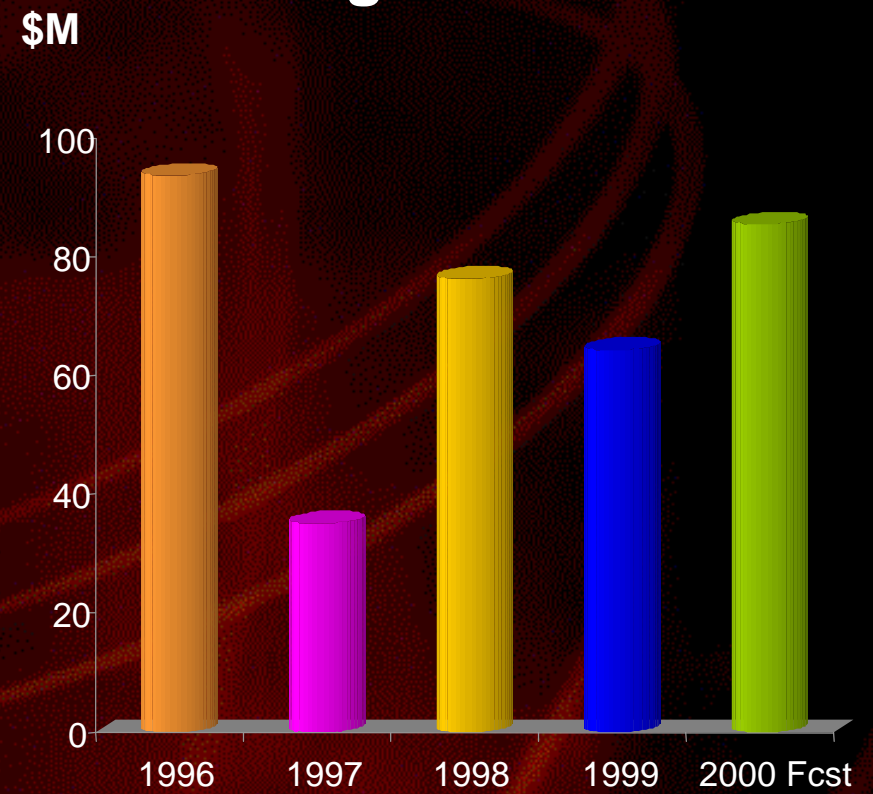


# Agricultural Products

## Segment Sales



## Segment EBIT



# Agricultural Products

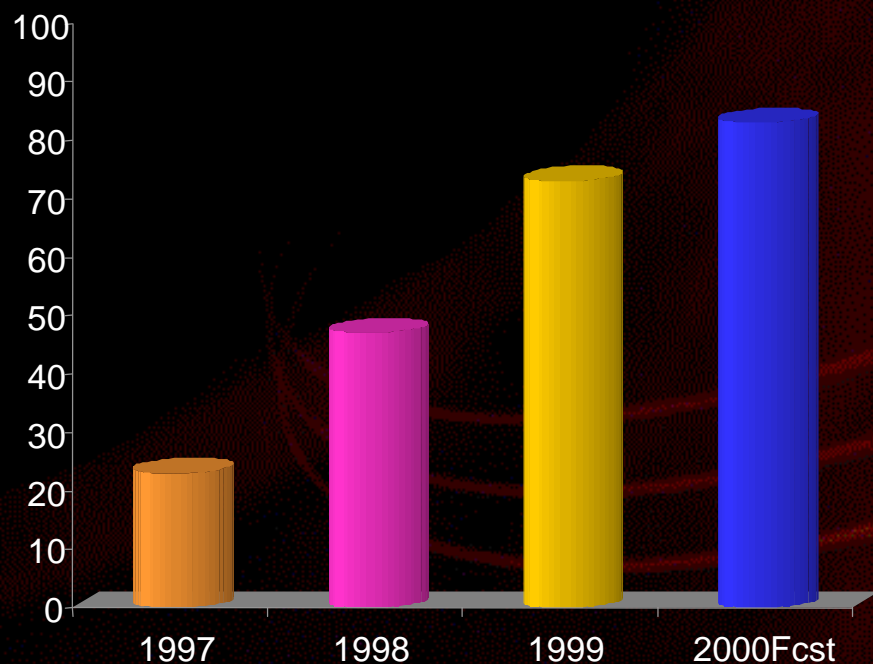
## *2000 in Review*

- **Market contracts for 4th consecutive year, competition intensifies**
- **North America rebounds on “normal” pest pressure and continued growth of herbicides**
- **Brazil begins recovery from maxi-devaluation of January 1999**
- **Cost reduction efforts continue to pay dividends**
- **Development decision on new broadleaf herbicide**

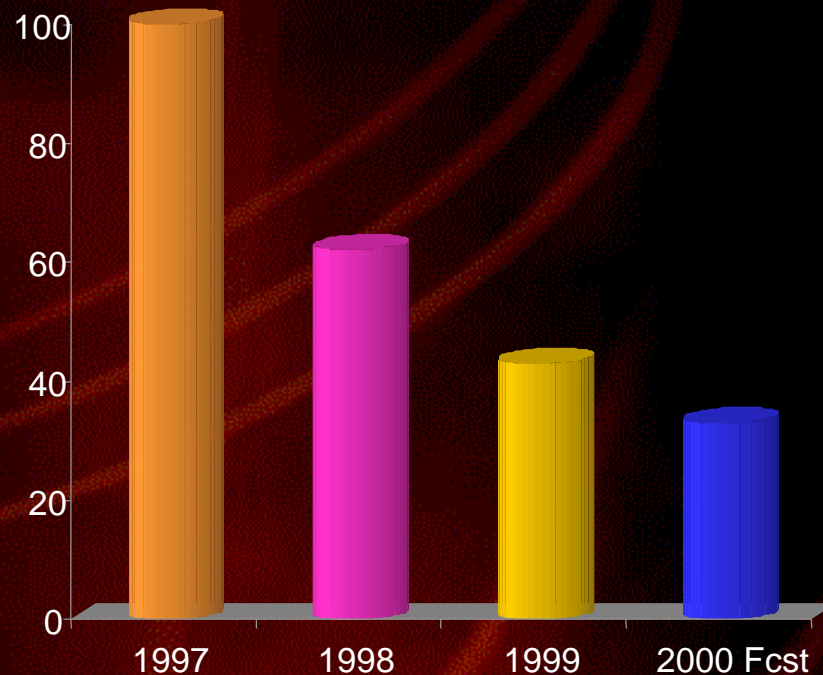
# Agricultural Products

*Start-up challenges for sulfentrazone are behind us*

% of Capacity



% of 1st Year Cost



# Agricultural Products

## *Industry Outlook*

- **Depressed farm sector will limit industry growth**
- **Slowing of crop biotechnology growth in near term**
- **Continued industry consolidation**
- **Evolving societal themes are changing the profile of new products**

# Agricultural Products

## *Strategy - Focused Innovation*

- **Focusing market initiatives**
- **Cost and balance sheet restructuring**
- **Attract and retain best people**
- **Insecticide-based discovery**

# Agricultural Products

*Rate of industry innovation slowed significantly in the 1990s*

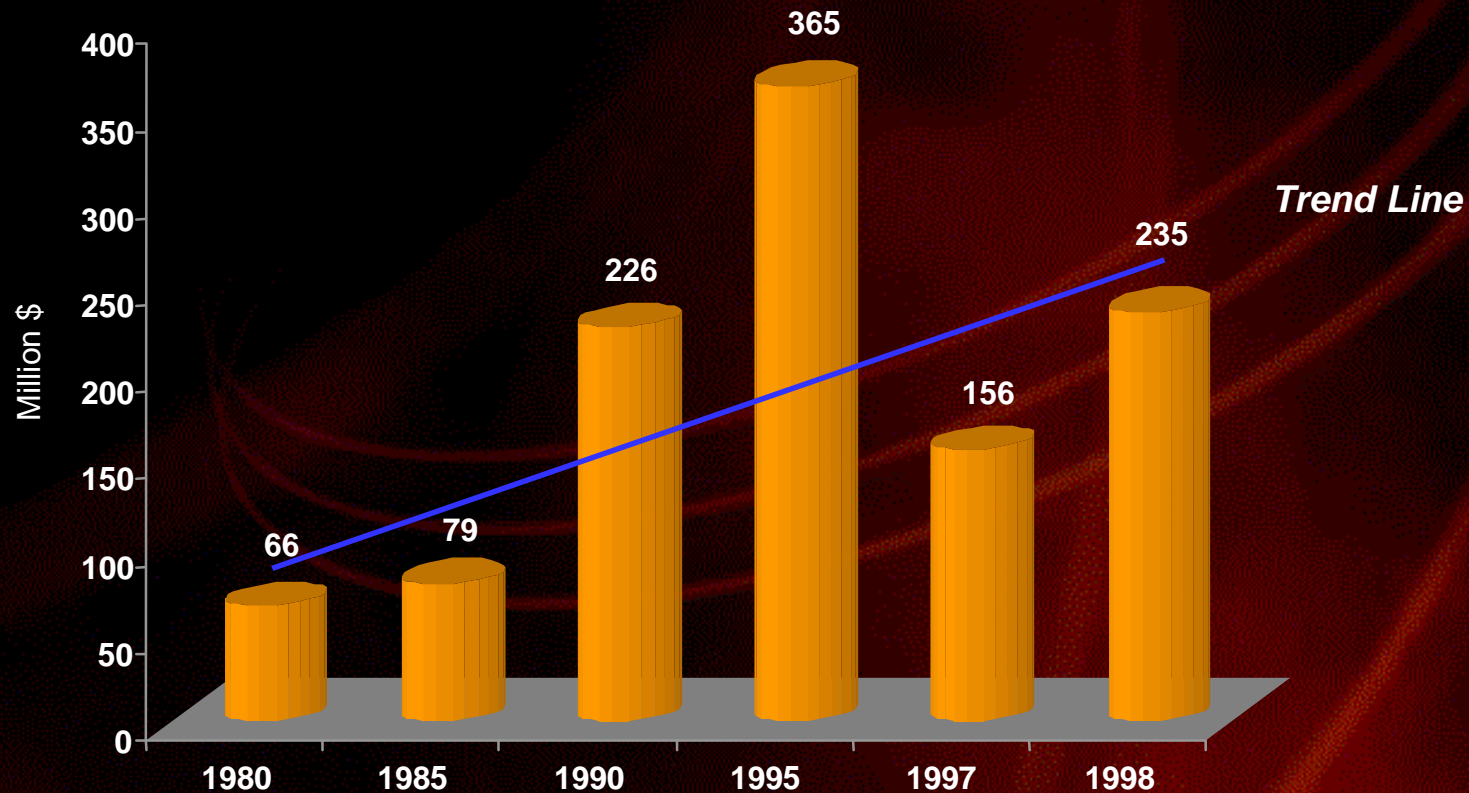
	<i>Herbicides</i>	<i>Insecticides</i>
Top 25 products in 1997 % of market	60%	67%
No. of Top 25 launched before 1990	24	24
Average age of Top 25 products	25 years	32 years



# Agricultural Products

*Cost of innovation has escalated significantly*

Total Industry R&D Spending over Number of New Product Launches



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# Agricultural Products

*New classes of chemistry have yielded blockbuster products*

- Finding new molecular target sites sensitive to chemicals can provide a rapid and cost effective means of uncovering new classes of insecticides
- FMC partnership with Devgen provides key technologies
- The first target site generated by this partnership is entering high throughput screening
- It will take two years to assess potential of new chemistries





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Building Shareholder Value

**FMC**

# Agricultural Products Panel

**W. Kim Foster**

**Vice President and General Manager  
Agricultural Products Group**

**L. Kenny Cordell**

**Director  
North America Operations**

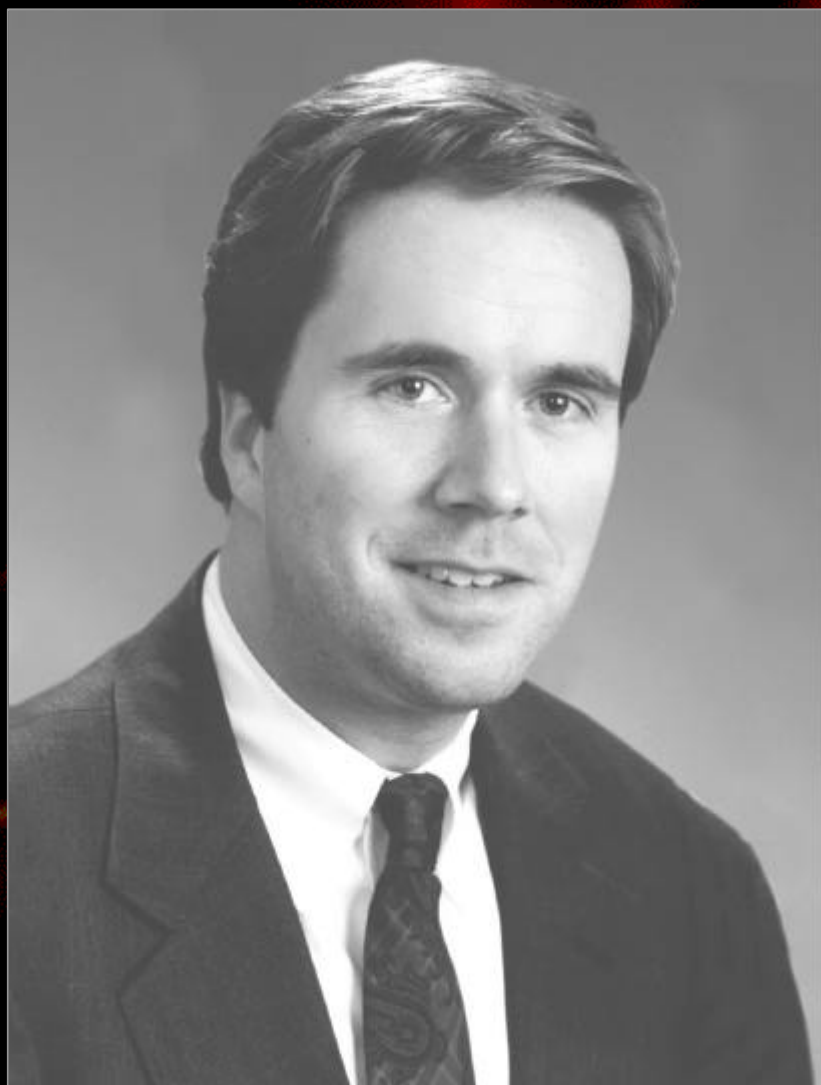
**P. David Simcox**

**Director  
Research and Development**

**Milton Steele**

**Director  
International Operations**





**Ted Butz**

*General Manager,  
FMC BioPolymer*

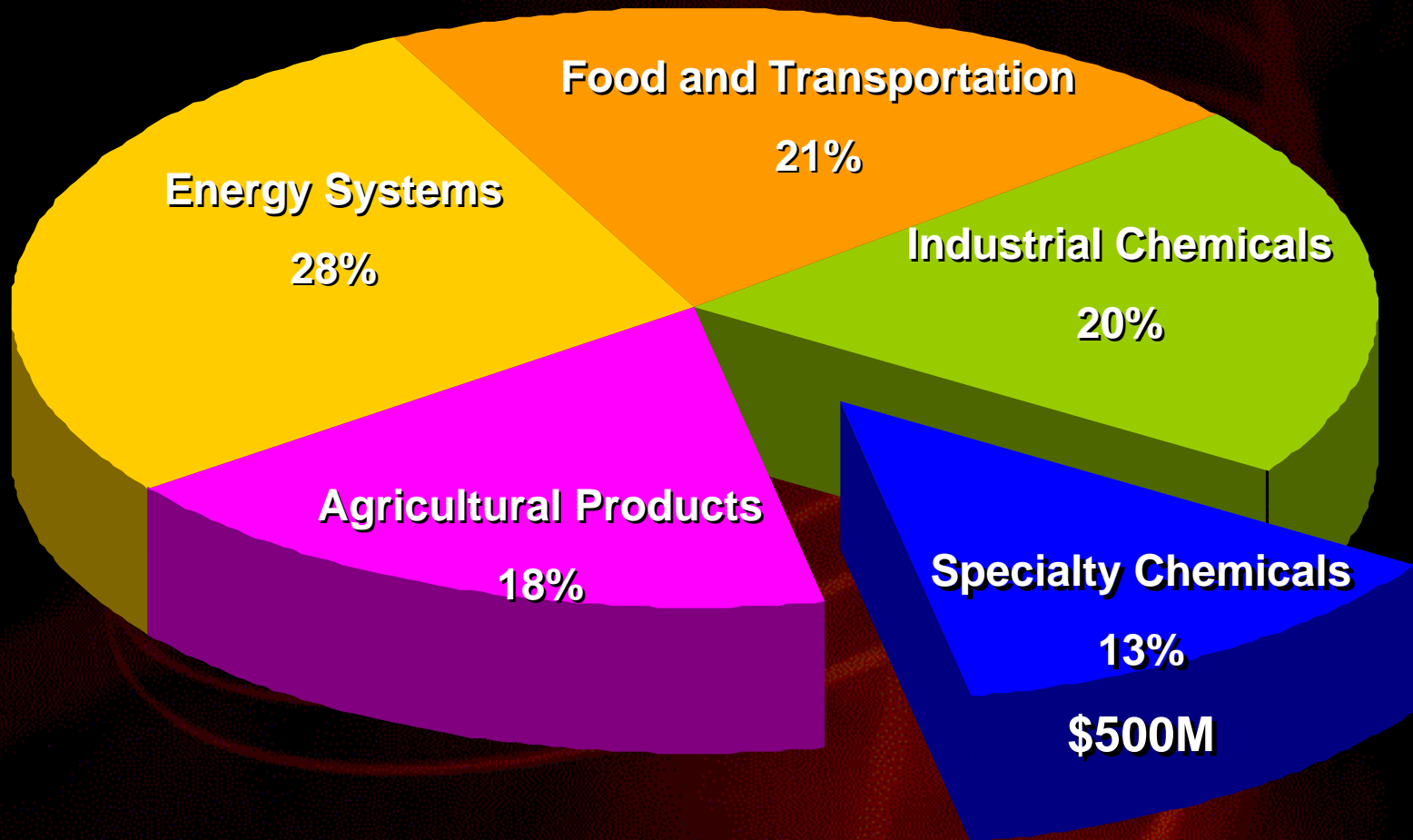
**FMC**



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# Specialty Chemicals 2000 Forecast



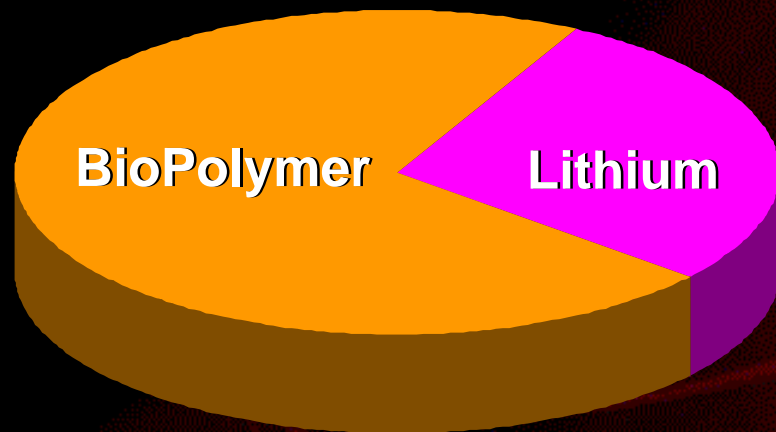
**Total FMC Sales = \$3.9 Billion**



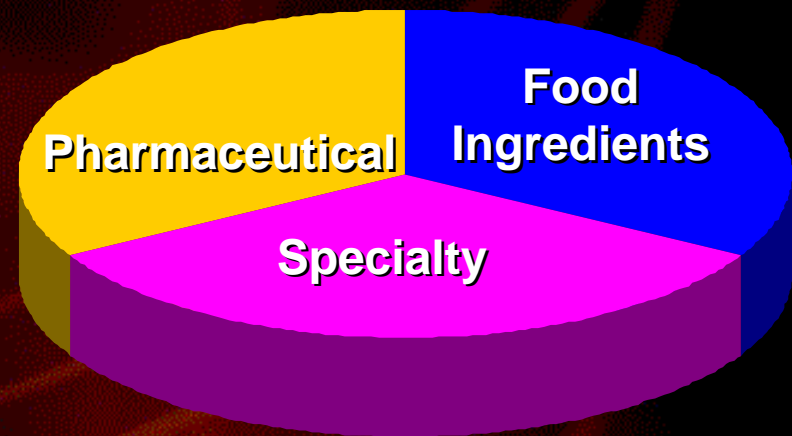
# Specialty Chemicals

## 2000 Overview

Sales

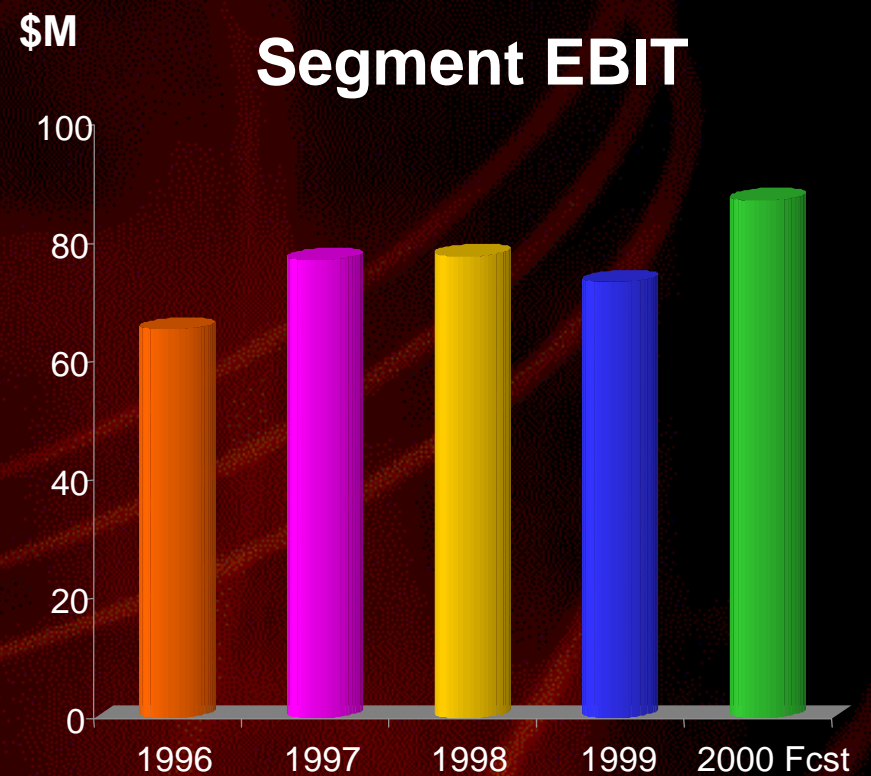
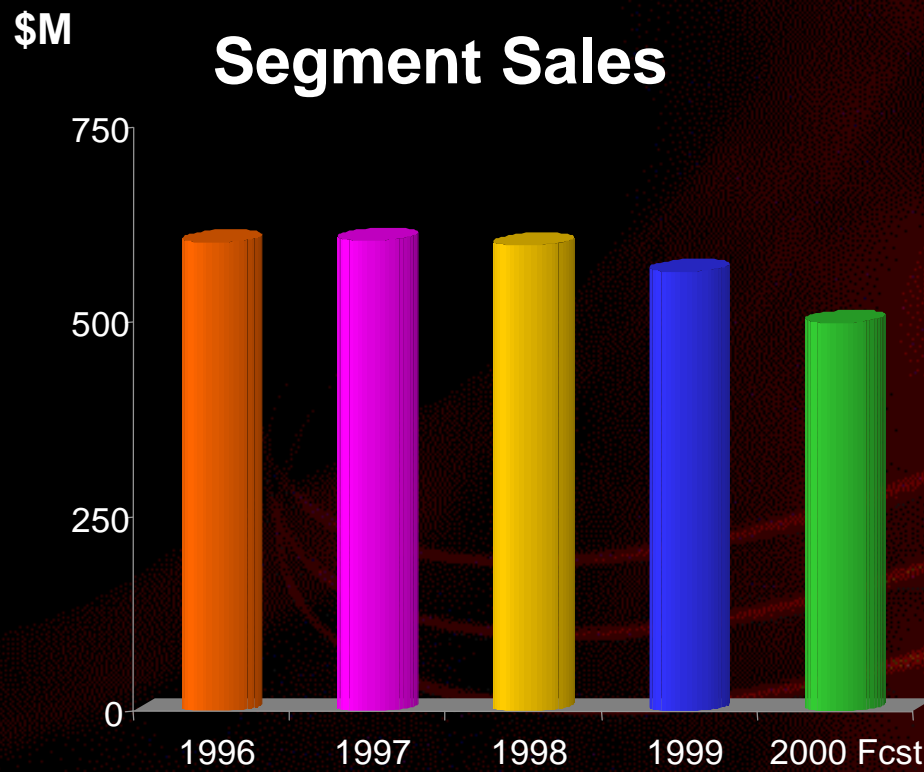


Key Markets



**Total Specialty Chemical Sales = \$500 Million**

# Specialty Chemicals



# Positioned for Growth:

## *Consolidating and Strengthening in 1999*

1. Divested businesses that lacked long-term growth potential
2. Reduced production of commodity lithium carbonate
3. Focused resources on high margin products
4. Acquired and integrated *Pronova BioPolymer* with FMC's food ingredients and pharmaceutical businesses



# Specialty Chemicals

## *Segment Margins*

<u>Year</u>	<u>Results</u>
2000 (forecast)	17.5%
1999	13.0%
1998	13.0%
1997	12.9%

# Specialty Chemicals

## *Opportunities and Outlook*

- **FMC BioPolymer**
- **FMC Lithium**

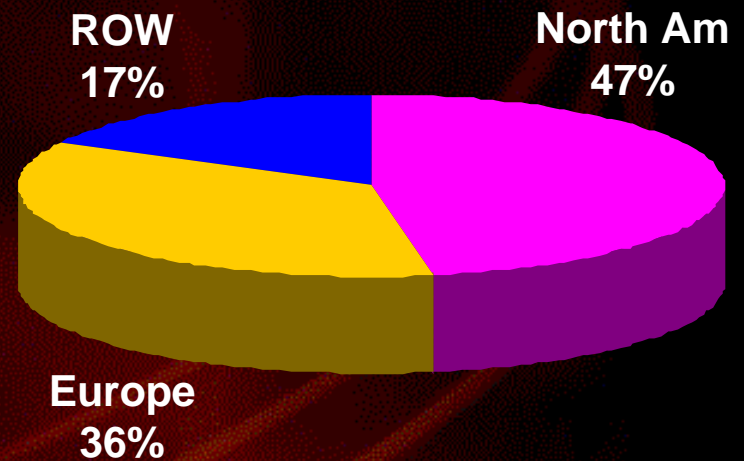
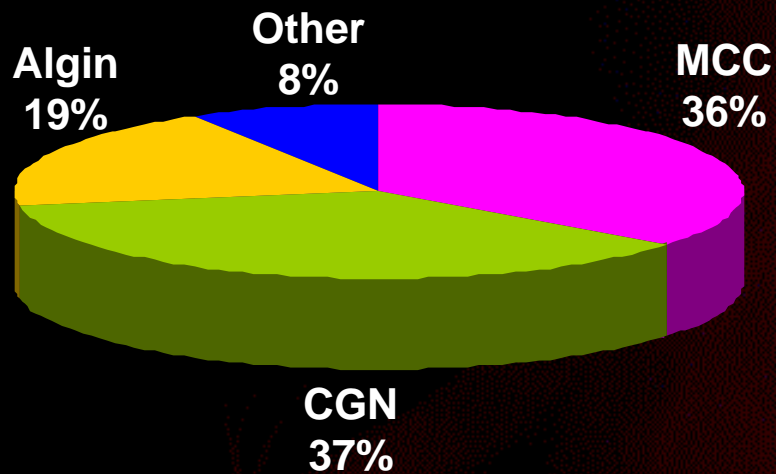


FMC BioPolymer was Created in 1999

**FMC** BioPolymer

**Not Just Products. Partners.**

# Leading Products Serving a Global Market



## BioPolymer Global Position

	NA	EUR	ROW	Total
Employees	430	450	120	1000
Plant Locations	2	5	2	9
Technical Labs	1	3	4	8

# Leading Pharmaceutical, Food and Specialty Customers

- **Abbot Labs**
- **American Home**
- **Bristol Myers**
- **Brahma**
- **Colgate**
- **ConAgra**
- **CPC**
- **Danisco**
- **General Mills**
- **Glaxo**
- **Goodman Fielder**
- **Johnson & Johnson**
- **Kraft Foods**
- **Mars**
- **Merck**
- **Mylan**
- **Nestle**
- **Novartis**
- **Pharmacia**
- **Pfizer**
- **Reckitt Coleman**
- **San Ei**
- **SlimFast**
- **SmithKline**
- **Unilever**

# FMC BioPolymer Consists of Three Attractive Businesses

<i><b>Business</b></i>	<i><b>Total Sales</b></i>	<i><b>Growth Prospects</b></i>
<b>Pharmaceuticals</b>	<b>37%</b>	<b>5-6%</b>
<b>Food Ingredients</b>	<b>42%</b>	<b>4-6%</b>
<b>Specialty</b>	<b>21%</b>	<b>2-10%</b>

# Pharmaceutical Opportunities

## CORE PRODUCTS

- MCC
- ALGINATES
- COATINGS AND HYDROCOLLOIDS



## NEW SEGMENTS

- ENTeC<sup>SM</sup> Drug Delivery
- Wound Care / Immunostimulants
- Medical Materials
- Taste-masking
- Other Services



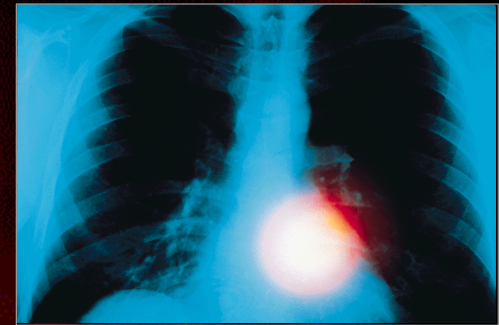
## CORE GROWTH

- Nutraceuticals
- Coatings
- Other Anti-reflux
- Acquisition
- Coatings



# Pharmaceutical Opportunities

- **Core growth**
  - Alginates used for anti-reflux treatment
- **New segment growth**
  - Protanal® for use in advanced wound dressing





# Food Ingredients Opportunities

## CORE PRODUCTS

- MCC
- CARRAGEENAN
- ALGINATES



## NEW TRENDS

- Taste
- Nutrition
- Convenience
- Niche applications

## CORE GROWTH

- Dairy
- Convenience foods
- Meat and poultry
- Bakery and confection



# Food Ingredients Opportunities

- **Taste, nutrition and convenience**
  - Cultured products, such as *yogurt*
  - Nutritional beverages
  - Other nutritional applications

# Specialty Opportunities

- **Oral care**
- **Personal care**
- **Laundry and dishwasher tablets**
- **Niche industrial applications**

# **FMC** BioPolymer

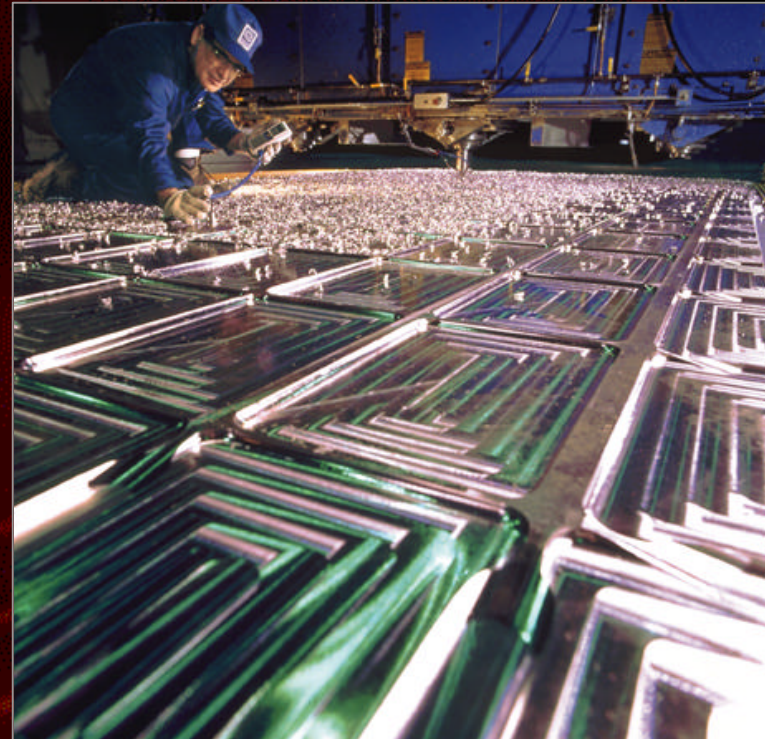
**Not Just Products. Partners.**

- **Strong core business**
- **Earnings on track**
- **Focused on higher margin segments**
- **Strong growth potential**

**FMC**

# FMC Lithium

- Lithium and lithium derived products
- Manufacturing facilities in 4 countries
- 52% of sales outside the US



# Lithium Markets

## *Business Focus*

## *Total Sales*

---

### **Downstream applications**

Pharmaceuticals, energy and specialty polymers

**75%**

### **Upstream applications**

Refrigeration, rubber treatment

**25%**

***Overall CGR of 7%***

# FMC Lithium Strategy

- **Focused resources on downstream specialty opportunities**
- **Outsourced production of most commodity lithium carbonate requirements**
- **Maintain manufacturing cost position of high-value lithium**
- **Increased technical resources to help customers speed product development**

# FMC Lithium Opportunities

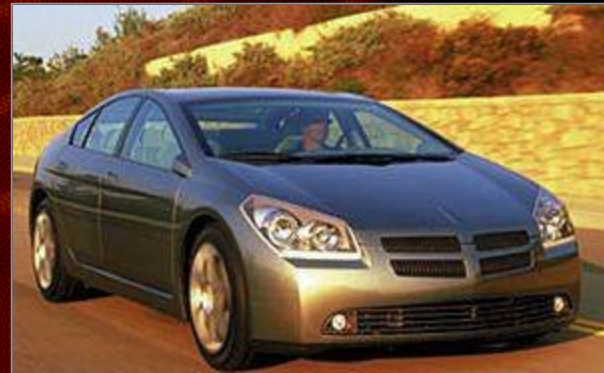
- Lifetime<sup>®</sup> and Renew<sup>®</sup> ASR concrete technologies
- Pharmaceutical, agricultural, and specialty polymers
- Lithium ion batteries





# FMC Lithium Opportunities

- **Electric and hybrid electric vehicles**
  - Available by 2005
  - Consortium headed by Argonne National Labs (US DOE)
  - Lithium ion batteries are key to this opportunity





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# Specialty Chemicals Panel

**Joseph H. Netherland**      President  
FMC Corporation

**Ted Butz**                      General Manager  
FMC BioPolymer

**D. Michael Wilson**        General Manager  
Lithium





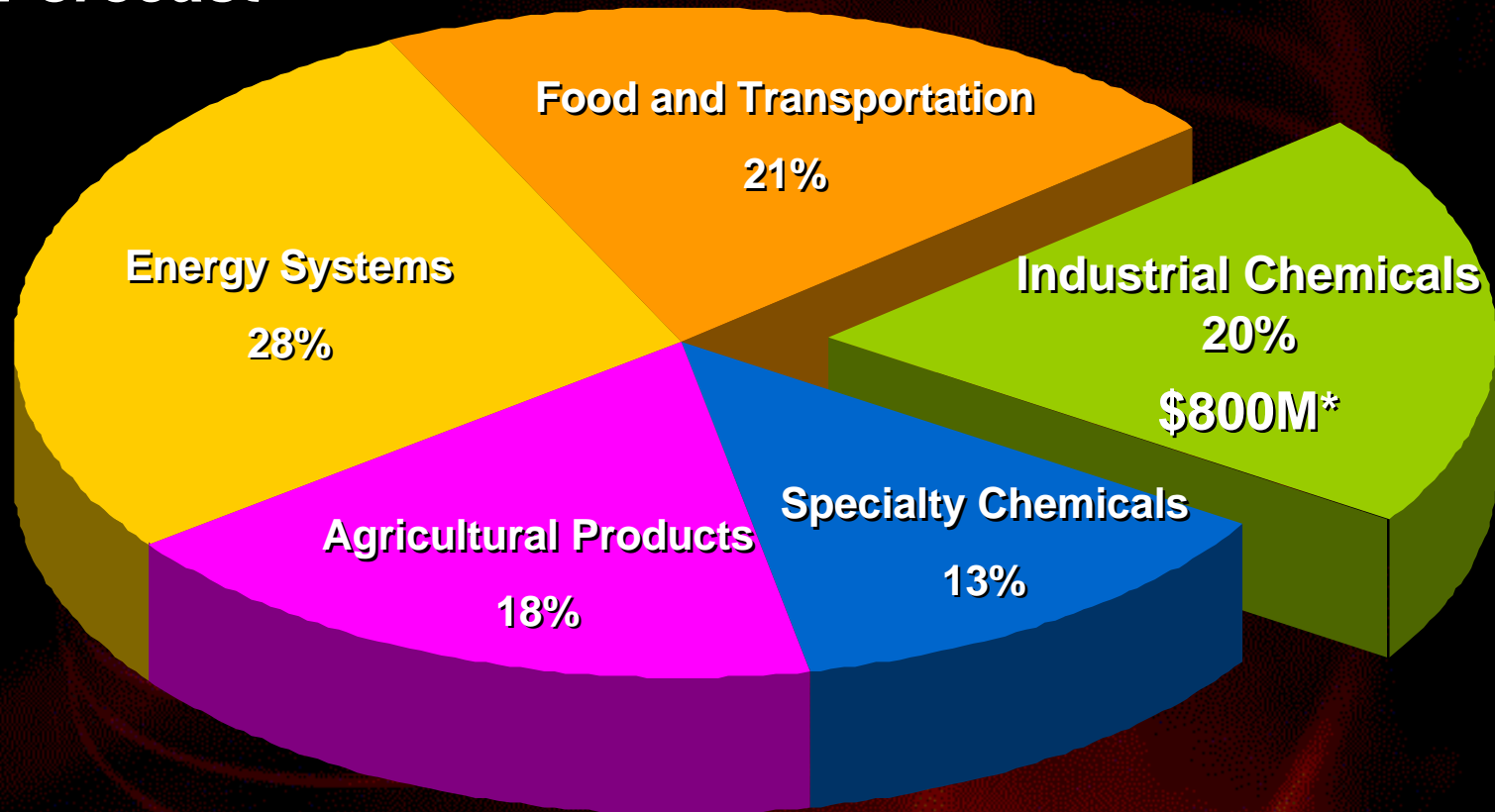
## Robert I. Harries

*Vice President and General  
Manager,  
Industrial Chemicals Group*

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# Industrial Chemicals

*2000 Forecast*



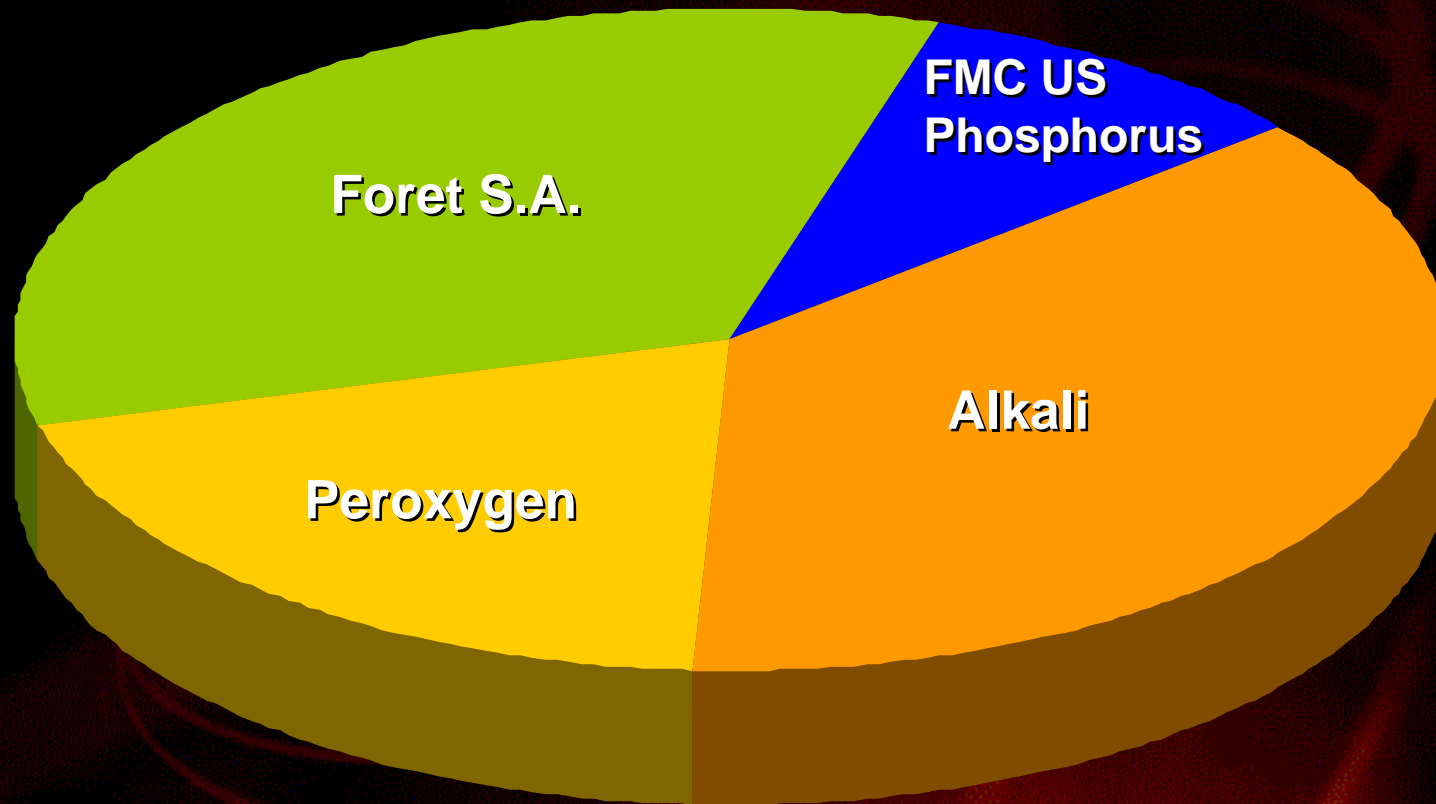
**Total FMC Sales = \$3.9 Billion**

*\* Does not include Astaris sales*



# Industrial Chemicals

*2000 Forecast*

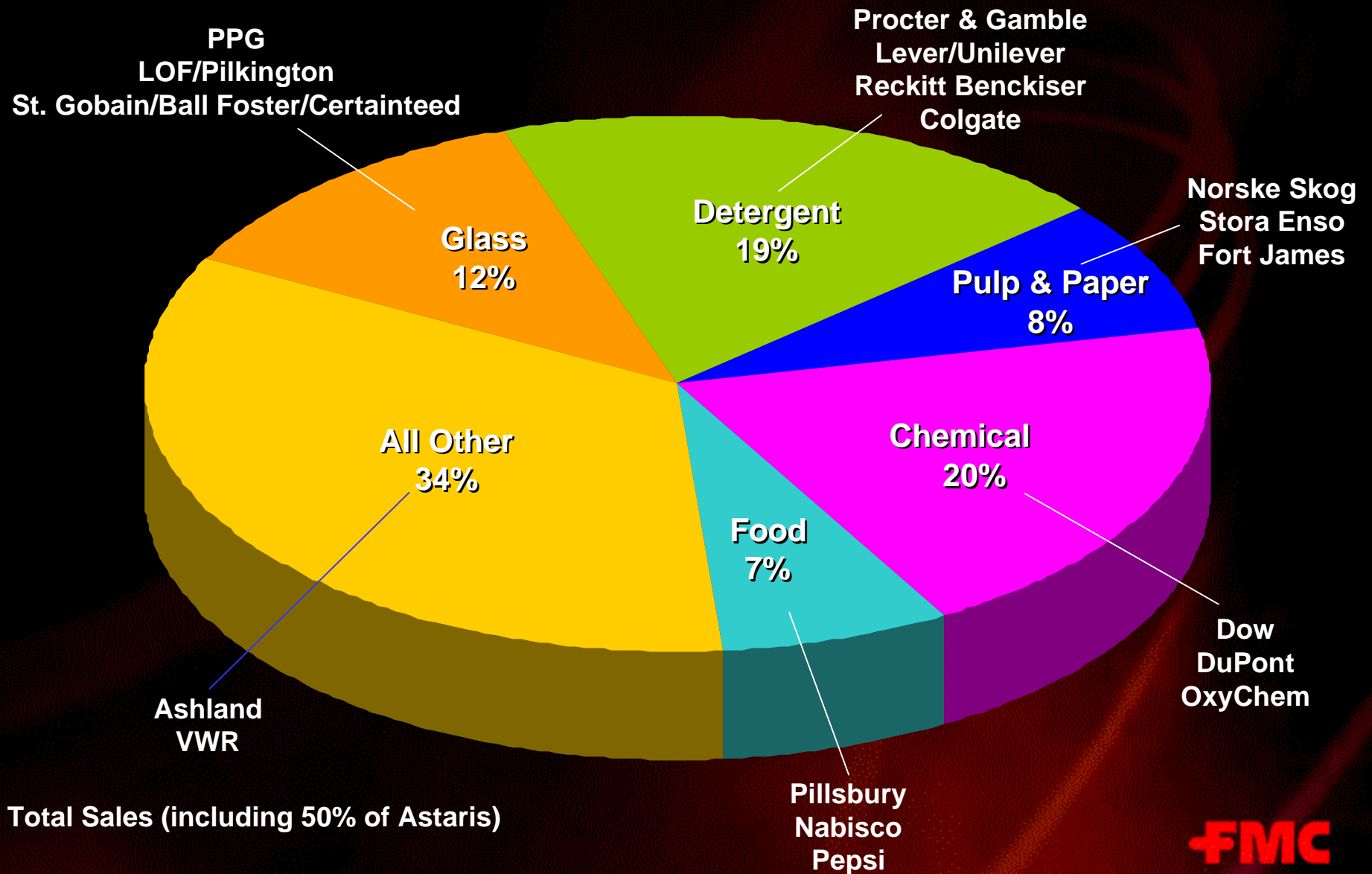


**Total Industrial Chemicals Sales = \$800 Million**

*\* Does not include Astaris sales*

**FMC**

# Major Industries Served . . .

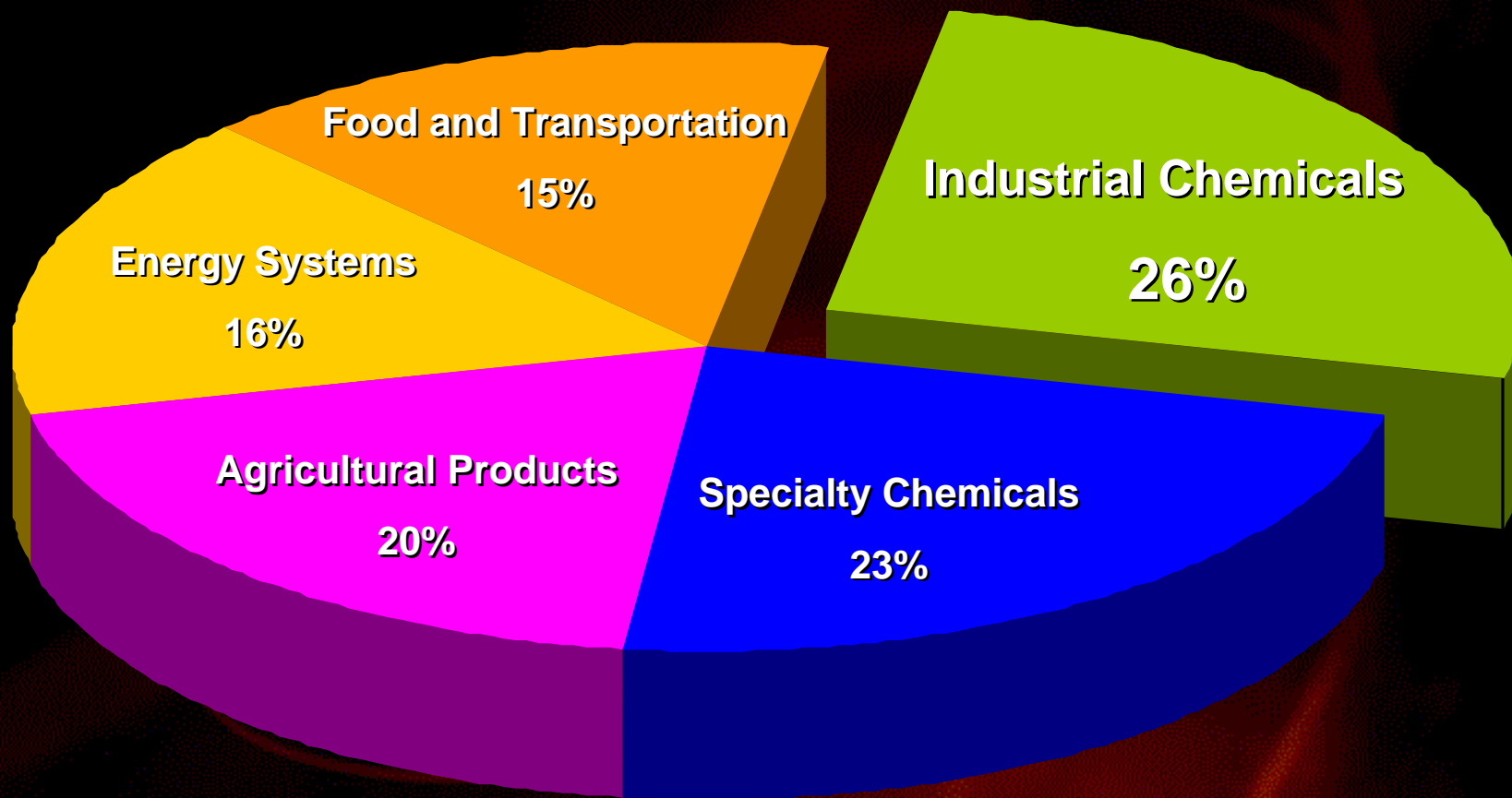


Total Sales (including 50% of Astaris)



# Industrial Chemicals

## Segment Capital Employed



Total September 2000 capital employed = \$2.7 Billion



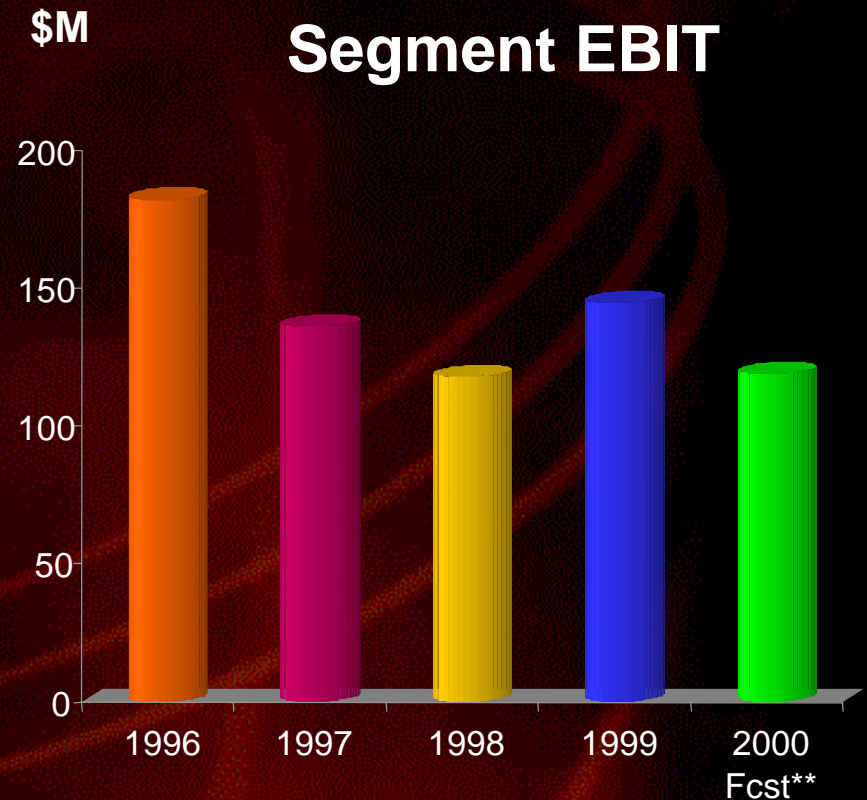
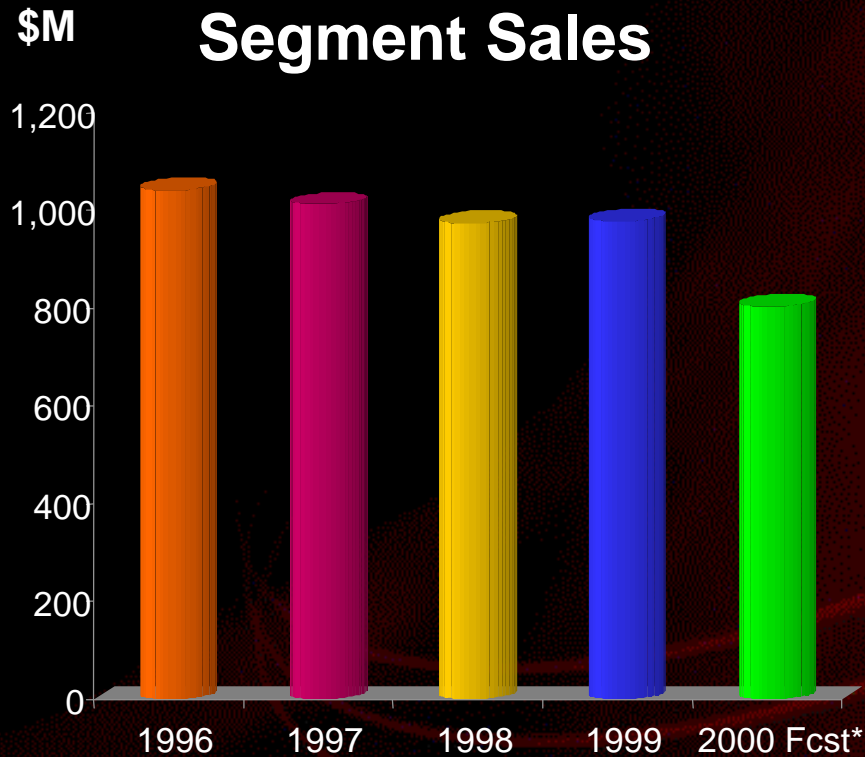
## High volume products:

	<u>Shares</u>	
	<u>N. America</u>	<u>Europe</u>
• Phosphates	55%	15%
• Soda Ash	34%	--
• Hydrogen Peroxide	26%	10%

## Niche positions:

- Persulfates (world-wide)
- Sulfur derivatives (Europe)
- Specialty peroxide (Europe and U.S.)
- Silicates and zeolites (Spain)

# Industrial Chemicals



\* 2000 Sales does not include Astaris

\*\*2000 EBIT includes Astaris before interest expense

## **Pressures on 2000 EBIT:**

- **Unrecovered energy cost increases**
- **Currency (Euro vs. US \$) movement**
- **Step up in Consent Decree spending**
- **One-time start-up costs in Astaris**

## **Recent Actions:**

- **Astaris JV (April 2000)**
- **Texas Gulf (July 1999)**
- **E-business**
- **Sustainable improvements in cost structures**

## **In 2001/02, we expect EBIT pick up:**

- **Increased prices particularly in soda ash and hydrogen peroxide**
- **Rationalization of phosphate chemicals capacity in Europe**
- **Increased synergies (est. \$15M per year) in Astaris**
- **Containment (and potential reversal) of currency and energy impacts**

# Phosphate Chemicals

## North American Phosphate Market:

	<u>Astaris Share</u>	<u>Market Size (\$M)</u>	<u>Major Uses</u>
<b>Technical Phosphates (including STPP)</b>	<b>65%</b>	<b>285</b>	<b>Household cleaning water treatment</b>
<b>Food Phosphates</b>	<b>50%</b>	<b>240</b>	<b>Bakery, meat, poultry</b>
<b>Phosphoric Acid</b>	<b>45%</b>	<b>200</b>	<b>Cleaning, beverages, pet food</b>
<b>Phosphorus Pentasulfide</b>	<b>75%</b>	<b>50</b>	<b>Motor oil additives</b>
<b>Phosphorus Trichloride</b>	<b>50%</b>	<b>35</b>	<b>Plasticizers, flame retardants</b>

# Astaris Restructuring

- **New low-cost purified acid plant to start up by third quarter of 2001**
- **Pocatello downsizing planned**
- **Consent Decree commitments being met with completion targeted early 2002**

# FMC Phosphorus Chemicals (excluding Astaris) Projected Environmental Impacts (\$M)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Average 2003-07</u>
<b><u>Balance Sheet</u></b>				
Consent Decree Capital	74	97	9	4
Remediation Spending (previously reserved)	15	5	14	5
<b><u>Income Statement</u></b>				
<b>Consent Decree Expenses (before tax)</b>				
Depreciation	5	8	14	17
Cash	15	18	12	1



## **European cost leader of tripolyphosphate (STPP) via:**

- **Co-generation**
- **Location on Mediterranean**
- **Unique integration with acid produced with nearby raw materials**

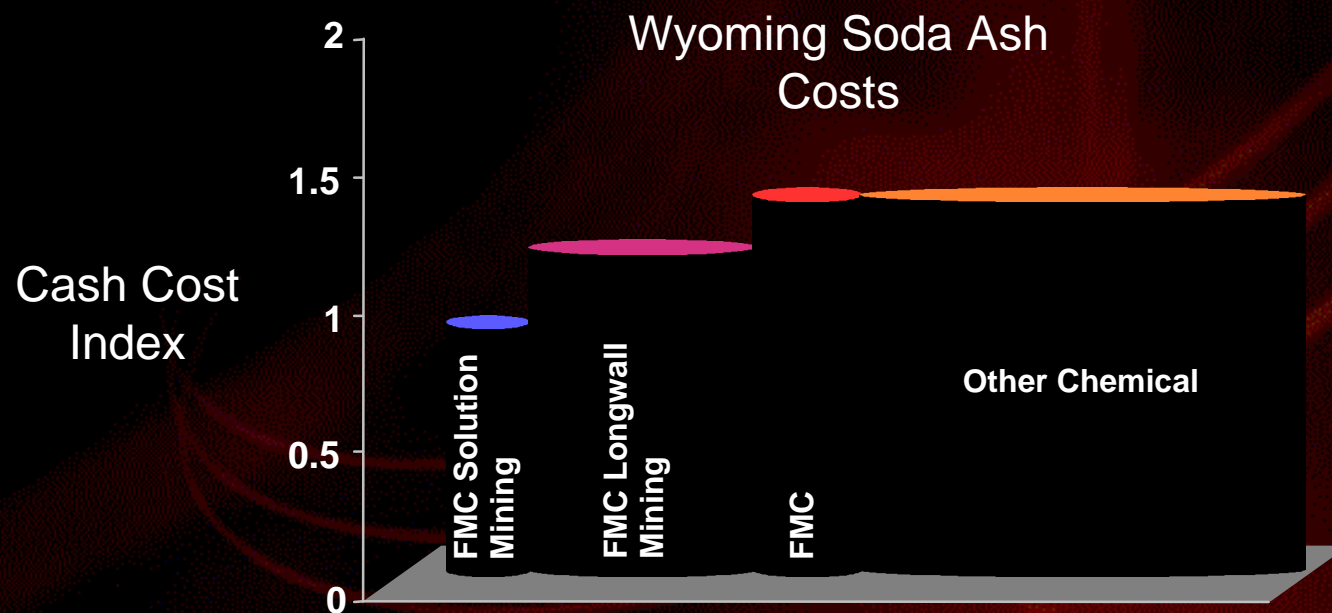
# Soda Ash

## Texas Gulf acquisition

- Synergies
- Operational flexibility
- Capital requirements
- Raised FMC share to 34%

## FMC lowest cost position:

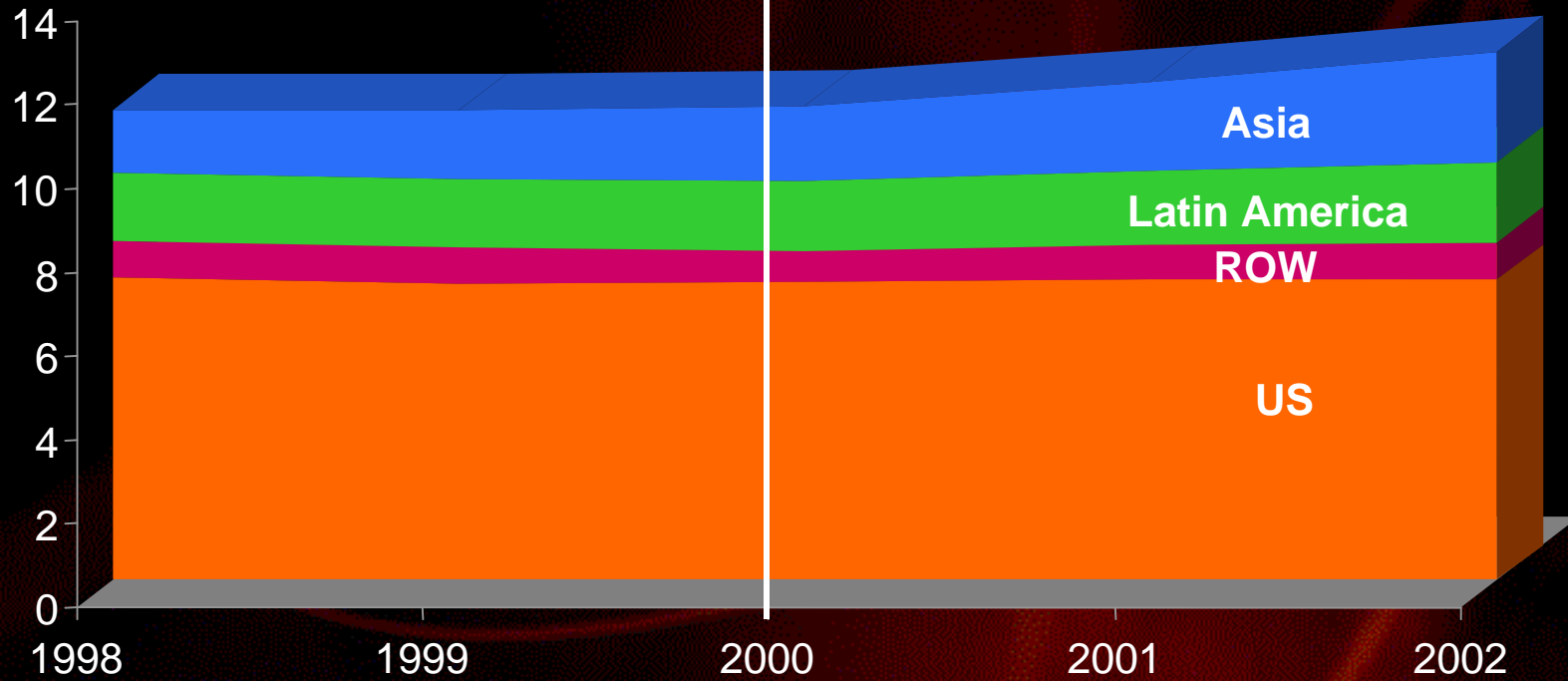
- Scale and experience
- Mining methods



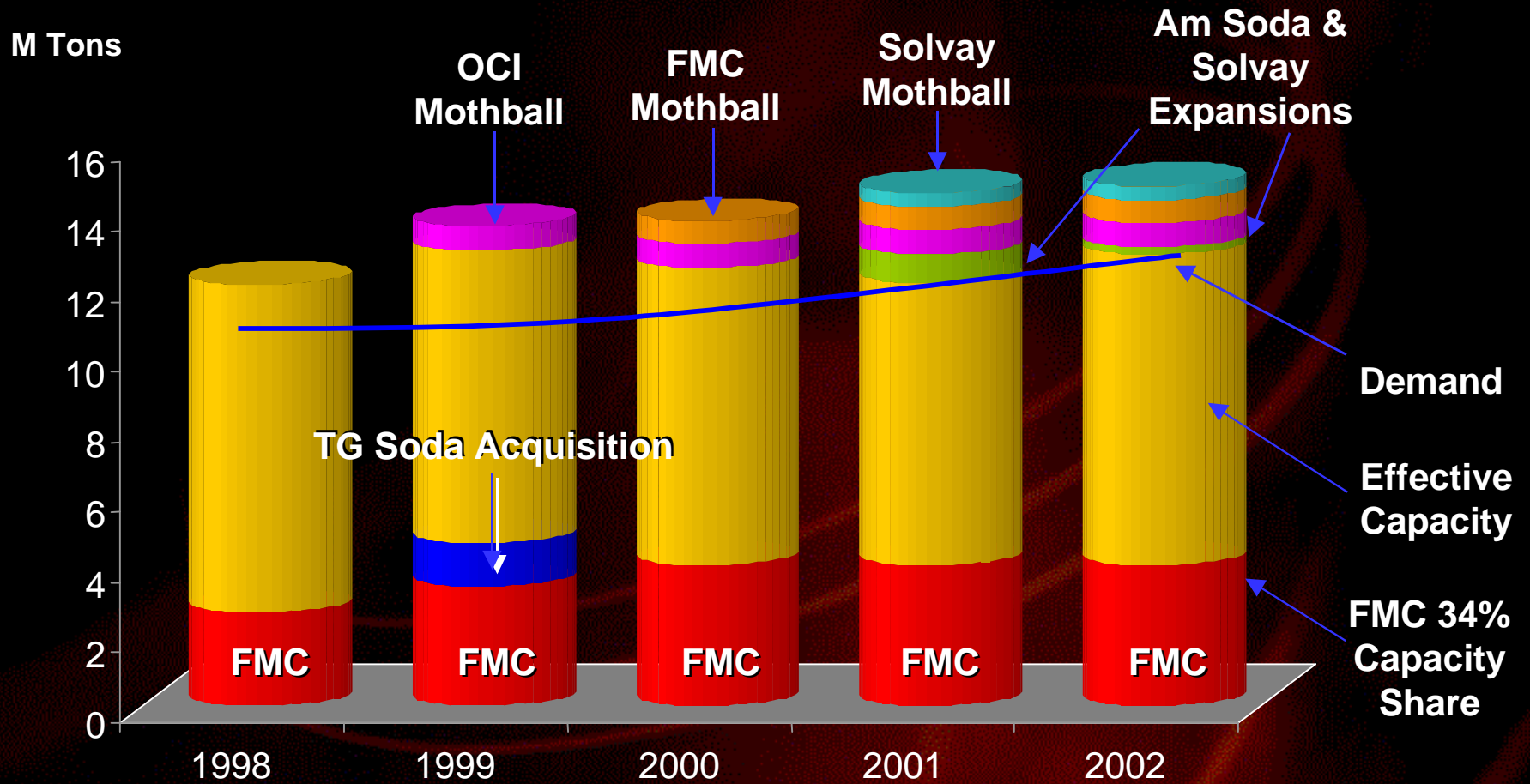
- Lower dependence on natural gas
- Premium on light/detergent ash

# Demand for US Soda Ash

M Tons



# Soda Ash Supply/Demand



## Capacity Utilization

Nameplate	81%	77%	77%	77%	80%
Effective	88%	87%	91%	93%	97%

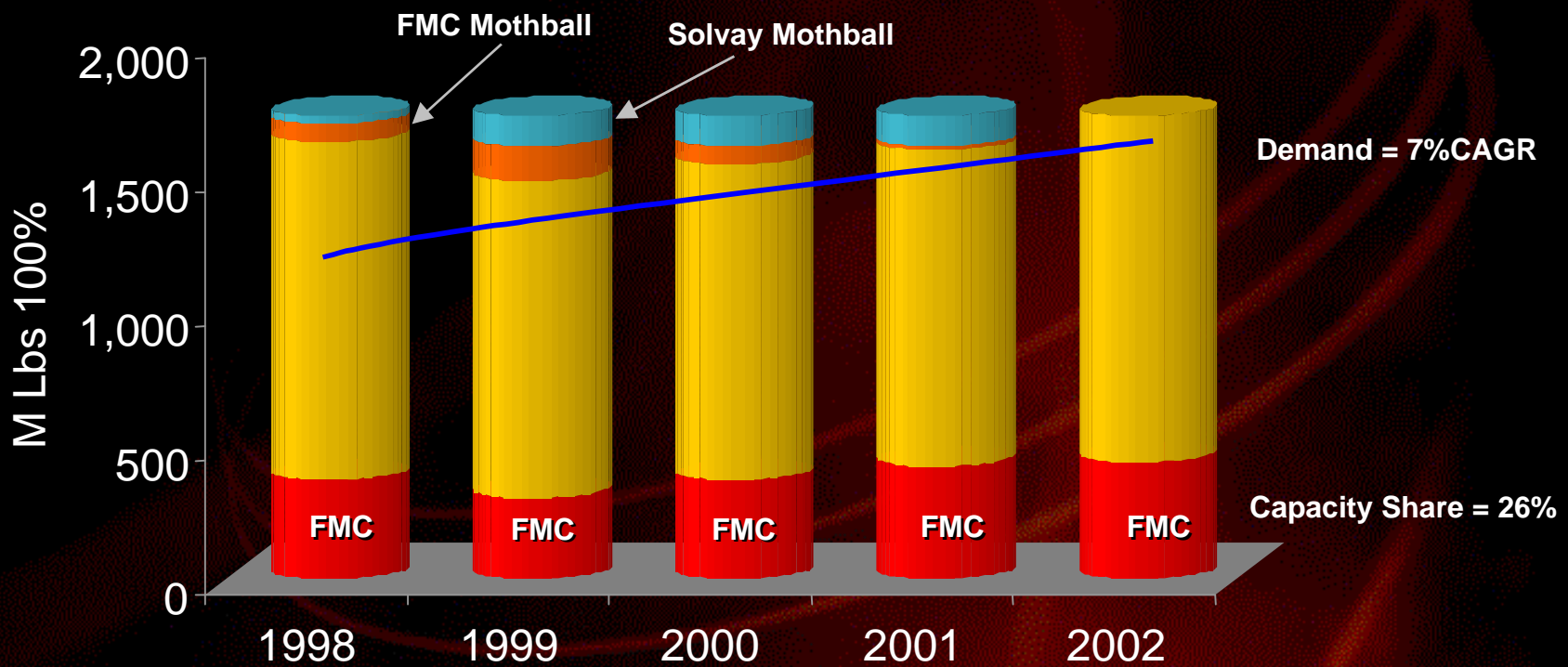


# Hydrogen Peroxide

## Strong position

- **26% share in North America and 10% in Europe**
- **Geographic distribution of six plants**
- **Process technology**
- **Downstream and specialty positions**

# North American H<sub>2</sub>O<sub>2</sub> Supply/Demand (M Lbs)

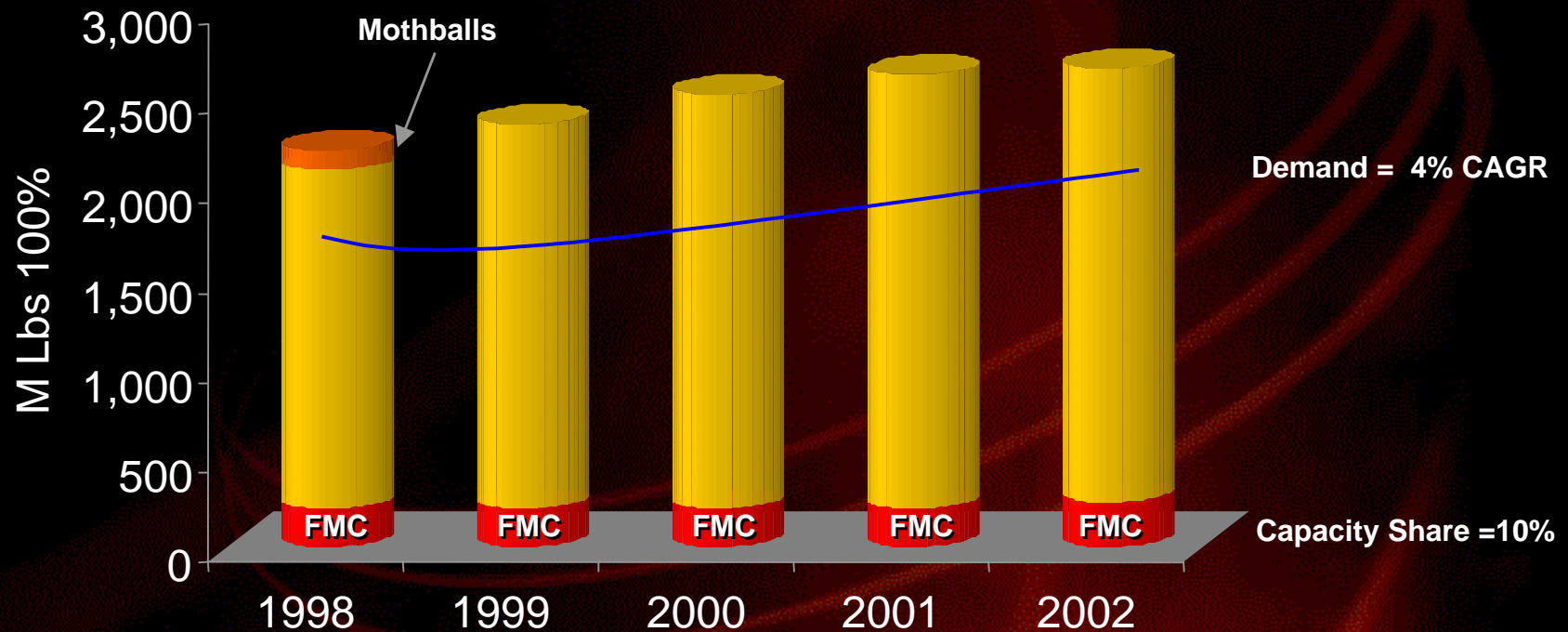


## Capacity Utilization

	1998	1999	2000	2001	2002
Nameplate	71%	79%	88%	91%	94%
Effective	80%	97%	103%	102%	99%



# H<sub>2</sub>O<sub>2</sub> Supply/Demand Balance (M Lbs) Europe



## Capacity Utilization

	1998	1999	2000	2001	2002
Nameplate	90%	85%	83%	83%	85%
Effective	95%	90%	88%	88%	90%







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# Industrial Chemicals Panel

**Robert I. Harries**

**Vice President and Group Manager  
Industrial Chemicals Group**

**Alfredo Bernad**

**Vice President and President Europe  
FMC Corporation**

**Daniel R. Summers**

**General Manager  
Chemical Products**

**Joseph A. Sapia**

**General Manager  
Alkali**

**Michael P. Smith**

**General Manager  
Hydrogen Peroxide**





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