

PART II

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

| (in Millions, except per share data and ratios) | Year Ended December 31, | | | | |
|---|-------------------------|-----------|-----------|-----------|-----------|
| | 2010 | 2009 | 2008 | 2007 | 2006 |
| Net income | \$172.5 | \$228.5 | \$304.6 | \$132.4 | \$131.3 |
| Basic earnings (loss) per common share attributable to FMC stockholders: | | | | | |
| Continuing operations | \$2.84 | \$3.40 | \$4.44 | \$2.06 | \$1.86 |
| Discontinued operations | (0.46) | (0.25) | (0.34) | (0.32) | (0.17) |
| Net income | \$2.38 | \$3.15 | \$4.10 | \$1.74 | \$1.69 |
| Diluted earnings (loss) per common share attributable to FMC stockholders: | | | | | |
| Continuing operations | \$2.82 | \$3.37 | \$4.35 | \$2.02 | \$1.82 |
| Discontinued operations | (0.46) | (0.25) | (0.33) | (0.31) | (0.16) |
| Net income | \$2.36 | \$3.12 | \$4.02 | \$1.71 | \$1.66 |
| Balance Sheet Data: | | | | | |
| Total assets | \$3,319.9 | \$3,136.2 | \$2,993.9 | \$2,733.4 | \$2,740.7 |
| Long-term debt | \$619.4 | \$610.5 | \$595.0 | \$497.3 | \$576.0 |
| Other Data: | | | | | |
| Ratio of earnings to fixed charges ⁽²⁾ | 7.5x | 9.2x | 11.6x | 5.1x | 5.3x |
| Cash dividends declared per share | \$0.500 | \$0.500 | \$0.480 | \$0.405 | \$0.360 |

(1) Discontinued operations, net of income taxes includes the following items related to our discontinued businesses: gains and losses related to adjustments to our estimates of our liabilities for environmental exposures, general liability, workers' compensation, postretirement benefit obligations, legal defense, property maintenance and other costs, losses for the settlement of litigation and gains related to property sales.

(2) In calculating this ratio, earnings consist of income (loss) from continuing operations before income taxes plus interest expense, amortization expense related to debt discounts, fees and expenses, amortization of capitalized interest, interest included in rental expenses (assumed to be one-third of rent) and equity in (earnings) loss of affiliates. Fixed charges consist of interest expense, amortization of debt discounts, fees and expenses, interest capitalized as part of fixed assets and interest included in rental expenses.

Forward-Looking Information

Statement under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995: We and our representatives may from time to time make written or oral statements that are "forward-looking" and provide other than historical information, including statements contained in Management's Discussion and Analysis of Financial Condition and Results of Operations within, in our other filings with the SEC, or in reports to our stockholders.

In some cases, we have identified forward-looking statements by such words or phrases as "will likely result," "is confident that," "expect," "expects," "should," "could," "may," "will continue to," "believe," "believes," "anticipates," "predicts," "forecasts," "estimates," "projects," "potential," "intends" or similar expressions identifying "forward-looking

statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including the negative of those words and phrases. Such forward-looking statements are based on our current views and assumptions regarding future events, future business conditions and the outlook for the company based on currently available information. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results 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, the risk factors listed in Item 1A of this Form 10-K. We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

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Overview

We are a diversified chemical company serving agricultural, consumer and industrial markets globally with innovative solutions, applications and market-leading products. We operate in three distinct business segments: Agricultural Products, Specialty Chemicals and Industrial Chemicals. Our Agricultural Products segment develops, markets and sells all three major classes of crop protection chemicals — insecticides, herbicides, and fungicides — with particular strength in insecticides

and herbicides. These products are used in agriculture to enhance crop yield and quality by controlling a broad spectrum of insects, weeds and disease, as well as pest control in non-agricultural markets. Specialty Chemicals consists of our BioPolymer and lithium businesses and focuses on food ingredients that are used to enhance texture, structure and physical stability, pharmaceutical additives for binding, encapsulation and disintegrant applications, ultrapure biopolymers