

PART II

ITEM 7 Management's Discussion and Analysis of Financial Condition and Results of Operations

Our total significant committed contracts that we believe will affect cash over the next four years and beyond are as follows:

Contractual Commitments (in Millions)	Expected Cash Payments by Year					Total
	2011	2012	2013	2014	2015 & beyond	
Debt maturities ⁽¹⁾	\$134.9	\$21.6	\$6.5	\$32.7	\$443.3	\$639.0
Contractual interest ⁽²⁾	33.2	26.6	25.2	24.6	239.5	349.1
Lease obligations ⁽³⁾	25.7	22.6	21.9	19.5	48.8	138.5
Certain long-term liabilities ⁽⁴⁾	2.1	2.1	2.1	2.1	23.0	31.4
Forward energy and foreign exchange contracts ⁽⁵⁾	6.8	—	—	—	—	6.8
Purchase obligations ⁽⁶⁾	49.2	22.4	21.9	1.5	0.8	95.8
TOTAL ⁽⁷⁾	\$251.9	\$95.3	\$77.6	\$80.4	\$755.4	\$1,206.6

(1) Excluding discounts.

(2) Contractual interest is the interest we are contracted to pay on our long-term debt obligations. We had \$23.0 million of long-term debt subject to variable interest rates at December 31, 2010. The rate assumed for the variable interest component of the contractual interest obligation was the rate in effect at December 31, 2010. Variable rates are market determined and will fluctuate over time.

(3) Before sub-lease rental income.

(4) Payments associated with our Ewing research and development facility.

(5) At December 31, 2010, the net value of these contracts results in a liability position.

(6) Purchase obligations consist of agreements to purchase goods and services that are enforceable and legally binding on us and specify all significant terms, including fixed or minimum quantities to be purchased, price provisions and timing of the transaction. We have entered into a number of purchase obligations for the sourcing of materials and energy where take-or-pay arrangements apply. Since the majority of the minimum obligations under these contracts are take-or-pay commitments over the life of the contract as opposed to a year by year take-or-pay, the obligations in the table related to these types of contracts are presented in the earliest period in which the minimum obligation could be payable under these types of contracts.

(7) As of December 31, 2010, the liability for uncertain tax positions was \$17.3 million and this liability is excluded from the table above. Due to the high degree of uncertainty regarding the timing of potential future cash flows associated with these liabilities, we are unable to make a reasonably reliable estimate of the amount and periods in which these liabilities might be paid.

Contingencies

On January 28, 2005, we and our wholly owned subsidiary Foret received a Statement of Objections from the European Commission concerning alleged violations of competition law in the hydrogen peroxide business in Europe during the period 1994 to 2001. All of the significant European hydrogen peroxide producers also received the Statement of Objections. We and Foret responded to the Statement of Objections in April 2005 and a hearing on the matter was held at the end of June 2005. On May 3, 2006, we received a notice from the European Commission indicating that the European Commission had imposed a fine on us and Foret in the aggregate amount of €25.0 million as a result of alleged violations during the period 1997-1999. In connection with this fine, we recorded an expense of \$30.0 million (reflecting then-prevailing exchange rates) in our consolidated statements of income for the year ended December 31, 2006. This expense was included as a component of "Restructuring and other charges (income)". Both we and Foret have appealed the decision of the European Commission. The Foret appeal was argued before the Court of First Instance on March 4, 2010, but no decision has been rendered. The FMC appeal was argued in May of 2010. During the appeal process, interest accrues on the fine, which as of December 31, 2010, was at a rate of 4.0 percent per annum. We have provided a bank letter of credit in favor of the European Commission to guarantee our payment of the fine and accrued interest. At December 31, 2010, the amount of the letter of credit was €30.5 million (U.S. \$41.2 million).

In February 2005, putative direct and indirect purchaser class action complaints were filed against six U.S. hydrogen peroxide producers (and certain of their foreign affiliates) in various federal courts alleging violations of antitrust laws. Related cases were also filed in various state courts. In January 2009, FMC reached an agreement to settle with the direct purchaser class for \$10 million, with a pro rata credit for opt outs. The \$10 million figure was included as a component of "Restructuring and other charges (income)" in our consolidated statements of income for the year ended December 31, 2008. Ten companies (predominantly paper producers) opted out of this class settlement. FMC settled with two

of the ten companies for an amount within the opt out credit described above. The remaining eight opt outs filed suit against FMC and, in some cases, Foret. These cases were assigned to the same judge as the class action. FMC's motion to dismiss the opt out claims to the extent they were based on foreign purchases was granted on April 1, 2010. FMC has settled the remaining claims of these eight opt outs for an aggregate of \$1.7 million which is net of a \$0.3 million opt out credit. Another individual opt out case was dismissed following the bankrupt opt out's decision to participate in the class settlement. FMC settled the indirect purchaser class claims for \$0.25 million. The settlement has been finally approved by the Court, and all remaining state court cases have been dismissed with prejudice. We recorded the \$2.0 million as a component of "Restructuring and other charges (income)" in our consolidated statements of income for the year ended December 31, 2010. As a result, all U.S. litigation against FMC regarding alleged price fixing in the hydrogen peroxide industry is now concluded. We still face putative class actions against FMC and five other major hydrogen peroxide producers in provincial courts in Ontario, Quebec and British Columbia under the laws of Canada. Four of the defendants have settled these claims for a total of approximately \$20.5 million. On September 28, 2009, the Ontario Superior Court of Justice certified a class of direct and indirect purchasers of hydrogen peroxide. FMC moved for leave to appeal the class certification decision, which was denied in June 2010. The Company intends to defend these cases. Since the proceedings are in the preliminary stages with respect to the merits, we believe an exposure of loss cannot be reasonably estimated.

Like hundreds of other industrial companies, we have been named as one of many defendants in asbestos-related personal injury litigation. Most of these cases allege personal injury or death resulting from exposure to asbestos in premises of FMC or to asbestos-containing components installed in machinery or equipment manufactured or sold by discontinued operations. We intend to continue managing these cases in accordance with our historical experience. We have established a reserve for this litigation within our discontinued operations and believe that any exposure of a loss in excess of the established reserve cannot be reasonably estimated.