FMC CORP
Form 10-Q
November 02, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2015
or
o 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 1-2376

FMC CORPORATION
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	94-0479804 (I.R.S. Employer Identification No.)
1735 Market Street Philadelphia, Pennsylvania (Address of principal executive offices)	19103 (Zip Code)

Registrant's telephone number, including area code: 215-299-6000

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 x NO o

INDICATE BY CHECK MARK WHETHER THE REGISTRANT HAS SUBMITTED ELECTRONICALLY AND POSTED ON ITS CORPORATE WEBSITE, IF ANY, EVERY INTERACTIVE DATA FILE REQUIRED TO BE SUBMITTED AND POSTED PURSUANT TO RULE 405 OF REGULATION S-T DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO SUBMIT AND POST SUCH FILES) YES x NO o

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A LARGE ACCELERATED FILER, AN ACCELERATED FILER, A NON-ACCELERATED FILER OR A SMALLER REPORTING COMPANY. SEE THE DEFINITIONS OF "LARGE ACCELERATED FILER," "ACCELERATED FILER," AND "SMALLER REPORTING COMPANY" IN RULE 12B-2 OF THE EXCHANGE ACT. (CHECK ONE):

LARGE ACCELERATED FILER	x	ACCELERATED FILER	o
NON-ACCELERATED FILER	o	SMALLER REPORTING COMPANY	o

INDICATE BY CHECK MARK WHETHER THE REGISTRANT IS A SHELL COMPANY (AS DEFINED IN RULE 12B-2 OF THE EXCHANGE ACT) YES o NO x

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE

Class	Outstanding at September 30, 2015
Common Stock, par value $0.10 per share	133,622,997

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FMC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(in Millions, Except Per Share Data)	Three Months Ended September 30		Nine Months Ended September 30	
	2015 (unaudited)	2014	2015 (unaudited)	2014
Revenue	$830.7	$819.1	$2,377.2	$2,370.9
Costs and Expenses				
Costs of sales and services	610.4	535.6	1,600.4	1,478.3
Gross margin	220.3	283.5	776.8	892.6
Selling, general and administrative expenses	137.0	140.7	590.9	374.9
Research and development expenses	37.2	30.2	102.8	88.5
Restructuring and other charges (income)	45.6	35.6	78.2	44.9
Business separation costs	—	6.8	—	23.6
Total costs and expenses	830.2	748.9	2,372.3	2,010.2
Income from continuing operations before equity in (earnings) loss of affiliates, interest expense, net and income taxes	0.5	70.2	4.9	360.7
Equity in (earnings) loss of affiliates	—	0.1	—	(0.2)
Interest expense, net	20.2	12.8	58.9	37.6
Income (loss) from continuing operations before income taxes	(19.7)	57.3	(54.0)	323.3
Provision (benefit) for income taxes	(25.1)	3.6	(56.4)	74.6
Income (loss) from continuing operations	5.4	53.7	2.4	248.7
Discontinued operations, net of income taxes	(5.0)	6.4	698.8	(4.9)
Net income (loss)	0.4	60.1	701.2	243.8
Less: Net income attributable to noncontrolling interests	2.8	3.8	8.1	12.8
Net income (loss) attributable to FMC stockholders	$(2.4)	$56.3	$693.1	$231.0
Amounts attributable to FMC stockholders:				
Continuing operations, net of income taxes	$2.6	$51.6	$(5.7)	$241.1
Discontinued operations, net of income taxes	(5.0)	4.7	698.8	(10.1)
Net income (loss) attributable to FMC stockholders	$(2.4)	$56.3	$693.1	$231.0
Basic earnings (loss) per common share attributable to FMC stockholders:				
Continuing operations	$0.02	$0.39	$(0.04)	$1.81
Discontinued operations	(0.04)	0.03	5.22	(0.08)
Net income (loss) attributable to FMC stockholders	$(0.02)	$0.42	$5.18	$1.73
Diluted earnings (loss) per common share attributable to FMC stockholders:				
Continuing operations	$0.02	$0.39	$(0.04)	$1.80
Discontinued operations	(0.04)	0.03	5.22	(0.08)
Net income (loss) attributable to FMC stockholders	$(0.02)	$0.42	$5.18	$1.72

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

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FMC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
	(unaudited)		(unaudited)	
Net income (loss)	$0.4	$60.1	$701.2	$243.8
Other comprehensive income (loss), net of tax:				
Foreign currency adjustments:				
Foreign currency translation gain (loss) arising during the period	(39.0)	(34.7)	(81.0)	(37.9)
Reclassification of foreign currency translation losses	—	—	—	49.6
Total foreign currency translation adjustments [1]	(39.0)	(34.7)	(81.0)	11.7
Derivative instruments:				
Unrealized hedging gains (losses) and other, net of tax of ($0.7) and $2.8 for the three and nine months ended 2015 and $0.8 and $3.2 for the three and nine months ended 2014, respectively	(1.5)	0.8	3.7	5.3
Reclassification of deferred hedging (gains) losses and other, included in net income, net of tax of ($0.4) and ($2.0) for the three and nine months ended 2015 and ($0.2) and $0.8 for the three and nine months ended 2014, respectively [3]	(0.4)	(0.3)	(2.3)	1.9
Total derivative instruments, net of tax of ($1.1) and $0.8 for the three and nine months ended 2015 and $0.6 and $4.0 for the three and nine months ended 2014, respectively	(1.9)	0.5	1.4	7.2
Pension and other postretirement benefits:				
Unrealized actuarial gains (losses) and prior service (costs) credits, net of tax of $0.2 and ($4.5) for the three and nine months ended 2015 and zero for three and nine months ended 2014, respectively [2]	(0.3)	0.3	(7.4)	0.2
Reclassification of net actuarial and other (gain) loss and amortization of prior service costs, included in net income, net of tax of $4.4 and $16.6 for the three and nine months ended 2015 and $3.0 and $9.9 for the three and nine months 2014, respectively [3]	8.0	5.2	29.4	17.9
Total pension and other postretirement benefits, net of tax of $4.6 and $12.1 for the three and nine months ended 2015 and $3.0 and $9.9 for the three and nine months ended 2014, respectively	7.7	5.5	22.0	18.1
Other comprehensive income (loss), net of tax	(33.2)	(28.7)	(57.6)	37.0
Comprehensive income (loss)	$(32.8)	$31.4	$643.6	$280.8
Less: Comprehensive income attributable to the noncontrolling interest	2.4	3.3	7.4	11.8
Comprehensive income (loss) attributable to FMC stockholders	$(35.2)	$28.1	$636.2	$269.0

(1) Income taxes are not provided on the equity in undistributed earnings of our foreign subsidiaries or affiliates since it is our intention that such earnings will remain invested in those affiliates permanently. The amount for the nine months ended September 30, 2014 includes reclassification to net income due to the divestiture of our FMC Peroxygens business, see Note 12 for more information. In accordance with accounting guidance, this amount was previously factored into the lower of cost or fair value test associated with the 2013 Peroxygens' asset held for sale write-down charges.

(2) At December 31st of each year, we remeasure our pension and postretirement plan obligations at which time we record any actuarial gains (losses) and prior service (costs) credits to other comprehensive income. The interim adjustments noted above typically reflect the foreign currency translation impacts from the unrealized actuarial gains (losses) and prior service (costs) credits related to our foreign pension and postretirement plans. The amounts for the nine months September 30, 2015 includes adjustments, recorded during the three months ended March 31, 2015, to comprehensive income as the results of the disposal of our FMC Alkali Chemicals division. This disposal triggered a curtailment of our U.S. pension plans. See Note 13 for more information.

(3) For more detail on the components of these reclassifications and the affected line item in the condensed consolidated statements of income (loss) see Note 12.

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FMC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(in Millions, Except Share and Par Value Data)	September 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$173.7	$109.5
Trade receivables, net of allowance - 2015: $34.9; 2014: $37.2	1,689.6	1,602.5
Inventories	906.1	607.6
Prepaid and other current assets	251.3	188.8
Deferred income taxes	158.1	222.7
Current assets held for sale	59.3	203.3
Total current assets	$3,238.1	$2,934.4
Investments	3.7	5.5
Property, plant and equipment, net	1,082.8	930.0
Goodwill	733.5	352.5
Other intangibles, net	847.7	246.9
Other assets	333.1	269.6
Deferred income taxes	208.1	200.1
Noncurrent assets held for sale	—	401.5
Total assets	$6,447.0	$5,340.5
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt and current portion of long-term debt	$121.2	$525.2
Accounts payable, trade and other	484.2	378.3
Advance payments from customers	3.9	190.2
Accrued and other liabilities	349.3	407.2
Accrued customer rebates	357.3	236.0
Guarantees of vendor financing	65.7	50.2
Accrued pension and other postretirement benefits, current	6.6	12.7
Income taxes	66.6	22.2
Current liabilities held for sale	0.2	88.4
Total current liabilities	$1,455.0	$1,910.4
Long-term debt, less current portion	2,048.5	1,153.4
Accrued pension and other postretirement benefits, long-term	177.2	238.7
Environmental liabilities, continuing and discontinued	163.1	209.9
Deferred income taxes	235.5	51.3
Long-term liabilities held for sale	—	4.7
Other long-term liabilities	213.1	208.1
Commitments and contingent liabilities (Note 16)		
Equity		
Preferred stock, no par value, authorized 5,000,000 shares; no shares issued in 2015 or 2014	—	—
Common stock, $0.10 par value, authorized 260,000,000 shares; 185,983,792 issued shares at 2015 and 2014	18.6	18.6
Capital in excess of par value of common stock	415.4	401.9
Retained earnings	3,611.2	2,984.5
Accumulated other comprehensive income (loss)	(432.7)	(375.8)
	(1,498.8)	(1,498.7)

Treasury stock, common, at cost - 2015: 52,360,795 shares, 2014: 52,666,121 shares		
Total FMC stockholders' equity	$2,113.7	$1,530.5
Noncontrolling interests	40.9	33.5
Total equity	$2,154.6	$1,564.0
Total liabilities and equity	$6,447.0	$5,340.5

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

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FMC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in Millions)	Nine Months Ended September 30	
	2015	2014
	(unaudited)	
Cash provided (required) by operating activities of continuing operations:		
Net income (loss)	$701.2	$243.8
Discontinued operations	(698.8)	4.9
Income (loss) from continuing operations	$2.4	$248.7
Adjustments from income from continuing operations to cash provided (required) by operating activities of continuing operations:		
Depreciation and amortization	92.2	70.9
Equity in (earnings) loss of affiliates	—	(0.2)
Restructuring and other charges (income)	78.2	44.9
Deferred income taxes	52.4	(25.0)
Pension and other postretirement benefits	30.5	22.8
Share-based compensation	12.2	11.5
Excess tax benefits from share-based compensation	(1.6)	(4.4)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
Trade receivables, net	315.5	(98.0)
Guarantees of vendor financing	9.9	25.5
Inventories	(8.0)	(73.4)
Accounts payable	(201.1)	2.6
Advance payments from customers	(186.2)	(174.8)
Accrued customer rebates	112.3	144.0
Income taxes	(288.8)	26.6
Pension and other postretirement benefit contributions	(71.0)	(65.2)
Environmental spending, continuing, net of recoveries	(18.6)	(9.1)
Restructuring and other spending	(22.3)	(6.6)
Change in other operating assets and liabilities, net [(1)]	(154.8)	(8.4)
Cash provided (required) by operating activities of continuing operations	$(246.8)	$132.4
Cash provided (required) by operating activities of discontinued operations:		
Environmental spending, discontinued, net of recoveries	(10.4)	(6.9)
Other discontinued reserves	(15.8)	(24.8)
Operating activities of discontinued operations, net of recoveries	(37.5)	101.0
Cash provided (required) by operating activities of discontinued operations	$(63.7)	$69.3

(1) The September 30, 2015 change is impacted by a $99.6 million reduction in the Cheminova acquisition hedge liability and the non-cash Cheminova inventory fair value amortization of $48.1 million. Total cash payments during the nine months ended September 30, 2015 associated with the Cheminova acquisition hedges were $264.8 million, which includes $165.2 million that were accrued and paid within the period.

The accompanying notes are an integral part of these condensed consolidated financial statements.
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FMC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(in Millions)	Nine Months Ended September 30	
	2015	2014
	(unaudited)	
Cash provided (required) by investing activities of continuing operations:		
Capital expenditures	$(87.4)	$(143.3)
Proceeds from disposal of property, plant and equipment	1.3	0.3
Acquisitions, net of cash acquired	(1,205.1)	—
Proceeds from sale of investment/business	34.5	—
Other investing activities	(25.0)	(24.8)
Cash provided (required) by investing activities of continuing operations	$(1,281.7)	$(167.8)
Cash provided (required) by investing activities of discontinued operations:		
Proceeds from divestitures	1,649.8	199.1
Other discontinued investing activities	(15.5)	(30.7)
Cash provided (required) by investing activities of discontinued operations	$1,634.3	$168.4
Cash provided (required) by financing activities of continuing operations:		
Increase (decrease) in short-term debt	(537.6)	(101.2)
Repayments of long-term debt	(1,024.4)	(17.7)
Financing fees	—	(8.8)
Proceeds from borrowings of long-term debt	1,650.1	—
Distributions to non controlling interests	—	(21.4)
Issuances of common stock, net	5.8	7.5
Excess tax benefits from share-based compensation	1.6	4.4
Dividends paid [(2)]	(64.3)	(58.1)
Other repurchases of common stock	(3.2)	(4.3)
Cash provided (required) by financing activities of continuing operations	$28.0	$(199.6)
Effect of exchange rate changes on cash and cash equivalents	(5.9)	(1.6)
Increase (decrease) in cash and cash equivalents	64.2	1.1
Cash and cash equivalents, beginning of period	109.5	123.2
Cash and cash equivalents, end of period	$173.7	$124.3

(2) See Note 12 regarding quarterly cash dividend.

Supplemental disclosure of cash flow information: Cash paid for interest, net of capitalized interest was $61.9 million and $43.2 million, and income taxes paid, net of refunds were $270.6 million and $84.5 million for the nine months ended September 30, 2015 and 2014, respectively. Income taxes paid in the nine months ended September 30, 2015 included approximately $239 million in U.S. federal income tax payments related to the sale of our Alkali Chemicals business. Non-cash additions to property, plant and equipment were $7.7 million and $17.9 million for the nine months ended September 30, 2015 and 2014.

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

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FMC CORPORATION
Notes to Condensed Consolidated Financial Statements (unaudited)

Note 1: Financial Information and Accounting Policies
In our opinion the condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) applicable to interim period financial statements and reflect all adjustments necessary for a fair statement of results of operations for the three and nine months ended September 30, 2015 and 2014, cash flows for the nine months ended September 30, 2015 and 2014 and our financial positions as of September 30, 2015 and December 31, 2014. All such adjustments included herein are of a normal, recurring nature unless otherwise disclosed in the Notes. The results of operations for the three and nine months ended September 30, 2015 and 2014 are not necessarily indicative of the results of operations for the full year. The condensed consolidated balance sheets as of September 30, 2015 and December 31, 2014, and the related condensed consolidated statements of income (loss), condensed consolidated statements of comprehensive income (loss) and condensed consolidated statements of cash flows for the nine months ended September 30, 2015 and 2014, have been reviewed by our independent registered public accountants. The review is described more fully in their report included herein. Our accounting policies are set forth in detail in Note 1 to the consolidated financial statements included with our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2014 (the “2014 10-K”).

FMC Alkali Chemicals Division:
In February 2015, our FMC Alkali Chemicals division ("ACD") was classified as a discontinued operation. For more information on the discontinued operations see Note 9. As a result, our FMC Minerals segment, which previously included our FMC Alkali Chemicals and FMC Lithium divisions, was renamed FMC Lithium. We have recast all the data within this filing to reflect the changes in our reportable segments to conform to the current year presentation and to present ACD as a discontinued operation retrospectively for all periods presented.

Note 2: Recently Issued and Adopted Accounting Pronouncements and Regulatory Items
New accounting guidance and regulatory items
In July 2015, the FASB issued ASU 2015-11, Simplifying the Measurement of Inventory. This new standard changes the criteria by which to measure inventory. Prior to the issuance of this new standard, inventory was measured at the lower of cost or market value. This required three separate data points in order to measure inventory. The three data points were cost, market with a ceiling of net realizable value and market with a floor of net realizable value less a normal profit margin. This amendment eliminates the two data points defining "market" and replaces them with one, net realizable value. This amendment does not impact inventory measured using last-in, first-out. We are required to adopt this standard in the first quarter of 2017, early adoption is permitted. We are evaluating the effect that ASU 2015-11 will have on our consolidated financial statements. We have not yet completed the assessment to determine the effect of the standard on our ongoing financial reporting.
In April 2015, the FASB issued ASU 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this new standard require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this standard. This standard is applicable for fiscal years beginning after December 15, 2015 and for interim periods within those years and early adoption is permitted. We expect to adopt this standard in the first quarter of 2016; this amendment will be applied on a retrospective basis. The adoption of this standard is not expected to materially impact on our consolidated financial statements.
In February 2015, the FASB issued ASU 2015-02, Consolidation: Amendments to the Consolidation Analysis. This new standard changes the consolidation evaluation for entities that are required to evaluate whether they should consolidate certain legal entities. We are required to adopt this standard in the first quarter of 2016. Early adoption is permitted. The standard permits the use of a modified retrospective approach by recording a cumulative-effect

adjustment to equity as of the beginning of the fiscal year of adoption, or a reporting entity may also apply the amendments retrospectively. We are evaluating the effect that ASU 2015-02 will have on our consolidated financial statements. We have not yet completed the assessment to determine the effect of the standard on our ongoing financial reporting.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This new guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. We intend to adopt this standard for interim and annual periods beginning after December 15, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial

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FMC CORPORATION
Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

Recently adopted accounting guidance

In September 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-16, Simplifying the Accounting for Measurement-Period Adjustments. This new standard eliminates the requirement to restate prior period financial statements for measurement period adjustments associated with business combinations. This new guidance does not change what constitutes a measurement period adjustment. This standard is applicable for fiscal years beginning after December 15, 2015 and for interim periods within those years and early adoption is permitted. We have adopted this guidance prospectively this quarter. For more information on the measurement period adjustments recorded during the period, see Note 3.

In April 2014, the FASB issued its updated guidance on the financial reporting of discontinued operations. This new standard changes the criteria for reporting discontinued operations while enhancing disclosures in this area. Under the new guidance, only disposals representing a strategic shift in operations should be presented as discontinued operations. Additionally, expanded disclosures about discontinued operations will be required to provide financial statement users with more information about the assets, liabilities, income, and expenses of discontinued operations. This guidance impacts disclosures within an entity's financial statements and notes to the financial statements. We have adopted this guidance prospectively this year.

Note 3: Acquisitions

Cheminova A/S

On April 21, 2015, pursuant to the terms and conditions set forth in the Purchase Agreement, we completed the acquisition of 100 percent of the outstanding equity of Cheminova A/S, a Denmark Aktieselskab ("Cheminova") from Auriga Industries A/S, a Denmark Aktieselskab for an aggregate purchase price of $1.2 billion, excluding assumed net debt and hedged-related costs totaling $0.6 billion (the “Acquisition”). The Acquisition was funded with the October 10, 2014 term loan which was secured for the purposes of the Acquisition. See Note 8 for more information.

Cheminova is being integrated into our FMC Agricultural Solutions segment and has been included within our results of operations for the three and nine months ended September 30, 2015.

Preliminary Purchase Price Allocation

The acquisition of Cheminova has been accounted for under the GAAP business combinations accounting guidance, and as such we have applied acquisition accounting. Acquisition accounting requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. The aggregate purchase price noted above was allocated to the major categories of assets acquired and liabilities assumed based upon their estimated fair values at the Acquisition date using primarily Level 2 and Level 3 inputs (see Note 15 for an explanation of Level 2 and 3 inputs). These Level 2 and Level 3 valuation inputs include an estimate of future cash flows and discount rates. Additionally, estimated fair values are based, in part, upon outside preliminary appraisals for certain assets, including specifically-identified intangible assets.

The allocation of the purchase price to the assets acquired and liabilities assumed, including the residual amount allocated to goodwill, is based upon preliminary information. The allocation is subject to change within the measurement period (up to one year from the acquisition date) as additional information concerning final asset and liability valuations is obtained. Any changes to the initial allocation are referred to as measurement-period adjustments. Measurement-period adjustment since our initial preliminary estimates reported in our second quarter 2015 Form 10-Q were primarily related to decreases in the estimated fair values of certain current assets, property, plant and equipment and income taxes payable. These decreases were offset by increases in current liabilities, intangible assets and deferred income taxes. The cumulative effect of all measurement-period adjustments resulted in

an increase to recognized goodwill of approximately $5 million. Measurement-period adjustments recorded to the condensed consolidated statement of income (loss) were immaterial for the period ended September 30, 2015.
The primary areas of the preliminary purchase price allocation that are not yet finalized relate to the fair value of trade receivables, inventories, property, plant and equipment, intangible assets, legal reserves, contingent liabilities, including uncertain tax positions, deferred tax assets and liabilities as well as other assets and liabilities. During the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in revised estimated values of those assets or liabilities as of that date we will revise the preliminary purchase price allocation. The effect of measurement

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FMC CORPORATION
Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

period adjustments to the estimated fair values will be calculated as if the adjustments had been completed on the acquisition date. The impact of all changes that do not qualify as measurement period adjustments will be included in current period earnings.

The following table summarizes the consideration paid for Cheminova and the amounts of the assets acquired and liabilities assumed as of the acquisition date, which have been allocated on a preliminary basis.

Preliminary Purchase Price Allocation (in Millions)	
Trade receivables	$508.1
Inventories [1]	397.7
Other current assets	53.6
Property, plant & equipment	188.6
Intangible assets [2]	
Customer relationships	280.3
Brands	365.1
In-process research & development	8.6
Goodwill [3]	398.4
Other assets	58.1
Total fair value of assets acquired	2,258.5
Short-term debt	140.5
Other current liabilities	461.7
Long-term debt [4]	273.1
Deferred tax liabilities	164.1
Other liabilities	14.0
Total fair value of liabilities assumed	1,053.4
Total cash paid, less cash acquired	$1,205.1

(1) Fair value of finished goods inventory acquired included a step-up in the value of approximately $58.1 million, of which $28.8 million and $48.1 million was expensed in the three and nine months ended September 30, 2015, respectively, and included in "Cost of sales and services" on the condensed consolidated income statement.

(2) The weighted average useful life of the acquired finite-lived intangibles, which primarily represents the customer relationships, is approximately 20 years.

(3) Goodwill largely consists of expected cost synergies and economies of scale resulting from the business combination. None of the acquired goodwill will be deductible for income tax purposes.

(4) Long-term debt assumed primarily consisted of mortgage debt and borrowings under existing Cheminova credit facilities. As of September 30, 2015 the principal borrowings under this assumed debt has been settled utilizing the borrowing under the October 10, 2014 term loan.

Unaudited Pro Forma Financial Information

The following unaudited pro forma results of operations assume that the Acquisition occurred at the beginning of the periods presented. The pro forma amounts include certain adjustments, including interest expense on the borrowings utilized to complete the acquisition, depreciation and amortization expense and income taxes. The pro forma amounts for the three and nine month period below exclude acquisition-related charges. The pro forma results do not include adjustments related to cost savings or other synergies that are anticipated as a result of the Acquisition. Accordingly, these unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of

what the actual results of operations would have been if the acquisition had occurred as of January 1, 2014, nor are they indicative of future results of operations.

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Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Pro forma Revenue	$830.7	$1,124.5	$2,739.2	$3,370.0
Pro forma Diluted earnings per share	$0.18	$0.56	$6.40	$2.14

Acquisition-related charges
Pursuant to GAAP, costs incurred to complete the Acquisition as well as costs incurred to integrate Cheminova into our operations are expensed as incurred. The following table summarizes the costs incurred associated with these combined activities.

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Acquisition-related charges				
Legal and professional fees [1]	$14.2	$15.3	$53.8	$15.3
Inventory fair value amortization [2]	28.8	—	48.1	—
(Gain)/loss on hedging purchase price [3]	—	21.2	172.1	21.2
Total Acquisition-related charges	$43.0	$36.5	$274.0	$36.5
Restructuring charges and asset disposals				
Cheminova restructuring	50.7	—	55.5	—
Total Cheminova restructuring charges [4]	$50.7	$—	$55.5	$—

(1) Represents transaction costs, costs for transitional employees, other acquired employee related costs and integration related legal and professional third-party fees. On the condensed consolidated statements of income (loss), these charges are included in “Selling, general and administrative expense.”

(2) On the condensed consolidated statements of income (loss), these charges are included in “Costs of sales and services.”

(3) See "Cheminova Acquisition Hedge Costs" below for more information on these charges. On the condensed consolidated statements of income (loss), these charges are included in “Selling, general and administrative expense.”

(4) See Note 7 for more information. These charges are recorded as a component of “Restructuring and other charges (income)” on the condensed consolidated statements of income (loss).

Cheminova Acquisition Hedge Costs
Pursuant to the terms and conditions set forth in the Purchase Agreement, we agreed to acquire all of the outstanding equity of Cheminova from Auriga for an aggregate purchase price of 8.5 billion Danish krone ("DKK"). At the time we entered into the Purchase Agreement, the U.S. dollar ("USD" or “$”) to DKK exchange rate was USD $1.00 to DKK 5.77, resulting in a USD purchase price of $1.47 billion, excluding assumed debt of approximately $0.3 billion. In order to minimize our exposure to adverse changes in the USD to DKK exchange rate from September 8, 2014 to April 21, 2015 (the acquisition close date), we entered into a series of foreign currency forward contracts ("FX forward contracts"). The FX forward contracts provided us the ability to fix the USD to DKK exchange rate for most of the DKK 8.5 billion purchase price, thereby limiting our exposure to foreign currency rate fluctuations. Over the period from September 2014 to April 21, 2015 the USD strengthened against the DKK by approximately 21 percent to an exchange rate of USD $1.00 to DKK 6.96. The strengthening of the USD against the DKK results in a lower USD purchase price for Cheminova. Partially offsetting this was a mark-to-market net loss settlement on the FX forward contracts of $172.1 million.

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Note 4: Goodwill and Intangible Assets
The changes in the carrying amount of goodwill by business segment are presented in the table below:

(in Millions)	FMC Agricultural Solutions	FMC Health and Nutrition	FMC Lithium	Total
Balance, December 31, 2014	$ 31.0	$321.5	$—	$352.5
Acquisitions	398.4	—	—	398.4
Foreign currency adjustments	—	(17.4)	—	(17.4)
Balance, September 30, 2015	$ 429.4	$304.1	$—	$733.5

We perform our goodwill impairment tests at least annually. Our fiscal year 2015 annual goodwill impairment test was performed during the three months ended September 30, 2015. As a result we determined no goodwill impairment existed. There were no events or circumstances indicating that goodwill might be impaired as of September 30, 2015.

Our intangible assets, other than goodwill, consist of the following:

	September 30, 2015			December 31, 2014		
(in Millions)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization (finite-lived)						
Customer relationships	$416.5	$ (34.8)	$381.7	$152.8	$ (22.5)	$130.3
Patents	2.2	(0.3)	1.9	1.7	(0.1)	1.6
Brands [1]	15.0	(2.0)	13.0	1.2	(0.6)	0.6
Purchased and licensed technologies	71.7	(28.5)	43.2	74.3	(24.5)	49.8
Other intangibles	3.5	(2.2)	1.3	3.6	(2.4)	1.2
	$508.9	$ (67.8)	$441.1	$233.6	$ (50.1)	$183.5
Intangible assets not subject to amortization (indefinite life)						
Brands [1]	$398.4		$398.4	$63.4		$63.4
In-process research & development	8.2		8.2	—		—
	$406.6		$406.6	$63.4		$63.4
Total intangible assets	$915.5	$(67.8)	$847.7	$297.0	$(50.1)	$246.9

(1) Represents trademarks, trade names and know-how.

At September 30, 2015, the finite-lived and indefinite life intangibles were allocated among our business segments as follows:

(in Millions)	Finite-lived	Indefinite Life
FMC Agricultural Solutions	$366.9	$380.2
FMC Health and Nutrition	73.1	26.4
FMC Lithium	1.1	—
Total	$441.1	$406.6

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Amortization expense	$7.3	$2.7	$15.4	$8.4

The estimated pre-tax amortization expense for fiscal year 2015 is $24 million and is estimated to be $29 million for each fiscal year from 2016 to 2019. The estimated pre-tax amortization expense may fluctuate due to changes in foreign currency.

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Note 5: Inventories
Inventories consisted of the following:

(in Millions)	September 30, 2015	December 31, 2014
Finished goods	$495.5	$281.1
Work in process	198.1	248.8
Raw materials, supplies and other	379.9	242.1
First-in, first-out inventory	$1,073.5	$772.0
Less: Excess of first-in, first-out cost over last-in, first-out cost	(167.4)	(164.4)
Net inventories	$906.1	$607.6

Note 6: Property, Plant and Equipment
Property, plant and equipment consisted of the following:

(in Millions)	September 30, 2015	December 31, 2014
Property, plant and equipment	$1,783.2	$1,618.7
Accumulated depreciation	(700.4)	(688.7)
Property, plant and equipment, net	$1,082.8	$930.0

Note 7: Restructuring and Other Charges (Income)
Our restructuring and other charges (income) are comprised of restructuring, asset disposals and other charges (income) as noted below:

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Restructuring charges and asset disposals	$69.3	$1.3	$81.5	$7.9
Other charges (income), net	(23.7)	34.3	(3.3)	37.0
Total restructuring and other charges	$45.6	$35.6	$78.2	$44.9

Restructuring charges and asset disposals
Detail on the 2015 restructuring charges and asset disposal activities is provided below. For detail on restructuring activities which commenced prior to 2015, see Note 7 to our consolidated financial statements included with our 2014 Form 10-K.
2015 Restructuring Activities
Cheminova Restructuring
On April 21, 2015 we completed the acquisition of Cheminova; see Note 3 for more details. As part of the integration of Cheminova into our existing FMC Agricultural Solutions segment we implemented a restructuring plan. The restructuring plan includes workforce reductions, relocation of current operating locations, lease termination fees and fixed asset accelerated depreciation as well as fixed asset disposal charges at several of our FMC Agricultural Solutions' facilities. Included within these actions was the decision to exit our generic crop protection business in Brazil, Consagro Agroquimica Ltda. (Consagro).
Consagro Crop Protection Business
On September 10, 2015, we entered into a definitive agreement to sell our generic crop protection business in Brazil, Consagro, to Atanor do Brasil Ltda., the Brazilian subsidiary of Albaugh, LLC. The sale of Consagro is part of our broad strategy to focus on our portfolio of valued-added products, especially with the addition of the Cheminova

product line in Brazil. We expect the sale to occur in the fourth quarter of 2015. As a result, at September 30, 2015 we reclassified the Consagro business as an asset held for sale on the condensed consolidated balance sheet. In accordance with GAAP, assets held for sale are required to be reported at the lower of carrying value or fair value less costs to sell. During the three and

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nine month period ended September 30, 2015 we recorded an impairment charge of $40.1 million to adjust the carrying value of the net assets of Consagro to the estimated net proceeds on the sale of the business less anticipated costs to sell.

Health and Nutrition Restructuring
In 2014 our FMC Health and Nutrition segment implemented a plan to restructure a portion of its operations. The objective of the restructuring was to better align our business and costs to macroeconomic and market realities. The restructuring decision resulted in workforce reductions at several of our FMC Health and Nutrition facilities. In 2015 these restructuring activities continued with the sale of our pectin manufacturing business.
Pectin Manufacturing Business
As part of our Health and Nutrition Restructuring we changed our strategy for pectin shifting our focus from the manufacture of standard grade pectin to concentrate on higher-value, more specialized solutions for our customers. To accomplish our goals under this new strategy on September 11, 2015, we completed the sale of our pectin manufacturing business, located in Milazzo, Italy, to Cargill, Inc (Cargill).

The sale resulted in approximately $7.0 million in proceeds and a loss on sale of $11.9 million for the three and nine months ended September 30, 2015. The proceeds from the sale are included within "Proceeds from sale of investment/business" on the Condensed Consolidated Statement of Cash Flows. The loss of $11.9 million was comprised of net assets sold of $18.9 million which primarily included property, plant and equipment and trade working capital (i.e., trade receivables and payables as well as inventory). In connection with the sale we entered into a customary transitional services agreement with Cargill to provide for the orderly separation of the business. These services will be provided by us to Cargill for up to three months after closing. We have also entered into an arm's-length supply agreement with Cargill, which provides us with more efficient and flexible sourcing on a broad range of both standard and specialty pectin grades.

	Restructuring Charges			
(in Millions)	Severance and Employee Benefits (1)	Other Charges (Income) (2)	Asset Disposal Charges (3)	Total
Cheminova Restructuring	$7.8	$2.5	$40.4	$50.7
Health and Nutrition Restructuring	4.3	0.4	11.9	16.6
Other Items	2.0	—	—	2.0
Three months ended September 30, 2015	$14.1	$2.9	$52.3	$69.3
Other Items	0.5	0.8	—	1.3
Three months ended September 30, 2014	$0.5	$0.8	$—	$1.3
Cheminova Restructuring	$12.2	$2.8	$40.5	$55.5
Health and Nutrition Restructuring	5.9	0.5	14.1	20.5
Other Items	5.6	(0.1)	—	5.5
Nine months ended September 30, 2015	$23.7	$3.2	$54.6	$81.5
Health and Nutrition Restructuring	$5.8	$—	$—	$5.8
Other Items	0.5	1.6	—	2.1
Nine months ended September 30, 2014	$6.3	$1.6	$—	$7.9

(1) Represents severance and employee benefit charges. Income represents adjustments to previously recorded severance and employee benefits.

(2) Primarily represents costs associated with lease payments, contract terminations, and other miscellaneous exit costs. Other Income primarily represents favorable developments on previously recorded exit costs as recoveries associated with restructuring.

(3) Primarily represents accelerated depreciation and impairment charges on long-lived assets, which were or are to be abandoned. To the extent incurred the acceleration effect of re-estimating settlement dates and revised cost estimates associated with asset retirement obligations due to facility shutdowns are also included within the asset disposal charges.

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Roll forward of restructuring reserves
The following table shows a roll forward of restructuring reserves, continuing and discontinued, that will result in cash spending. These amounts exclude asset retirement obligations.

(in Millions)	Balance at 12/31/14 [4]	Change in reserves [2]	Cash payments	Other [3]	Balance at 9/30/15 [4]
Cheminova Restructuring	$—	$15.0	$(9.7)	$—	$5.3
Health and Nutrition Restructuring	4.6	6.4	(8.2)	0.1	2.9
Other Workforce Related and Facility Shutdowns [1]	3.0	5.5	(4.5)	0.5	4.5
Restructuring activities related to discontinued operations [5]	2.7	(2.2)	(0.1)	—	0.4
Total	$10.3	$24.7	$(22.5)	$0.6	$13.1

(1) Primarily severance costs related to workforce reductions and facility shutdowns noted in the “Other Items” sections above.
(2) Primarily severance, exited lease, contract termination and other miscellaneous exit costs. Any accelerated depreciation and impairment charges noted above impacted our property, plant and equipment balances and are not included in the above tables.
(3) Primarily foreign currency translation adjustments.
(4) Included in “Accrued and other liabilities” on the condensed consolidated balance sheets.
(5) Cash spending associated with restructuring activities of discontinued operations is reported within "Other discontinued reserves" on the condensed consolidated statements of cash flows.

Other charges (income), net

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Environmental charges, net	$2.9	$17.3	$8.3	$20.0
Other items, net	(26.6)	17.0	(11.6)	17.0
Other charges (income), net	$(23.7)	$34.3	$(3.3)	$37.0

Environmental charges, net
Environmental charges represent the net charges associated with environmental remediation at continuing operating sites. See Note 10 for additional details.
Other items, Net
In the three months ended September 30, 2015 we sold our remaining ownership interest in a Belgian-based pesticide distribution company, Belchim Crop Protection N.V. ("Belchim"). Prior to and subsequent to the sale, Belchim was accounted for as a cost method investment. The gain on the sale of approximately $26.6 million was recorded as "Other income, net". The cash proceeds from the sale of $27.5 million are included within "Proceeds from sale of investment/business" on the Condensed Consolidated Statement of Cash Flows.
Our FMC Agricultural Solutions segment enters into collaboration and license agreements with various third-party companies for the purpose of obtaining certain technology and intellectual property rights relating to new compounds still under development. In most transactions, the rights and technology obtained is referred to as in-process research and development and in accordance with GAAP. The amounts paid are expensed as incurred since they were acquired outside of a business combination. During the nine months ended September 30, 2015, we entered into one such transaction, consisting of the acquisition of all global rights to a pre-development novel, proprietary broadleaf herbicide. During the three and nine months ended September 30, 2014, we entered into another similar transaction, consisting of an exclusive license, development and supply agreement for a novel crop protection product for agricultural use in the United States.

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Note 8: Debt
Debt maturing within one year:

(in Millions)	September 30, 2015	December 31, 2014
Short-term foreign debt [1]	$89.8	$36.6
Commercial paper [2]	30.0	486.6
Total short-term debt	$119.8	$523.2
Current portion of long-term debt	1.4	2.0
Short-term debt and current portion of long-term debt	$121.2	$525.2

(1) At September 30, 2015, the average interest rate on the borrowings was 10.7%. We often provide parent-company guarantees to lending institutions that extend credit to our foreign subsidiaries.
(2) At September 30, 2015, the average interest rate on the borrowings was 0.52%.

Long-term debt:

(in Millions)	September 30, 2015 Interest Rate Percentage	Maturity Date	September 30, 2015	December 31, 2014
Pollution control and industrial revenue bonds (less unamortized discounts of $0.2 and $0.2, respectively)	0.2-6.5%	2021-2035	$141.5	$141.5
Senior notes (less unamortized discount of $1.7 and $1.9, respectively)	3.95-5.2%	2019-2024	998.3	998.1
Term Loan Facility	1.4%	2020	900.0	—
Credit Facility [1]	2.6%	2019	—	—
Foreign debt	3.3%	2015-2024	10.1	15.8
Total long-term debt			$2,049.9	$1,155.4
Less: debt maturing within one year			1.4	2.0
Total long-term debt, less current portion			$2,048.5	$1,153.4

(1) Letters of credit outstanding under our Credit Facility totaled $50.6 million and available funds under this facility were $1,419.4 million at September 30, 2015, which reflects borrowings under our commercial paper program.

Covenants
Among other restrictions, our Credit Facility and Term Loan Facility contain financial covenants applicable to FMC and its consolidated subsidiaries related to leverage (measured as the ratio of debt to adjusted earnings) and interest coverage (measured as the ratio of adjusted earnings to interest expense). Our actual leverage for the four consecutive quarters ended September 30, 2015, was 3.8 which is below the maximum leverage of 4.5 at September 30, 2015. Our actual interest coverage for the four consecutive quarters ended September 30, 2015, was 8.2 which is above the minimum interest coverage of 3.5. We were in compliance with all covenants at September 30, 2015.

Term Loan Facility
On April 21, 2015, we borrowed $1.65 billion under our previously announced senior unsecured Term Loan Facility. The proceeds of the borrowing were used to finance the acquisition of Cheminova as well as to pay costs, fees and expenses incurred in connection with the acquisition and the term loan facility. At September 30, 2015, $900.0 million remained outstanding under the Term Loan facility, as a portion of the net proceeds from the sale of our FMC Alkali division (see Note 9) was used to pay down the initial borrowings.

The scheduled maturity of the Term Loan Facility is on April 21, 2020. The borrowings under the Term Loan Agreement will bear interest at a floating rate, which will be a base rate or a Eurocurrency rate equal to the London interbank offered rate for the relevant

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interest period, plus in each case an applicable margin, as determined in accordance with the provisions of the Term Loan Agreement. The base rate will be the highest of: the rate of interest announced publicly by Citibank, N.A. in New York, New York from time to time as its “base rate”; the federal funds effective rate plus1/2 of one percent; and the Eurocurrency rate for a one-month period plus one percent.

The Term Loan Agreement contains a cross-default provision whereby a default under our other indebtedness in excess of $50.0 million, after grace periods and absent a waiver from the lenders, would be an event of default under the Term Loan Agreement and could result in a demand for payment of all amounts outstanding under this facility.

Note 9: Discontinued Operations

FMC Alkali:

On April 1, 2015, we completed the previously disclosed sale of our FMC Alkali Chemicals division ("ACD") for $1,649.8 million to a wholly owned subsidiary of Tronox Limited ("Tronox"). The sale resulted in approximately $1,198.5 million in after-tax cash proceeds. The sale resulted in a pre-tax gain of $1,080.2 million ($702.1 million net of tax) for the three months ended September 30, 2015.

In connection with the sale we entered into a customary transitional services agreement with Tronox to provide for the orderly separation of the business and transition of various functions and processes. These services will be provided by us to Tronox for up to 12 months after closing. These services include information technology services, human resource and facility services among other services, while Tronox assumes the operations of ACD.

The results of our discontinued FMC ACD operations are summarized below:

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue	$—	$196.8	$194.0	$574.6
Costs of sales and services	—	156.5	149.2	457.4
Income (loss) from discontinued operations before income taxes [1]	7.7	30.7	1,096.4	91.9
Provision for income taxes	6.0	3.8	378.4	13.6
Total discontinued operations of FMC ACD, net of income taxes	$1.7	$26.9	$718.0	$78.3
Less: discontinued operations of FMC ACD attributable to noncontrolling interests	$—	$1.7	$—	$5.2
Discontinued operations of FMC ACD, net of income taxes, attributable to FMC Stockholders	$1.7	$25.2	$718.0	$73.1

(1) For the three months ended September 30, 2015 and 2014, respectively, amounts include approximately zero and $1.9 million attributable to noncontrolling interests, zero and $2.1 million of allocated interest expense, zero and $1.0 million of divestiture related charges. For the nine months ended September 30, 2015 and 2014, respectively, amounts include approximately zero and $6.1 million attributable to noncontrolling interests, $2.2 million and $6.1 million of allocated interest expense, $15.0 million and $1.0 million of divestiture related charges and $5.3 million and zero of a pension curtailment charge. Interest was allocated in accordance with relevant discontinued operations accounting guidance.

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The following table presents the major classes of assets and liabilities of FMC Alkali Chemicals:

(in Millions)	December 31, 2014
Assets	
Current assets of discontinued operations held for sale (primarily trade receivables and inventories)	$203.3
Property, plant & equipment [1]	378.6
Other non-current assets [1]	22.9
Total assets of discontinued operations held for sale	$604.8
Liabilities	
Current liabilities of discontinued operations held for sale	(88.4)
Noncurrent liabilities of discontinued operations held for sale [1]	(4.7)
Total liabilities of discontinued operations held for sale	$(93.1)
Net Assets	$511.7

(1) Presented as "Noncurrent assets\liabilities of discontinued operations held for sale" on the condensed consolidated balance sheet as of December 31, 2014.

In addition to our discontinued FMC Alkali Chemicals division our other discontinued operations include adjustments to retained liabilities. The primary liabilities retained include environmental liabilities, other postretirement benefit liabilities, self-insurance, long-term obligations related to legal proceedings and historical restructuring activities. Our discontinued operations comprised the following:

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Adjustment for workers' compensation, product liability, other postretirement benefits and other, net of income tax benefit (expense) of ($0.8) and ($1.1) for the three and nine months ended 2015 and ($0.1) and $0.8 for the three and nine months ended 2014, respectively	$(1.5)	$(2.6)	$(1.6)	$(5.4)
Provision for environmental liabilities, net of recoveries, net of income tax benefit of $1.7 and $6.3 for the three and nine months ended 2015 and $3.2 and $10.3 for the three and nine months ended 2014, respectively [1]	(2.9)	(14.3)	(10.9)	(26.6)
Provision for legal reserves and expenses, net of recoveries, net of income tax benefit (expense) of $1.5 and $3.9 for the three and nine months ended 2015 and $2.1 and $6.6 for the three and nine months ended 2014, respectively	(2.3)	(3.6)	(6.7)	(11.2)
Discontinued operations of FMC Alkali Chemicals, net of income tax benefit (expense) of ($6.0) and ($378.4) for the three and nine months ended 2015 and ($3.8) and ($13.6) for the three and nine months ended 2014, respectively	1.7	26.9	718.0	78.3
Discontinued operations of FMC Peroxygens, net of income tax benefit (expense) of zero for the three and nine months ended 2015 and zero and ($29.3) for the three and nine months ended 2014, respectively [2]	—	—	—	(40.0)
Discontinued operations, net of income taxes	$(5.0)	$6.4	$698.8	$(4.9)

(1)

See a roll forward of our environmental reserves as well as discussion on significant environmental issues that occurred during the 2015 in Note 10.

(2) On February 28, 2014, we completed the sale of our FMC Peroxygens business for $199.1 million in cash to One Equity Partners (OEP), the private investment arm of J.P. Morgan Chase & Co. The sale resulted in a further pre-tax loss of $10.1 million ($33.4 million net of tax). The net of tax loss was driven by the final allocation of the proceeds.

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Note 10: Environmental Obligations

We have reserves for potential environmental obligations, which management considers probable and which management can reasonably estimate. The table below is a roll forward of our total environmental reserves, continuing and discontinued:

(in Millions)	Gross	Recoveries [3]	Net
Total environmental reserves at December 31, 2014	$296.2	$(11.9)	$284.3
Provision/(benefit)	25.5	—	25.5
(Spending)/recoveries	(37.5)	4.2	(33.3)
Total environmental reserves at September 30, 2015	$284.2	$(7.7)	$276.5
Environmental reserves, current [1]	117.1	(3.7)	113.4
Environmental reserves, long-term [2]	167.1	(4.0)	163.1
Total environmental reserves at September 30, 2015	$284.2	$(7.7)	$276.5

(1) These amounts are included within "Accrued and other liabilities" on the condensed consolidated balance sheets.

(2) These amounts are included in “Environmental liabilities, continuing and discontinued” on the condensed consolidated balance sheets.

(3) These recorded recoveries represent probable realization of claims against U.S. government agencies and are recorded as an offset to our environmental reserves in the condensed consolidated balance sheets.

The estimated reasonably possible environmental loss contingencies, net of expected recoveries, exceed amounts accrued by approximately $210 million at September 30, 2015. This reasonably possible estimate is based upon information available as of the date of the filing but the actual future losses may be higher given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of potentially responsible parties, technology and information related to individual sites. Potential environmental obligations that have not been reserved may be material to any one quarter's or year's results of operations in the future. However, we believe any such liability arising from such potential environmental obligations is not likely to have a material adverse effect on our liquidity or financial condition as it may be satisfied over many years.

The table below provides a roll forward of our environmental recoveries representing probable realization of claims against insurance carriers and other third parties. These recoveries are recorded as "Other assets" in the condensed consolidated balance sheets.

(in Millions)	12/31/2014	Increase in Recoveries	Cash Received	9/30/2015
Environmental recoveries	$29.9	—	(4.0)	$25.9

Our net environmental provisions relate to costs for the continued cleanup of both continuing and discontinued manufacturing operations from previous years. The net provisions are comprised as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Environmental provisions, net - recorded to liabilities [1]	$7.5	$34.8	$25.5	$62.1
Environmental provisions, net - recorded to assets [2]	—	—	—	(5.2)
Environmental provision, net	$7.5	$34.8	$25.5	$56.9
Continuing operations [3]	2.9	17.3	8.3	20.0
Discontinued operations [4]	4.6	17.5	17.2	36.9

Environmental provision, net	$7.5	$34.8	$25.5	$56.9

(1) See above roll forward of our total environmental reserves as presented on the condensed consolidated balance sheets.

(2) See above roll forward of our total environmental recoveries as presented on the condensed consolidated balance sheets.

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(3) Recorded as a component of “Restructuring and other charges (income)” on the condensed consolidated statements of income (loss), see Note 7. Environmental obligations for continuing operations primarily represent obligations at shut down or abandoned facilities within businesses that do not meet the criteria for presentation as discontinued operations.

(4) Recorded as a component of “Discontinued operations, net of income taxes" on the condensed consolidated statements of income (loss), see Note 9.

A more complete description of our environmental contingencies and the nature of our potential obligations are included in Notes 1 and 10 to our consolidated financial statements in our 2014 Form 10-K. See Note 10 to our consolidated financial statements in our 2014 Form 10-K for a description of significant updates to material environmental sites. The following represents significant updates that occurred in 2015 related to these contingencies.

Middleport

We continue to litigate with the New York State Department of Environmental Conservation and United States Environmental Protection Agency over the terms of the 1991 Administrative Order on Consent among the parties that govern our remedial obligations in and around Middleport, New York. On August 20, 2015, the Supreme Court of New York dismissed our state action on procedural grounds. We have appealed that dismissal to the New York Supreme Court Appellate Division, Third Department. Our existing federal action before the United States District Court for the Western District of New York is still pending. Our reserve continues to include the estimated liability for clean-up to reflect the costs associated with our recommended Corrective Action Management Alternative.

Note 11: Earnings Per Share

Earnings per common share (“EPS”) is computed by dividing net income by the weighted average number of common shares outstanding during the period on a basic and diluted basis.

Our potentially dilutive securities include potential common shares related to our stock options, restricted stock and restricted stock units. Diluted earnings per share (“Diluted EPS”) considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an antidilutive effect. Diluted EPS excludes the impact of potential common shares related to our stock options in periods in which the option exercise price is greater than the average market price of our common stock for the period. There were 1.383 million potential common shares, excluded from Diluted EPS for the three months ended September 30, 2015. For the nine months ended September 30, 2015, we had a net loss from continuing operations attributable to FMC stockholders, as such all 1.692 million potential common shares were excluded from Diluted EPS. For the three and nine months ended September 30, 2014, respectively there were 0.267 million and 0.371 million potential common shares excluded from Diluted EPS.

Our non-vested restricted stock awards contain rights to receive non-forfeitable dividends, and thus, are participating securities requiring the two-class method of computing EPS. The two-class method determines EPS by dividing the sum of distributed earnings to common stockholders and undistributed earnings allocated to common stockholders by the weighted average number of shares of common stock outstanding for the period. In calculating the two-class method, undistributed earnings are allocated to both common shares and participating securities based on the weighted average number of shares outstanding during the period.

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Earnings applicable to common stock and common stock shares used in the calculation of basic and diluted earnings per share are as follows:

(in Millions, Except Share and Per Share Data)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Earnings (loss) attributable to FMC stockholders:				
Continuing operations, net of income taxes	$2.6	$51.6	$(5.7)	$241.1
Discontinued operations, net of income taxes	(5.0)	4.7	698.8	(10.1)
Net income (loss) attributable to FMC stockholders	$(2.4)	$56.3	$693.1	$231.0
Less: Distributed and undistributed earnings allocable to restricted award holders	—	(0.2)	—	(0.6)
Net income (loss) allocable to common stockholders	$(2.4)	$56.1	$693.1	$230.4
Basic earnings (loss) per common share attributable to FMC stockholders:				
Continuing operations	$0.02	$0.39	$(0.04)	$1.81
Discontinued operations	(0.04)	0.03	5.22	(0.08)
Net income (loss) attributable to FMC stockholders	$(0.02)	$0.42	$5.18	$1.73
Diluted earnings (loss) per common share attributable to FMC stockholders:				
Continuing operations	$0.02	$0.39	$(0.04)	$1.80
Discontinued operations	(0.04)	0.03	5.22	(0.08)
Net income (loss) attributable to FMC stockholders	$(0.02)	$0.42	$5.18	$1.72
Shares (in thousands):				
Weighted average number of shares of common stock outstanding - Basic	133,764	133,409	133,679	133,288
Weighted average additional shares assuming conversion of potential common shares	611	936	—	997
Shares – diluted basis	134,375	134,345	133,679	134,285

Note 12: Equity
The table provides a roll forward of equity, equity attributable to FMC stockholders, and equity attributable to noncontrolling interests.

(in Millions, Except Per Share Data)	FMC Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2014	$1,530.5	$ 33.5	$1,564.0
Net income (loss)	693.1	8.1	701.2
Stock compensation plans	17.3	—	17.3
Excess tax benefits from share-based compensation	1.6	—	1.6
Shares for benefit plan trust	(2.4)	—	(2.4)
Net pension and other benefit actuarial gains/(losses) and prior service costs, net of income tax [1]	22.0	—	22.0
Net hedging gains/(losses) and other, net of income tax [1]	1.4	—	1.4
Foreign currency translation adjustments [1]	(80.3)	(0.7)	(81.0)

Dividends ($0.495 per share)	(66.3)	—	(66.3)
Repurchases of common stock	(3.2)	—	(3.2)
Balance at September 30, 2015	$2,113.7	$ 40.9	$2,154.6

(1) See condensed consolidated statements of comprehensive income (loss).

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FMC CORPORATION
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Accumulated other comprehensive income (loss)
Summarized below is the roll forward of accumulated other comprehensive income (loss), net of tax.

(in Millions)	Foreign currency adjustments	Derivative Instruments[1]	Pension and other postretirement benefits [2]	Total
Accumulated other comprehensive income (loss), net of tax at December 31, 2014	$(50.4)	$ (3.9)	$ (321.5)	$(375.8)
2015 Activity				
Other comprehensive income (loss) before reclassifications [3]	(80.3)	3.7	(7.4)	$(84.0)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(2.3)	29.4	$27.1
Accumulated other comprehensive income (loss), net of tax at September 30, 2015	$(130.7)	$ (2.5)	$ (299.5)	$(432.7)

(in Millions)	Foreign currency adjustments	Derivative Instruments [1]	Pension and other postretirement benefits [2]	Total
Accumulated other comprehensive income (loss), net of tax at December 31, 2013	$(25.3)	$(6.1)	$ (170.5)	$(201.9)
2014 Activity				
Other comprehensive income (loss) before reclassifications [3]	(36.9)	5.3	0.2	$(31.4)
Amounts reclassified from accumulated other comprehensive income (loss)	49.6	1.9	17.9	$69.4
Accumulated other comprehensive income (loss), net of tax at September 30, 2014	$(12.6)	$1.1	$ (152.4)	$(163.9)

(1) See Note 15 for more information.
(2) See Note 13 for more information.
(3) Excludes foreign currency translation adjustments attributable to noncontrolling interests.

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Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Reclassifications of accumulated other comprehensive income (loss)

The table below provides details about the reclassifications from Accumulated Other Comprehensive Income and the affected line items in the condensed consolidated statements of income (loss) for each of the periods presented.

Details about Accumulated Other Comprehensive Income Components	Amounts Reclassified from Accumulated Other Comprehensive Income [1]				Affected Line Item in the Condensed Consolidated Statements of Income (Loss)
	Three Months Ended September 30		Nine Months Ended September 30		
(in Millions)	2015	2014	2015	2014	
Foreign currency translation adjustments:					
Divestiture of FMC Peroxygens [3]	$—	$—	$—	$(49.6)	Discontinued operations, net of income taxes
Derivative instruments:					
Foreign currency contracts	11.1	(0.2)	29.0	(3.5)	Costs of sales and services
Energy contracts	(1.3)	(0.2)	(3.8)	1.3	Costs of sales and services
Foreign currency contracts	(9.0)	0.9	(20.9)	(0.5)	Selling, general and administrative expenses
Total before tax	0.8	0.5	4.3	(2.7)	
	(0.4)	(0.2)	(2.0)	0.8	Provision for income taxes
Amount included in net income	$0.4	$0.3	$2.3	$(1.9)	
Pension and other postretirement benefits [2]:					
Amortization of prior service costs	(0.1)	(0.4)	(0.7)	(1.3)	Selling, general and administrative expenses
Amortization of unrecognized net actuarial and other gains (losses)	(12.3)	(7.3)	(40.0)	(22.4)	Selling, general and administrative expenses
Recognized loss due to settlement and curtailment	—	(0.5)	(5.3)	(4.1)	Selling, general and administrative expenses [4]
Total before tax	(12.4)	(8.2)	(46.0)	(27.8)	
	4.4	3.0	16.6	9.9	Provision for income taxes
Amount included in net income	(8.0)	(5.2)	(29.4)	(17.9)	
Total reclassifications for the period	$(7.6)	$(4.9)	$(27.1)	$(69.4)	Amount included in net income

(1) Amounts in parentheses indicate charges to the condensed consolidated statements of income (loss).

(2) Pension and other postretirement benefits amounts include the impact from both continuing and discontinued operations. For detail on the continuing operations components of pension and other postretirement benefits, see Note 13.

(3) The reclassification of historical cumulative translation adjustments was the result of the divestiture of our FMC Peroxygens business during the first quarter of 2014. The loss recognized from this reclassification is considered permanent for tax purposes and therefore no tax has been provided. See Note 9 for more information. In accordance with accounting guidance, this amount was previously factored into the lower of cost or fair value test associated with the 2013 Peroxygens' asset held for sale write-down charges.

(4) The loss due to curtailment for the nine months ended September 30, 2015 related to the disposal of our FMC Alkali Chemicals division and was recorded to "Discontinued operations, net of income taxes" on the condensed consolidated statements of income (loss).

Dividends and Share Repurchases

For the nine months ended September 30, 2015 and 2014, we paid $64.3 million and $58.1 million, respectively, in dividends declared. On October 15, 2015, we paid dividends totaling $22.1 million to our shareholders of record as of September 30, 2015. This amount is included in “Accrued and other liabilities” on the condensed consolidated balance sheet as of September 30, 2015.

During the nine months ended September 30, 2015, no shares were repurchased under the publicly announced repurchase program. At September 30, 2015, $250.0 million remained unused under our Board-authorized repurchase program. This repurchase program

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does not include a specific timetable or price targets and may be suspended or terminated at any time. Shares may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market conditions and other factors. We also reacquire shares from time to time from employees in connection with the vesting, exercise and forfeiture of awards under our equity compensation plans.

Note 13: Pensions and Other Postretirement Benefits
The following table summarizes the components of net annual benefit cost (income):

(in Millions)	Three Months Ended September 30				Nine Months Ended September 30			
	Pensions		Other Benefits		Pensions		Other Benefits	
	2015	2014	2015	2014	2015	2014	2015	2014
Components of net annual benefit cost (income):								
Service cost	$2.2	$3.2	$0.1	$0.1	$9.8	$13.0	$0.1	$0.1
Interest cost	15.2	15.7	0.2	0.2	45.9	46.7	0.7	0.8
Expected return on plan assets	(22.3)	(21.6)	—	—	(66.8)	(64.8)	—	—
Amortization of prior service cost (credit)	0.1	0.4	—	—	0.6	1.3	0.1	—
Recognized net actuarial and other (gain) loss	12.8	7.1	(0.4)	(0.4)	41.0	22.8	(0.9)	(1.2)
Recognized loss due to curtailment [1]	—	—	—	—	4.8	—	0.5	—
Recognized loss due to settlement [2]	—	0.5	—	—	—	4.1	—	—
Net periodic benefit cost [3]	$8.0	$5.3	$(0.1)	$(0.1)	$35.3	$23.1	$0.5	$(0.3)

(1) Curtailment loss is associated with the disposal of our FMC Alkali Chemicals division and was recorded to discontinued operations within the condensed consolidated statements of income (loss).
(2) Settlement charge is associated with the acceleration of previously deferred pension actuarial losses and was triggered by a lump-sum payout to certain former executives.
(3) Net periodic benefit cost represents both continuing and discontinued operations.

We made voluntary cash contributions to our U.S. defined benefit pension plan of $65.0 million and $50.0 million in the nine months ended September 30, 2015 and September 30, 2014. We do not expect to make any further contributions to our U.S. defined benefit pension plan during 2015.

Note 14: Income Taxes
We determine our interim tax provision using an Estimated Annual Effective Tax Rate methodology (“EAETR”) in accordance with GAAP. The EAETR is applied to the year-to-date ordinary income, exclusive of discrete items. The tax effects of discrete items are then included to arrive at the total reported interim tax provision.
The determination of the EAETR is based upon a number of estimates, including the estimated annual pretax ordinary income in each tax jurisdiction in which we operate. As our projections of ordinary income change throughout the year, the EAETR will change period-to-period. The tax effects of discrete items are recognized in the tax provision in the period they occur in accordance with GAAP. Depending on various factors, such as the item’s significance in relation to total income and the rate of tax applicable in the jurisdiction to which it relates, discrete items in any quarter can materially impact the reported effective tax rate. As a global enterprise, our tax expense can be impacted by changes in tax rates or laws, the finalization of tax audits and reviews, as well as other factors. As such, there can be significant volatility in interim tax provisions.

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The below chart provides reconciliation between our reported effective tax rates and the EAETR.

	Three Months Ended September 30					
	2015			2014		
(in Millions)	Before Tax	Tax	Effective Tax Rate % Impact	Before Tax	Tax	Effective Tax Rate % Impact
Continuing operations	$(19.7)	$(25.1)	127.4 %	$57.3	$3.6	6.3 %
Discrete items:						
Acquisition-related charges [1]	—	—		36.5	11.4	
Currency remeasurement [2]	2.2	(2.1)		5.2	2.9	
Other discrete items [3]	48.7	5.0		27.0	11.2	
Tax only discrete items [4]	—	19.0		—	5.1	
Total discrete items	$50.9	$21.9		$68.7	$30.6	
Continuing operations, before discrete items	$31.2	$(3.2)		$126.0	$34.2	
Quarterly effect of changes in the EAETR [5]			(10.3)%			27.1 %

	Nine Months Ended September 30					
	2015			2014		
(in Millions)	Before Tax	Tax	Effective Tax Rate % Impact	Before Tax	Tax	Effective Tax Rate % Impact
Continuing operations	$(54.0)	$(56.4)	104.4 %	$323.3	$74.6	23.1 %
Discrete items:						
Acquisition-related charges [1]	211.7	77.8		36.5	11.4	
Currency remeasurement [2]	26.2	1.8		17.6	3.6	
Other discrete items [3]	84.1	14.2		54.3	19.0	
Tax only discrete items [4]	—	19.9		—	6.2	
Total discrete items	$322.0	$113.7		$108.4	$40.2	
Continuing operations, before discrete items	$268.0	$57.3		$431.7	$114.8	
EAETR [5]			21.4 %			26.6 %

(1) Due to the nature of acquisition-related charges incurred in the third quarter of 2015, these charges are not treated discretely in accordance with GAAP. As such the amounts differ from total acquisition-related charges as presented in Note 3. Acquisition-related charges for the nine months ended September 30, 2015 are primarily taxed at domestic tax rates resulting in a material tax benefit. The acquisition-related charges are comprised of legal and professional fees and a loss incurred from hedging activity associated with the purchase price of Cheminova. See Note 3 for more information. As noted in footnote (2), below, hedge gains or losses are treated discretely for tax purposes.

(2) Represents transaction gains or losses on currency remeasurement, offset by the associated hedge gains or losses. Transaction gains or losses are considered non-taxable permanent items and their associated hedge gain or losses are treated discretely for tax purposes.

(3) Primarily represents restructuring activities.

(4)

Includes the tax effect of currency remeasurement associated with our foreign statutory operations that, in accordance with GAAP income tax accounting guidance, is treated discretely for tax purposes.

(5) See below "Explanation of changes in EAETR" for more information regarding the changes in the EAETR.

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Explanation of changes in EAETR

Three months ended September 30, 2015 and 2014
The loss from continuing operations, primarily driven by changes in market conditions experienced by our FMC Agricultural Solutions segment in Brazil, significantly impacted the EAETR for the three months ended September 30, 2015. Further, projected fourth quarter losses in Brazil, coupled with a high statutory tax rate of 34 percent, are the primary drivers in the reduction of the EAETR as compared to the prior year quarter.

Nine months ended September 30, 2015 and 2014
The reduction in the EAETR for the nine months ended September 30, 2015 as compared to September 30, 2014 is primarily driven by changes in market conditions experienced by our FMC Agricultural Solutions segment in Brazil. As our Brazilian earnings are taxed at the statutory rate of 34 percent, which is among the highest of the jurisdictions in which we operate, the projected loss from operations creates a material tax benefit and results in an overall reduction to our EAETR year-over-year.

Note 15: Financial Instruments, Risk Management and Fair Value Measurements
Our financial instruments include cash and cash equivalents, trade receivables, other current assets, certain receivables classified as other long-term assets, accounts payable, and amounts included in investments and accruals meeting the definition of financial instruments. The carrying value of these financial instruments approximates their fair value. Our other financial instruments include the following:

Financial Instrument	Valuation Method
Foreign exchange forward contracts	Estimated amounts that would be received or paid to terminate the contracts at the reporting date based on current market prices for applicable currencies.
Commodity forward and option contracts	Estimated amounts that would be received or paid to terminate the contracts at the reporting date based on quoted market prices for applicable commodities.
Debt	Our estimates and information obtained from independent third parties using market data, such as bid/ask spreads for the last business day of the reporting period.

The estimated fair value of the financial instruments in the above table have been determined using standard pricing models which take into account the present value of expected future cash flows discounted to the balance sheet date. These standard pricing models utilize inputs derived from or corroborated by observable market data such as interest rate yield curves and currency and commodity spot and forward rates. In addition, we test a subset of our valuations against valuations received from the transaction's counterparty to validate the accuracy of our standard pricing models. Accordingly, the estimates presented may not be indicative of the amounts that we would realize in a market exchange at settlement date and do not represent potential gains or losses on these agreements. The estimated fair values of foreign exchange forward contracts and commodity forward and option contracts are included in the tables within this Note. The estimated fair value of debt is $2,233.2 million and $1,773.2 million and the carrying amount is $2,169.7 million and $1,678.6 million as of September 30, 2015 and December 31, 2014, respectively.
We enter into various financial instruments with off-balance-sheet risk as part of the normal course of business. These off-balance-sheet instruments include financial guarantees and contractual commitments to extend financial

guarantees under letters of credit, and other assistance to customers see Note 16 for more information. Decisions to extend financial guarantees to customers, and the amount of collateral required under these guarantees is based on our evaluation of creditworthiness on a case-by-case basis.

Use of Derivative Financial Instruments to Manage Risk

We mitigate certain financial exposures, including currency risk, commodity purchase exposures and interest rate risk, through a program of risk management that includes the use of derivative financial instruments. We enter into foreign exchange contracts, including forward and purchased options contracts, to reduce the effects of fluctuating foreign currency exchange rates. A detailed description of these risks including a discussion on the concentration of credit risk is provided in Note 17 to our consolidated financial statements on our 2014 Form 10-K.

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We formally document all relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. This process includes relating derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. We also assess both, at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If we determine that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, we discontinue hedge accounting with respect to that derivative prospectively.

Accounting for Derivative Instruments and Hedging Activities

Cash Flow Hedges

We recognize all derivatives on the balance sheet at fair value. On the date the derivative instrument is entered into, we generally designate the derivative as a hedge of the variability of cash flows to be received or paid related to a forecasted transaction (cash flow hedge). We record in AOCI changes in the fair value of derivatives that are designated as and meet all the required criteria for a cash flow hedge. We then reclassify these amounts into earnings as the underlying hedged item affects earnings. In contrast, we immediately record in earnings changes in the fair value of derivatives that are not designated as cash flow hedges.

As of September 30, 2015, we had open foreign currency forward contracts in AOCI in a net after tax loss position of $2.7 million designated as cash flow hedges of underlying forecasted sales and purchases. Current open contracts hedge forecasted transactions until December 31, 2016. At September 30, 2015, we had open forward contracts designated as cash flow hedges with various expiration dates to buy, sell or exchange foreign currencies with a U.S. dollar equivalent of approximately $539 million.

As of September 30, 2015, we had current open commodity contracts in AOCI in a net after tax loss position of $1.0 million designated as cash flow hedges of underlying forecasted purchases, primarily related to natural gas. Current open commodity contracts hedge forecasted transactions until December 31, 2016. At September 30, 2015, we had an equivalent of 1.7 million mmBTUs (millions of British Thermal Units) in aggregate notional volume of outstanding natural gas commodity forward contracts to hedge forecasted purchases.

Of the $3.7 million of net losses after-tax, representing both open foreign currency exchange contracts and commodity contracts, approximately $1.9 million of these losses would be realized in earnings during the twelve months ending September 30, 2016 and $1.8 million of net losses would be realized subsequent to September 30, 2016, if spot rates in the future are consistent with forward rates as of September 30, 2015. The actual effect on earnings will be dependent on the actual spot rates when the forecasted transactions occur.

Derivatives Not Designated As Hedging Instruments

We hold certain forward contracts that have not been designated as cash flow hedging instruments for accounting purposes. Contracts used to hedge the exposure to foreign currency fluctuations associated with certain monetary assets and liabilities are not designated as cash flow hedging instruments, and changes in the fair value of these items are recorded in earnings. We occasionally hold call options that are effective as economic hedges of a portion of our natural gas exposure and the change in fair value of this instrument is also recorded in earnings. We periodically hold soybean barter contracts which qualify as derivatives and we have entered into offsetting commodity contracts to hedge our exposure. Both the change in fair value of the soybean barter contracts and the offsetting commodity contracts are recorded in earnings.

We had open forward contracts not designated as cash flow hedging instruments for accounting purposes with various expiration dates to buy, sell or exchange foreign currencies with a U.S. dollar equivalent of approximately $1,763 million at September 30, 2015.

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Fair Value of Derivative Instruments
The following tables provide the gross fair value and net balance sheet presentation of our derivative instruments.

	September 30, 2015 Gross Amount of Derivatives				
(in Millions)	Designated as Cash Flow Hedges	Not Designated as Hedging Instruments	Total Gross Amounts	Gross Amounts Offset in the Consolidated Balance Sheet (3)	Net Amounts
Derivatives					
Foreign exchange contracts	$22.1	$23.5	$45.6	$(23.2)	$22.4
Total derivative assets (1)	22.1	23.5	45.6	(23.2)	22.4
Foreign exchange contracts	(25.9)	(2.6)	(28.5)	23.2	(5.3)
Energy contracts	(1.6)	—	(1.6)	—	(1.6)
Total derivative liabilities (2)	(27.5)	(2.6)	(30.1)	23.2	(6.9)
Net derivative assets/(liabilities)	$(5.4)	$20.9	$15.5	$—	$15.5

	December 31, 2014 Gross Amount of Derivatives				
(in Millions)	Designated as Cash Flow Hedges	Not Designated as Hedging Instruments	Total Gross Amounts	Gross Amounts Offset in the Consolidated Balance Sheet (3)	Net Amounts
Derivatives					
Foreign exchange contracts	$17.1	$15.1	$32.2	$(3.6)	$28.6
Energy contracts	0.3	—	0.3	(0.3)	—
Total derivative assets (1)	17.4	15.1	32.5	(3.9)	28.6
Foreign exchange contracts	(17.4)	(100.0)	(117.4)	3.6	(113.8)
Energy contracts	(7.6)	—	(7.6)	0.3	(7.3)
Total derivative liabilities (2)	(25.0)	(100.0)	(125.0)	3.9	(121.1)
Net derivative assets/(liabilities)	$(7.6)	$(84.9)	$(92.5)	$—	$(92.5)

(1) Net balance is included in “Prepaid and other current assets” in the condensed consolidated balance sheets.
(2) Net balance is included in “Accrued and other liabilities” in the condensed consolidated balance sheets.
(3) Represents net derivatives positions subject to master netting arrangements.

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The tables below summarize the gains or losses related to our cash flow hedges and derivatives not designated as hedging instruments.

Derivatives in Cash Flow Hedging Relationships

	Three Months Ended September 30							
	Contracts							
	Foreign Exchange		Energy		Other		Total	
(in Millions)	2015	2014	2015	2014	2015	2014	2015	2014
Unrealized hedging gains (losses) and other, net of tax	$(1.0)	$1.0	$(0.5)	$(0.2)	$—	$—	$(1.5)	$0.8
Reclassification of deferred hedging (gains) losses, net of tax [1]								
Effective portion [1]	(1.2)	(0.4)	0.8	0.1	—	—	(0.4)	(0.3)
Total derivative instrument impact on comprehensive income, net of tax	$(2.2)	$0.6	$0.3	$(0.1)	$—	$—	$(1.9)	$0.5

	Nine Months Ended September 30							
	Contracts							
	Foreign Exchange		Energy		Other		Total	
(in Millions)	2015	2014	2015	2014	2015	2014	2015	2014
Unrealized hedging gains (losses) and other, net of tax	$2.6	$4.1	$1.2	$1.2	$(0.1)	$—	$3.7	$5.3
Reclassification of deferred hedging (gains) losses, net of tax [1]								
Effective portion [1]	(4.5)	2.8	2.4	(0.9)	—	—	(2.1)	1.9
Ineffective portion [1]	(0.2)	—	—	—	—	—	(0.2)	—
Total derivative instrument impact on comprehensive income, net of tax	$(2.1)	$6.9	$3.6	$0.3	$(0.1)	$—	$1.4	$7.2

(1) See Note 12 for classification of amounts within the condensed consolidated statements of income (loss).

Derivatives Not Designated as Hedging Instruments

	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Pre-tax Gain or (Loss) Recognized in Income on Derivatives [1]			
		Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)		2015	2014	2015	2014
Foreign exchange contracts	Cost of sales and services	$(7.0)	$(7.6)	$(14.8)	$(6.3)
	Selling, general & administrative [2]	—	(21.2)	(172.1)	(21.2)

Total	$(7.0)	$(28.8)	$(186.9)	$(27.5)

(1) Amounts in the columns represent the gain or loss on the derivative instrument offset by the gain or loss on the hedged item.

(2) Charges represent a loss on the Cheminova acquisition hedge. See Note 3 within these condensed consolidated financial statements for more information.

Fair-Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market participants are defined as buyers or sellers in the principle or most advantageous market for the asset or liability that are independent of the reporting entity, knowledgeable and able and willing to transact for the asset or liability.

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FMC CORPORATION
Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Fair-Value Hierarchy
We have categorized our assets and liabilities that are recorded at fair value, based on the priority of the inputs to the valuation technique, into a three-level fair-value hierarchy. The fair-value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets and liabilities fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair-value measurement of the instrument.

Recurring Fair Value Measurements
The following tables present our fair-value hierarchy for those assets and liabilities measured at fair-value on a recurring basis in the condensed consolidated balance sheets. During the periods presented there were no transfers between fair-value hierarchy levels.

(in Millions)	September 30, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Derivatives – Foreign exchange [1]	$22.4	$—	$22.4	$—
Other [2]	27.1	27.1	—	—
Total assets	$49.5	$27.1	$22.4	$—
Liabilities				
Derivatives – Commodities:				
Energy contracts [1]	$1.6	$—	$1.6	$—
Derivatives – Foreign exchange [1]	5.3	—	5.3	—
Other [3]	30.6	30.4	0.2	—
Total liabilities	$37.5	$30.4	$7.1	$—

(1) See the Fair Value of Derivative Instruments table within this Note for classifications on the condensed consolidated balance sheet.

(2) Consists of a deferred compensation arrangement, through which we hold various investment securities, recognized on our balance sheet. Both the asset and liability are recorded at fair value. Asset amounts included in “Other assets” in the condensed consolidated balance sheets.

(3) Consists of a deferred compensation arrangement recognized on our balance sheet. Both the asset and liability are recorded at fair value. Liability amounts due are included in “Other long-term liabilities” in the condensed consolidated balance sheets. Level 2 liabilities represent liability-based awards associated with non-employees.

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FMC CORPORATION
Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

(in Millions)	December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Derivatives – Foreign exchange [1]	$28.6	$—	$28.6	$—
Other [2]	30.9	30.9	—	—
Total assets	$59.5	$30.9	$28.6	$—
Liabilities				
Derivatives – Commodities:				
Energy contracts [1]	$7.3	$—	$7.3	$—
Derivatives – Foreign exchange [1]	113.8	—	113.8	—
Other [3]	33.7	33.1	0.6	—
Total liabilities	$154.8	$33.1	$121.7	$—

(1) See the Fair Value of Derivative Instruments table within this Note for classification on the condensed consolidated balance sheet.

(2) Consists of a deferred compensation arrangement, through which we hold various investment securities, recognized on our balance sheet. Both the asset and liability are recorded at fair value. Asset amounts included in "Other assets" in the condensed consolidated balance sheets.

(3) Consist of a deferred compensation arrangement recognized on our balance sheet. Both the asset and liability are recorded at fair value. Liability amounts included in "Other long-term liabilities" in the condensed consolidated balance sheets.

Nonrecurring Fair Value Measurements

The following tables present our fair value hierarchy for those assets and liabilities measured at fair value on a non-recurring basis in the condensed consolidated balance sheets during the nine months ended September 30, 2015 and the year ended December 31, 2014.

(in Millions)	September 30, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses) (Nine Months Ended September 30, 2015)
Assets					
Consagro net assets held for sale [1]	$59.1	$—	$—	$59.1	$(40.1)
Total assets	$59.1	$—	$—	$59.1	$(40.1)

(1) Represents our Consagro business which was classified as held for sale as of September 30, 2015, net of the impairment charge of $40.1 million. The impairment charge was calculated based on the signed definitive

agreement. See Note 7 for more information.

(in Millions)	December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses) (Year Ended December 31, 2014)
Assets					
Long-lived assets associated with exit activities [1]	$—	$—	$—	$—	$(3.1)
Total assets	$—	$—	$—	$—	$(3.1)

(1) We recorded charges, within our FMC Health and Nutrition segment, to write down the value of certain long-lived assets to zero related to our FMC Health and Nutrition restructuring as they have no future use. See Note 7 for more information.

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FMC CORPORATION
Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 16: Guarantees, Commitments, and Contingencies

We continue to monitor the conditions that are subject to guarantees and indemnifications to identify whether a liability must be recognized in our financial statements.

Guarantees and Other Commitments

The following table provides the estimated undiscounted amount of potential future payments for each major group of guarantees at September 30, 2015. These guarantees arise during the ordinary course of business from relationships with customers and nonconsolidated affiliates. Non-performance by the guaranteed party triggers the obligation requiring us to make payments to the beneficiary of the guarantee. Based on our experience these types of guarantees have not had a material effect on our consolidated financial position or on our liquidity. Our expectation is that future payment or performance related to the non-performance of others is considered unlikely.

(in Millions)	
Guarantees:	
Guarantees of vendor financing [1]	$65.7
Other debt guarantees [2]	26.4
Total	$92.1

(1) Represents guarantees to financial institutions on behalf of certain FMC Agricultural Solutions customers for their seasonal borrowing. This amount is recorded on the condensed consolidated balance sheets as “Guarantees of vendor financing.”

(2) These guarantees represent support provided to third-party banks for credit extended to various FMC Agricultural Solutions customers and nonconsolidated affiliates. The liability for the guarantees is recorded at an amount that approximates fair-value (i.e. representing the stand-ready obligation) based on our historical collection experience and a current assessment of credit exposure. We believe the fair-value of these guarantees is immaterial. The majority of these guarantees have an expiration date of less than one year.

Excluded from the chart above, in connection with our property and asset sales and divestitures, we have agreed to indemnify the buyer for certain liabilities, including environmental contamination and taxes that occurred prior to the date of sale or provided guarantees to third parties relating to certain contracts assumed by the buyer. Our indemnification or guarantee obligations with respect to these liabilities may be indefinite as to duration and may or may not be subject to a deductible, minimum claim amount or cap. As such, it is not possible for us to predict the likelihood that a claim will be made or to make a reasonable estimate of the maximum potential loss or range of loss. If triggered, we may be able to recover some of the indemnity payments from third parties. We have not recorded any specific liabilities for these guarantees.

Contingencies

A detailed discussion related to our outstanding contingencies can be found in Note 18 to our consolidated financial statements included within our 2014 Form 10-K. Below are changes to existing contingencies that have occurred during 2015.

Competition / antitrust litigation related to the discontinued FMC Peroxygens segment. We are subject to actions brought by private plaintiffs relating to alleged violations of European and Canadian competition and antitrust laws, as further described below.

European competition action. Multiple European purchasers of hydrogen peroxide who claim to have been harmed as a result of alleged violations of European competition law by hydrogen peroxide producers assigned their legal claims to a single entity formed by a law firm. The single entity then filed a lawsuit in Germany in March 2009 against European producers, including our wholly-owned Spanish subsidiary, Foret. Initial defense briefs were filed in April 2010, and an initial hearing was held during the first quarter of 2011, at which time case management issues were

discussed. At a subsequent hearing in October 2011, the Court indicated that it was considering seeking guidance from the European Court of Justice ("ECJ") as to whether the German courts have jurisdiction over these claims. After submission of written comments on this issue by the parties, on March 1, 2012, the judge announced that she would refer the jurisdictional issues to the ECJ, which she did on April 29, 2013. On May 21, 2015, the ECJ issued its decision, upholding the jurisdiction of the German court. The case is now back before the German judge; we filed a motion to dismiss the proceedings in September 2015. We do not anticipate a response by the court until late 2015. Since the case is in the preliminary stages and is based on a novel procedure - namely the attempt to create a cross-border "class action" which is not a recognized proceeding under EU or German law - we are unable to develop a reasonable estimate of our potential exposure of loss at this time. We intend to vigorously defend this matter.

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FMC CORPORATION
Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

Note 17: Segment Information

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue				
FMC Agricultural Solutions	$577.6	$548.8	$1,595.6	$1,546.9
FMC Health and Nutrition	195.9	203.1	613.5	636.4
FMC Lithium	57.2	67.2	168.1	187.6
Total	$830.7	$819.1	$2,377.2	$2,370.9
Income from continuing operations before income taxes				
FMC Agricultural Solutions	$59.4	$116.7	$262.6	$367.5
FMC Health and Nutrition	47.0	43.7	148.5	143.7
FMC Lithium	1.8	5.3	11.9	19.4
Segment operating profit	$108.2	$165.7	$423.0	$530.6
Corporate and other	(13.6)	(15.2)	(46.0)	(52.1)
Operating profit before the items listed below	$94.6	$150.5	$377.0	$478.5
Interest expense, net	(20.2)	(12.8)	(58.9)	(37.6)
Restructuring and other (charges) income [1]	(45.6)	(35.6)	(78.2)	(44.9)
Non-operating pension and postretirement (charges) income [2]	(5.5)	(1.5)	(19.9)	(8.4)
Business separation costs [3]	—	(6.8)	—	(23.6)
Acquisition-related charges [4]	(43.0)	(36.5)	(274.0)	(40.7)
(Provision) benefit for income taxes	25.1	(3.6)	56.4	(74.6)
Discontinued operations, net of income taxes	(5.0)	6.4	698.8	(4.9)
Net income attributable to noncontrolling interests	(2.8)	(3.8)	(8.1)	(12.8)
Net income (loss) attributable to FMC stockholders	$(2.4)	$56.3	$693.1	$231.0

(1) See Note 7 for details of restructuring and other charges (income). Below provides the detail the charges (income) by segment:

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
FMC Agricultural Solutions	$(24.1)	$(17.0)	$(47.2)	$(17.0)
FMC Health and Nutrition	(16.6)	—	(20.6)	(5.9)
FMC Lithium	—	(0.1)	(0.5)	—
Corporate	(4.9)	(18.5)	(9.9)	(22.0)
Restructuring and other (charges) income	$(45.6)	$(35.6)	$(78.2)	$(44.9)

(2) Our non-operating pension and postretirement costs are defined as those costs related to interest, expected return on plan assets, amortized actuarial gains and losses and the impacts of any plan curtailments or settlements. These costs are primarily related to changes in pension plan assets and liabilities which are tied to financial market performance and we consider these costs to be outside our operational performance. We exclude these non-operating pension and postretirement costs from our segments as we believe that removing them provides a better understanding of the underlying profitability of our businesses, increased transparency and clarity in the

performance of our retirement plans and enhances period-over-period comparability. We continue to include the service cost and amortization of prior service cost in the operating segments noted above. We believe these elements reflect the current year operating costs to our businesses for the employment benefits provided to active employees. These expenses are included as a component of the line item “Selling, general and administrative expenses” on the condensed consolidated statements of income (loss).

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FMC CORPORATION
Notes to Condensed Consolidated Financial Statements (unaudited) — (Continued)

(3) On September 8, 2014, we announced that we would no longer proceed with the planned separation as a result of the planned acquisition of Cheminova and divestiture of our FMC Alkali Chemicals division. Business separation costs for the three and nine months ended September 30, 2014 represent charges associated with the planned separation activities through September 30, 2014.

(4) Charges relate to the expensing of the inventory fair value step-up resulting from the application of purchase accounting, transaction costs, costs for transitional employees, other acquired employee related costs, integration related legal and professional third-party fees and gains or losses on hedging purchase price associated with the planned or completed acquisitions. Amounts represent the following:

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Acquisition-related charges - Cheminova				
Legal and professional fees [1]	$14.2	$15.3	$53.8	$15.3
Inventory fair value amortization [2]	28.8	—	48.1	—
(Gain)/loss on hedging purchase price [1]	—	21.2	172.1	21.2
Acquisition-related charges - Epax				
Inventory fair value amortization [2]	—	—	—	4.2
Acquisition-related charges	$43.0	$36.5	$274.0	$40.7

(1) On the condensed consolidated statements of income (loss), these charges are included in “Selling, general and administrative expense.” For more information see Note 3.

(2) On the condensed consolidated statements of income (loss), these charges are included in “Costs of sales and services.”

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Item 2 of this report contains certain forward-looking statements that are based on our current views and assumptions regarding future events, future business conditions and the outlook for our company based on currently available information.

Whenever possible, we have identified these 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", "anticipate "predicts", "forecasts", "estimates", "projects", "potential", "intends" or similar expressions identifying "forward-looking state within the meaning of the Private Securities Litigation Reform Act of 1995, including the negative of those words or 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. The forward-looking 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 statements are qualified by reference to the section "Forward-Looking Statements" in Part II of our Annual Report on Form 10-K for the year ended December 31, 2014 (the "2014 10-K") and to similar disclaimers in all other reports and forms filed with the Securities and Exchange Commission ("SEC"). We wish to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

We further caution that the list of risk factors in Item 1A in Part II included in this Form 10-Q may not be all-inclusive, and we specifically decline to undertake any obligation to publicly revise any forward-looking statements that have been made to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles. The preparation of our financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We have described our accounting policies in Note 1 to our consolidated financial statements included in our 2014 10-K. We have reviewed these accounting policies, identifying those that we believe to be critical to the preparation and understanding of our consolidated financial statements. We have reviewed these critical accounting policies with the Audit Committee of our Board of Directors. Critical accounting policies are central to our presentation of results of operations and financial condition and require management to make estimates and judgments on certain matters. We base our estimates and judgments on historical experience, current conditions and other reasonable factors.

The following is a list of those accounting policies that we have deemed most critical to the presentation and understanding of our results of operations and financial condition. See the "Critical Accounting Policies" section in our 2014 10-K for a detailed description of these policies and their potential effects on our results of operations and financial condition.

- Environmental obligations and related recoveries
- Impairment and valuation of long-lived assets
- Pensions and other postretirement benefits
- Income taxes

Subsequent to the acquisition of Cheminova and divestiture of our FMC Alkali Chemicals division (see Note 3 and Note 9 to the condensed consolidated financial statements included within this Form 10-Q for more information) we have reassessed our critical accounting policies. We have concluded that in addition to the four critical accounting policies listed above that our accounting policy over "Revenue recognition and trade receivables" is now critical to our results of operations and financial condition.

Revenue recognition and trade receivables

We recognize revenue when the earnings process is complete, which is generally upon transfer of title. This transfer typically occurs either upon shipment to the customer or upon receipt by the customer. In all cases, we apply the

following criteria in recognizing revenue: persuasive evidence of an arrangement exists, delivery has occurred, the selling price is fixed or determinable and collection is reasonably assured. Rebates due to customers are accrued as a reduction of revenue in the same period that the related sales are recorded based on the contract terms.

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We periodically enter into prepayment arrangements with customers, primarily in our FMC Agricultural Solutions segment, and receive advance payments for product to be delivered in future periods. These advance payments are recorded as deferred revenue and classified as “Advance payments from customers” on the consolidated balance sheet. Revenue associated with advance payments is recognized as shipments are made and title, ownership and risk of loss pass to the customer.

We record amounts billed for shipping and handling fees as revenue. Costs incurred for shipping and handling are recorded as costs of sales and services. Amounts billed for sales and use taxes, value-added taxes, and certain excise and other specific transactional taxes imposed on revenue-producing transactions are presented on a net basis and excluded from sales in the consolidated income statements. We record a liability until remitted to the respective taxing authority.

Trade receivables consist of amounts owed to us from customer sales and are recorded when revenue is recognized. The allowance for trade receivables represents our best estimate of the probable losses associated with potential customer defaults. In developing our allowance for trade receivables, we utilize a two stage process which includes calculating a general formula to develop an allowance to appropriately address the uncertainty surrounding collection risk of our entire portfolio and specific allowances for customers where the risk of collection has been reasonably identified either due to liquidity constraints or disputes over contractual terms and conditions.

Our method of calculating the general formula consists of estimating the recoverability of trade receivables based on historical experience, current collection trends, and external business factors such as economic factors, including regional bankruptcy rates, and political factors. Our analysis of trade receivable collection risk is performed quarterly, and the allowance is adjusted accordingly.

RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS AND REGULATORY ITEMS

See Note 2 to the condensed consolidated financial statements included in this Form 10-Q for a discussion of recently adopted accounting guidance and other new accounting guidance.

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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: FMC Agricultural Solutions, FMC Health and Nutrition and FMC Lithium. Our FMC Agricultural Solutions segment develops, markets and sells all three major classes of crop protection chemicals – insecticides, herbicides and fungicides. 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 in non-agricultural markets for pest control. The FMC Health and Nutrition segment focuses on food, pharmaceutical ingredients, nutraceuticals, personal care and similar markets. Our food ingredients are used to enhance texture, color, structure and physical stability. The pharmaceutical additives are used for binding, encapsulation and disintegrant applications. Our FMC Lithium segment produces a wide range of products based on lithium.

Third Quarter 2015 Highlights

The following are the more significant developments in our businesses during the three months ended September 30, 2015:

- Revenue of $830.7 million for the three months ended September 30, 2015 increased $12 million or one percent versus the same period last year. The increase in revenue was attributable to FMC Agricultural Solutions and the acquisition of Cheminova, completed in April 2015. Partially offsetting the addition of the Cheminova revenues were unfavorable currency movements, primarily in our FMC Agricultural Solutions segment within Brazil. A more detailed review of revenues by segment is discussed under the section titled "Results of Operations". On a regional basis, sales in North America decreased 11 percent period over period while sales in Asia improved by 34 percent, sales in Latin America decreased 18 percent and sales in Europe, Middle East and Africa increased by 46 percent primarily due to the acquisition of Cheminova.
- Our gross margin, excluding acquisition-related charges, decreased by approximately $34 million or approximately twelve percent to $249 million versus last prior year's quarter. Gross margin percent of 30 percent declined from 35 percent. The reduction in gross margin was due to lower volumes in Brazil within FMC Agricultural Solutions. The gross margin percentage decline was driven primarily by unfavorable currency movements.
- Selling, general and administrative expenses, excluding acquisition-related charges and non-operating pension and postretirement charges increased by approximately $15 million or 14 percent to $117 million. The increase was driven primarily by the acquisition of Cheminova which is being integrated into our FMC Agricultural Solutions segment.
- Research and Development expenses of $37 million increased $7 million or 23 percent.
- Adjusted after-tax earnings from continuing operations attributable to FMC stockholders of $56.4 million decreased by $40 million or 41 percent primarily due to lower operating results in FMC Agricultural Solutions. See the disclosure of our Adjusted Earnings Non-GAAP financial measurement below, under the section titled "Results of Operations".

Other Highlights

- On September 8, 2015, we entered into a definitive agreement to sell our generic crop protection business in Brazil, Consagro, to Atanor do Brasil Ltda., the Brazilian subsidiary of Albaugh, LLC. The sale of Consagro is part of our broad strategy to focus on our portfolio of valued-added products, especially with the addition of the Cheminova product line in Brazil. We expect the sale to occur in the fourth quarter of 2015.

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RESULTS OF OPERATIONS

Overview

The following presents a reconciliation of our segment operating profit to the net income attributable to FMC stockholders as seen through the eyes of our management. For management purposes, we report the operating performance of each of our business segments based on earnings before interest and income taxes excluding corporate expenses, other income (expense), net and corporate special income/(charges).

SEGMENT RESULTS RECONCILIATION

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue				
FMC Agricultural Solutions	$577.6	$548.8	$1,595.6	$1,546.9
FMC Health and Nutrition	195.9	203.1	613.5	636.4
FMC Lithium	57.2	67.2	168.1	187.6
Total	$830.7	$819.1	$2,377.2	$2,370.9
Income (loss) from continuing operations before income taxes				
FMC Agricultural Solutions	$59.4	$116.7	$262.6	$367.5
FMC Health and Nutrition	47.0	43.7	148.5	143.7
FMC Lithium	1.8	5.3	11.9	19.4
Segment operating profit	$108.2	$165.7	$423.0	$530.6
Corporate and other	(13.6)	(15.2)	(46.0)	(52.1)
Operating profit before the items listed below	$94.6	$150.5	$377.0	$478.5
Interest expense, net	(20.2)	(12.8)	(58.9)	(37.6)
Corporate special (charges) income:				
Restructuring and other (charges) income [1]	(45.6)	(35.6)	(78.2)	(44.9)
Non-operating pension and postretirement charges [2]	(5.5)	(1.5)	(19.9)	(8.4)
Business separation costs [3]	—	(6.8)	—	(23.6)
Acquisition-related charges [4]	(43.0)	(36.5)	(274.0)	(40.7)
(Provision) benefit for income taxes	25.1	(3.6)	56.4	(74.6)
Discontinued operations, net of income taxes	(5.0)	6.4	698.8	(4.9)
Net income attributable to noncontrolling interests	(2.8)	(3.8)	(8.1)	(12.8)
Net income (loss) attributable to FMC stockholders	$(2.4)	$56.3	$693.1	$231.0

(1) See Note 7 for details of restructuring and other charges (income). Below provides the detail the charges (income) by segment:

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
FMC Agricultural Solutions	$(24.1)	$(17.0)	$(47.2)	$(17.0)
FMC Health and Nutrition	(16.6)	—	(20.6)	(5.9)
FMC Lithium	—	(0.1)	(0.5)	—
Corporate	(4.9)	(18.5)	(9.9)	(22.0)
Restructuring and other (charges) income	$(45.6)	$(35.6)	$(78.2)	$(44.9)

(2) Our non-operating pension and postretirement costs are defined as those costs related to interest, expected return on plan assets, amortized actuarial gains and losses and the impacts of any plan curtailments or settlements. These costs are primarily related to changes in pension plan assets and

liabilities which are tied to financial market performance and we consider these costs to be outside our operational performance. We exclude these non-operating pension and postretirement costs from our segments as we believe that removing them provides a better understanding of the underlying profitability of our businesses, increased transparency and clarity in the performance of our retirement plans and enhances period-over-period comparability. We continue to include the service cost and amortization of prior service cost in the operating segments noted above. We believe these elements reflect the current year operating costs to our businesses for the employment benefits provided to active employees. These expenses are included as a component of the line item “Selling, general and administrative expenses” on the condensed consolidated statements of income (loss).

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(3) On September 8, 2014, we announced that we would no longer proceed with the planned separation as a result of the planned acquisition of Cheminova and divestiture of our FMC Alkali Chemicals division. Business separation costs for the three and nine months ended September 30, 2014 represent charges associated with the planned separation activities through September 30, 2014.

(4) Charges relate to the expensing of the inventory fair value step-up resulting from the application of purchase accounting, transaction costs, costs for transitional employees, other acquired employee related costs, integration related legal and professional third-party fees and gains or losses on hedging purchase price associated with the planned or completed acquisitions. Amounts represent the following:

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Acquisition-related charges - Cheminova				
Legal and professional fees [1]	$14.2	$15.3	$53.8	$15.3
Inventory fair value amortization [2]	28.8	—	48.1	—
(Gain)/loss on hedging purchase price [1]	—	21.2	172.1	21.2
Acquisition-related charges - Epax				
Inventory fair value amortization [2]	—	—	—	4.2
Acquisition-related charges	$43.0	$36.5	$274.0	$40.7

(1) On the condensed consolidated statements of income (loss), these charges are included in “Selling, general and administrative expenses.” For more information on the loss on purchase price hedge see Note 3 to the condensed consolidated financial statements included within this Form 10-Q.

(2) On the condensed consolidated statements of income (loss), these charges are included in “Costs of sales and services.”

The following chart, which is provided to assist the readers of our financial statements, depicts certain after-tax charges (gains). These items are excluded by us in the measures we use to evaluate business performance and determine certain performance-based compensation. These after-tax items are discussed in detail within the “Other results of operations” section that follows. Additionally, the chart below discloses our Non-GAAP financial measure “Adjusted after-tax earnings from continuing operations attributable to FMC stockholders” reconciled from the GAAP financial measure “Net income (loss) attributable to FMC stockholders.” We believe that this measure provides useful information about our operating results to investors. We also believe that excluding the effect of restructuring and other income and charges, non-operating pension and postretirement charges, certain Non-GAAP tax adjustments from operating results and discontinued operations allows management and investors to compare more easily the financial performance of our underlying businesses from period to period. This measure should not be considered as a substitute for net income (loss) or other measures of performance or liquidity reported in accordance with GAAP.

ADJUSTED EARNINGS RECONCILIATION

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Net income (loss) attributable to FMC stockholders (GAAP)	$(2.4)	$56.3	$693.1	$231.0
Corporate special charges (income), pre-tax	94.1	80.4	372.1	117.6
Income tax expense (benefit) on Corporate special charges (income)	(13.7)	(27.7)	(113.8)	(40.8)
Corporate special charges (income), net of income taxes	$80.4	$52.7	$258.3	$76.8
Discontinued operations attributable to FMC Stockholders, net of income taxes	5.0	(4.7)	(698.8)	10.1
Non-GAAP tax adjustments [1]	(26.6)	(7.9)	(23.7)	(5.4)
	$56.4	$96.4	$228.9	$312.5

Adjusted after-tax earnings from continuing operations attributable to FMC stockholders (Non-GAAP)

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(1) We exclude the GAAP tax provision, including discrete items, from the Non-GAAP measure of income, and instead include a Non-GAAP tax provision based upon the projected annual Non-GAAP effective tax rate. The GAAP tax provision includes certain discrete tax items including, but are not limited to: income tax expenses or benefits that are not related to ongoing business operations in the current year; unusual or infrequently occurring items; tax adjustments associated with fluctuations in foreign currency remeasurement of certain foreign operations; certain changes in estimates of tax matters related to prior fiscal years; certain changes in the realizability of deferred tax assets; and changes in tax law. Management believes excluding these discrete tax items assists investors and securities analysts in understanding the tax provision and the effective tax rate related to ongoing operations thereby providing investors with useful supplemental information about FMC's operational performance.

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In the discussion below, please refer to our chart titled "Segment Results Reconciliation" within the Results of Operations section. All comparisons are between the periods unless otherwise noted.

Segment Results

For management purposes, segment operating profit is defined as segment revenue less operating expenses (segment operating expenses consist of costs of sales and services, selling, general and administrative expenses and research and development expenses). We have excluded the following items from segment operating profit: corporate staff expense, interest income and expense associated with corporate debt facilities and investments, income taxes, gains (or losses) on divestitures of businesses, restructuring and other charges (income), non-operating pension and postretirement charges, investment gains and losses, loss on extinguishment of debt, asset impairments, Last-in, First-out ("LIFO") inventory adjustments, acquisition-related charges, and other income and expense items. Information about how each of these items relates to our businesses at the segment level and results by segment is discussed in Note 17 of the condensed consolidated financial statements included within this Form 10-Q and in Note 19 of our consolidated financial statements in our 2014 Form 10-K.

FMC Agricultural Solutions

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue	$577.6	$548.8	$1,595.6	$1,546.9
Operating Profit	59.4	116.7	262.6	367.5

Three months ended September 30, 2015 vs. 2014

Revenue of $577.6 million increased approximately five percent versus the prior year quarter due to the revenue from the Cheminova acquisition on April 20, 2015.

FMC Agricultural Solutions' operating profit of $59.4 million decreased approximately 49 percent compared to the year-ago quarter. This decline was driven by market conditions primarily in Brazil.

Refer to the FMC Agricultural Solutions Proforma Financial Results with Cheminova section below for further discussion.

Nine months ended September 30, 2015 vs. 2014

Revenue of $1,595.6 million increased approximately three percent versus the prior year period. Consistent with the three month explanation above, the increase was primarily driven by the addition of revenues from the Cheminova acquisition.

FMC Agricultural Solutions' operating profit of $262.6 million decreased approximately 29 percent compared to the year-ago quarter. This decline was driven by market conditions primarily in Brazil.

Refer to the FMC Agricultural Solutions Proforma Financial Results with Cheminova section below for further discussion.

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FMC Agricultural Solutions Pro forma Financial Results with Cheminova

In the second quarter of 2015, we began to present pro forma combined results for the FMC Agricultural Solutions segment for 2015 and 2014. We believe that reviewing our operating results by combining actual and pro forma results for the FMC Agricultural Solutions segment for 2015 and 2014 is more useful in identifying trends in, or reaching conclusions regarding, the overall operating performance of this segment. Our pro forma segment information will include adjustments as if the Cheminova transaction had occurred on January 1, 2014. Our pro forma data will also be adjusted for the effects of acquisition accounting but will not include adjustments for cost related to integration activities, cost savings or synergies that might be achieved by the combined businesses. Pro forma amounts to be presented will not necessarily be indicative of what our results would have been had we operated Cheminova since January 1, 2014, nor our future results. We believe that reviewing our operating results by combining actual and pro forma results for the FMC Agricultural Solutions segment for these interim periods is more useful in identifying trends in, or reaching conclusions regarding, the overall operating performance of the segment.

FMC Agricultural Solutions Pro Forma Financial Results

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Revenue				
Revenue, FMC Agricultural Solutions, as reported [1]	$577.6	$548.8	$1,595.6	$1,546.9
Revenue, Cheminova, pro forma [2]	—	305.4	362.0	999.1
Pro Forma Combined, Revenue [3]	$577.6	$854.2	$1,957.6	$2,546.0
Operating Profit				
Operating Profit, FMC Agricultural Solutions, as reported [1]	$59.4	$116.7	$262.6	$367.5
Operating Profit, Cheminova, pro forma [2]		(1.4)	19.9	58.1
Pro Forma Combined, Operating Profit [3]	$59.4	$115.3	$282.5	$425.6

(1) As reported amounts are the results of operations of FMC Agricultural Solutions, including the results of the Cheminova acquisition from April 21, 2015 onward.

(2) Cheminova pro forma amounts include the historical results of Cheminova, prior to April 21, 2015. These amounts also include adjustments as if the Cheminova transaction had occurred on January 1, 2014, including the effects of acquisition accounting. The pro forma amounts do not include adjustments for expenses related to integration activities, cost savings or synergies that may have been or may be achieved by the combined segment.

(3) The pro forma combined amounts are not necessarily indicative of what the results would have been had we acquired Cheminova on January 1, 2014 or indicative of future results.

FMC Agricultural Solutions Pro Forma Combined Revenue by Region [1]

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Europe, Middle East and Africa (EMEA)	$85.2	$121.9	$486.9	$593.6
North America	50.2	73.1	456.6	521.2
Latin America	322.4	523.8	619.7	974.6
Asia	119.8	135.4	394.4	456.6
Total	$577.6	$854.2	$1,957.6	$2,546.0

(1) The pro forma combined revenue by region amounts are not necessarily indicative of what the results would have been had we acquired Cheminova on January 1, 2014 or indicative of future results.

Pro Forma Combined Results - Three months ended September 30, 2015 vs. 2014

Pro forma combined revenue of $577.6 million decreased by approximately 32 percent versus the prior year quarter. Favorable pricing impacted revenue by seven percent in 2015 compared to the same period in 2014; however, the price increases only partially offset the unfavorable impact of foreign currency movements and lower volumes. Unfavorable currency negatively

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impacted revenue 15 percent while volumes impacted it by 25 percent. Most of this decline was experienced in Latin America, primarily Brazil.

Pro forma combined operating profit of $59.4 million decreased approximately 48 percent compared to the year-ago quarter. The significant movement in foreign exchange rates compared to last year, particularly the real, was the main driver of the

decline in operating profit as price increases in local currencies were not enough to offset the impact of foreign currency. During the third quarter alone, the real depreciated over 25 percent versus the U.S. dollar. As a result, foreign currency contributed approximately 94 percent to the decline in year over year pro forma combined operating profit while to a lesser extent lower volumes contributed a 38 percent impact. As discussed, higher pricing and mix offset these declines by 52 percent while lower costs primarily selling, general and administrative in nature improved profits year over year by 31 percent.

During the quarter, FMC Agricultural Solutions announced several targeted measures to reduce operating costs and reorganize our operations in Brazil to align the business with near-term market conditions. These measures include:

- Enhancing our focus on proprietary technology platforms and differentiated products, and rationalizing our product offerings to eliminate low-margin sales. This portfolio rationalization program, including the previously announced sale of our generic subsidiary, Consagro, will reduce 2015 revenue in Brazil by $250 million compared to 2014. This will enable us to further reduce the region's operating costs and enhance our potential to deliver higher future earnings and return on capital. At the completion of this reorganization, FMC's workforce in Brazil will be approximately half its size compared to 2014. All of these actions will be substantially completed by year-end.
- The Cheminova integration will be accelerated and additional programs to achieve further cost savings will be implemented, commencing immediately.

Pro Forma Combined Results - Nine months ended September 30, 2015 vs. 2014

Pro Forma combined revenue of $1,957.6 million decreased approximately 23 percent versus the prior year period. Drivers for the decrease year over year, as well as the percentage impact, were consistent with the three months ended as described in the discussion above.

Pro forma combined operating profit of $282.5 million decreased approximately 34 percent compared to the year-ago period. Drivers for the decrease year over year, as well as the percentage impact, were consistent with the three months ended as described in the discussion above.

Outlook

We expect full year 2015 Agricultural Solutions revenue of approximately $2.3 billion and expect full year segment operating profit of $370 to $390 million. This translates into full year pro forma combined revenue of approximately $2.7 billion and full year pro forma combined operating profit of $390 to $410 million. We expect much of the foreign currency headwinds that impacted the Agricultural Solutions third quarter 2015 results to persist through the end of the year. However, we expect to realize a significant portion of the 2015 cost savings associated with the integration of Cheminova in the fourth quarter 2015. These costs savings, combined with additional price increases and ongoing portfolio rationalization, will largely offset the foreign currency headwinds we are facing in Latin America. Outside of Latin America, we expect the business to be flat to 2014.

Certain Regulatory Issues

A detailed discussion related to regulatory issues impacting FMC Agricultural Solutions can be found in Part II, Item 7 of our 2014 Form 10-K. There have been no material changes related to regulatory issues impacting FMC Agricultural Solutions from the information reported in our 2014 10-K.

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FMC Health and Nutrition

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue	$195.9	$203.1	$613.5	636.4
Operating Profit	47.0	43.7	148.5	143.7

Three months ended September 30, 2015 vs. 2014

Revenue of $195.9 million decreased approximately four percent versus the prior-year quarter. Unfavorable foreign currency impacts, primarily a weaker euro, decreased revenue by approximately five percent. The decrease was offset by higher volumes and favorable product mix, driven by the MCC family of products in both pharmaceuticals and food end markets, which impacted revenue by approximately one percent. Pricing for the three months ended 2015 as compared to 2014 was slightly positive.

Segment operating profit of $47.0 million increased approximately eight percent versus the year ago quarter driven by favorable volume, improved sales mix and lower Selling, General, and Administrative (SG&A) costs, partially offset by unfavorable currency. Higher volumes and favorable mix impacted segment operating profit by six percent. Cost saving initiatives in SG&A and Research and Development (R&D) impacted segment operating profit by four percent. Unfavorable currency impacts reduced segment operating profit by three percent.

Nine months ended September 30, 2015 vs. 2014

Revenue was $613.5 million, a decrease of approximately four percent versus the prior-year period. Unfavorable foreign currency impacts, primarily a weaker euro, decreased revenue by approximately six percent, partially offset by higher volumes impacting revenue by approximately two percent.

Segment operating profit of $148.5 million increased approximately three percent versus the year ago quarter driven by the higher volumes discussed in the preceding paragraph.

Outlook

We expect full year 2015 Health and Nutrition revenue of approximately $800 million and expect full year segment operating profit of $193 to 195 million. Revenue is expected to be lower by three percent compared to full year 2014, mostly driven by unfavorable foreign currency. However, full year segment operating profit is expected to be four percent higher driven by continue demand for MCC product lines and lower operating costs as a result of ongoing manufacturing improvement programs.

FMC Lithium

(in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Revenue	$57.2	$67.2	$168.1	$187.6
Operating Profit	1.8	5.3	11.9	19.4

Three months ended September 30, 2015 vs. 2014

Revenue of $57.2 million decreased by approximately 15 percent versus the prior-year quarter driven by unfavorable foreign currency impacts and lower sales volumes. Unfavorable foreign currency impacted revenue by three percent while lower volumes impacted revenue by 13 percent. Lower sales volumes were due to lower carbonate sales and the timing of a scheduled maintenance outage of our lithium hydroxide unit in Bessemer City, NC.

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Segment operating profit of $1.8 million decreased approximately 66 percent versus the year ago quarter. Foreign currency, specifically the Argentine peso and the euro, continue to have a significant negative impact on segment operating profit. Foreign currency impacted segment operating profit by 50 percent compared to the year ago quarter. These impacts and the lower volumes mentioned above were partially offset by favorable operating performance.

Nine months ended September 30, 2015 vs. 2014
Revenue of $168.1 million decreased by approximately 10 percent versus the prior-year quarter driven by lower volumes of upstream products and weaker foreign currencies. These impacted revenues by 10 percent and three percent, respectively. These impacts were partially offset by favorable pricing which impacted revenue by three percent.
Segment operating profit of $11.9 million decreased approximately 39 percent versus the year ago quarter driven by the same factors as noted in the three months discussion above.

Outlook
We expect full year 2015 Lithium revenue of approximately $240 million and expect full year segment operating profit of $16 to 18 million. We continue to see strong demand for our specialty products and expect sequentially higher carbonate and hydroxide volumes as well as higher selling prices. Inflationary pressures in Argentina are expected to continue but going forward we expect them to be offset by lower manufacturing costs.

Other Results of Operations
Corporate and other
Corporate and other expenses are included as a component of the line item “Selling, general and administrative expenses” except for LIFO related charges that are included as a component of "Cost of sales and services" on the condensed consolidated statements of income (loss).
Three months ended September 30, 2015 vs. 2014
Corporate and other expenses of $13.6 million in the third quarter of 2015 decreased by $1.6 million from $15.2 million in the same period in 2014. The decrease is driven by favorable foreign exchange impacts of $3.1 million and $1.3 million of income associated with the transitional services agreement with Tronox for the sale of the FMC Alkali Chemicals division.
Nine months ended September 30, 2015 vs. 2014
Corporate and other expenses of $46.0 million in the nine months of 2015 decreased by $6.1 million from $52.1 million in the same period in 2014. The decrease is driven by favorable foreign exchange impacts of $2.4 million as well as $2.3 million of income associated with the Tronox transitional services agreement.
Interest expense, net
Three months ended September 30, 2015 vs. 2014
Interest expense, net for the third quarter of 2015 was $20.2 million as compared to the third quarter of 2014 of $12.8 million. The increase was primarily due to our borrowings under the previously announced senior unsecured Term Loan facility. The proceeds of the borrowing were used to finance the acquisition of Cheminova as well as to pay costs, fees and expenses incurred in connection with the acquisition and the term loan facility. See Note 8 within the condensed consolidated financial statements included in this Form 10-Q for more information.
Nine months ended September 30, 2015 vs. 2014
Interest expense, net for the nine months of 2015 was $58.9 million as compared to the first half of 2014 of $37.6 million. The increase is consistent with the description provided for the three months ended period noted above.

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Corporate special (charges) income

Three months ended September 30, 2015 vs. 2014

Restructuring and other charges (income)

	Three Months Ended September 30		Nine Months Ended September 30	
(in Millions)	2015	2014	2015	2014
Restructuring charges and asset disposals	$69.3	$1.3	$81.5	$7.9
Other charges (income), net	(23.7)	34.3	(3.3)	37.0
Total restructuring and other charges	$45.6	$35.6	$78.2	$44.9

Restructuring and asset disposal charges in 2015 of $69.3 million were primarily associated with the Cheminova restructuring that was implemented as part of the integration of Cheminova into our existing FMC Agricultural Solutions segment for the quarter, this consisted primarily of the Consagro impairment of $40.1 million. Other charges (income) net in 2015 of $(23.7) million were primarily related to the sale of our remaining ownership interest in a Belgian-based pesticide distribution company, Belchim Crop Protection N.V. ("Belchim"). See Note 7 within the condensed consolidated financial statements included in this Form 10-Q for more information.

Restructuring and asset disposal charges in 2014 of $1.3 million were primarily associated with the Health and Nutrition restructuring. Other charges (income) net in 2014 of $34.3 million were primarily related to corporate environmental charges and charges associated with an exclusive license, development and supply agreement for a novel crop protection product for agricultural use in the United States. The rights and technology obtained is referred to as in-process research and development and in accordance with GAAP, the amounts paid were expensed as incurred since they were acquired outside of a business combination.

The liabilities associated with the restructuring charges listed above are also included within Note 7 to the condensed consolidated financial statements included in this Form 10-Q. We believe the restructuring plans implemented are on schedule and the benefits and savings either have been or will be achieved.

Non-operating pension and postretirement charges

The charge for the three months ended September 30, 2015 was $5.5 million compared to $1.5 million for the three months ended September 30, 2014. The increase in charges was primarily the result of higher amortization impacts of actuarial losses. See Note 13 to the condensed consolidated financial statements included in this Form 10-Q for more information. These expenses are included as a component of the line item "Selling, general and administrative expenses" on the condensed consolidated statements of income (loss).

Business separation costs

On September 8, 2014, we announced that we would no longer proceed with the planned separation as a result of the planned acquisition of Cheminova and divestiture of our FMC Alkali Chemicals division. As a result there were no business separation charges in 2015. Business separation costs for the three months ended September 30, 2014 represent charges associated with the planned separation activities through September 30, 2014.

Acquisition-related charges

A detailed description of the acquisition-related charges is included in Note 17 to the condensed consolidated financial statements included within this Form 10-Q.

Nine months ended September 30, 2015 vs. 2014

Restructuring and other charges (income)

Restructuring and asset disposal charges in 2015 of $81.5 million were consistent with the description provided for the three months ended period noted above. Other charges (income) net in 2015 of $(3.3) million included a $15.0 million charge for the acquisition of all global rights to a pre-development novel, proprietary broadleaf herbicide. This acquisition is considered as in-process research and development and in accordance with GAAP, the amounts paid were expensed as incurred since they were acquired outside of a business combination. Offsetting this charge was income of $26.6 million from the sale of our remaining ownership interest in a Belgian-based pesticide distribution company, Belchim Crop Protection N.V. ("Belchim"). See Note 7 within the condensed consolidated financial statements included in this Form 10-Q for more information. Other charges (income) net in 2015 also included corporate environmental charges.

Restructuring and asset disposal charges in 2014 of $7.9 million were primarily associated with the Health and Nutrition restructuring. Other charges (income) net in 2014 of $37.0 million were primarily related to corporate environmental charges.

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Non-operating pension and postretirement charges

The charge for the nine months ended September 30, 2015 was $19.9 million compared to $8.4 million for the nine months ended September 30, 2014. The increase is consistent with the description provided for the three months ended period noted above.

Business separation costs

On September 8, 2014, we announced that we would no longer proceed with the planned separation as a result of the planned acquisition of Cheminova and divestiture of our FMC Alkali Chemicals division. Business separation costs for the nine months ended September 30, 2014 represent charges associated with the planned separation activities through September 30, 2014.

Acquisition-related charges

A detailed description of the acquisition-related charges is included in Note 17 to the condensed consolidated financial statements included within this Form 10-Q.

Provision for income taxes

A significant amount of our earnings is generated by our foreign subsidiaries (e.g. Denmark, Ireland and Hong Kong), which tax earnings at lower rates than the United States federal statutory rate. Our future effective tax rates may be materially impacted by numerous items including: a future change in the composition of earnings from foreign and domestic tax jurisdictions, as earnings in foreign jurisdictions are typically taxed at more favorable rates than the United States federal statutory rate; accounting for uncertain tax positions; business combinations; closure of statute of limitations or settlement of tax audits; changes in valuation allowance and changes in tax law; and the potential decision to repatriate certain future foreign earnings on which United States taxes have not been previously accrued.

Three months ended September 30, 2015 vs. 2014

Provision for income taxes was $25.1 million resulting in an effective tax rate of 127.4 percent compared to a provision of $3.6 million resulting in an effective tax rate of 6.3 percent for the three months ended September 30, 2015 and 2014, respectively. Excluding discrete items, the effective rate is (10.3)% compared to 27.1% for the three months ended September 30, 2015 and 2014, respectively. A more detailed description of the change and drivers to the change in the effective tax rate is included in Note 14 to the condensed consolidated financial statements included within this Form 10-Q.

Nine months ended September 30, 2015 vs. 2014

Income tax benefit was $56.4 million resulting in an effective tax rate of 104.4% compared to a provision of $74.6 million resulting in an effective tax rate of 23.1% for the nine months ended September 30, 2015 and 2014, respectively. Excluding discrete items, the effective rate is 21.4% compared to 26.6% for the nine months ended September 30, 2015 and 2014, respectively. A more detailed description of the change and drivers to the change in the effective tax rate is included in Note 14 to the condensed consolidated financial statements included within this Form 10-Q.

Discontinued operations, net of income taxes

Our discontinued operations represent our discontinued FMC Alkali Chemicals and FMC Peroxygens divisions' results as well as adjustments to retained liabilities from other previously discontinued operations. The primary liabilities retained include environmental liabilities, other postretirement benefit liabilities, self-insurance, long-term obligations related to legal proceedings and historical restructuring activities.

Three months ended September 30, 2015 vs. 2014

Discontinued operations, net of income taxes represented a loss of $5.0 million for the three months ended September 30, 2015, compared to a gain of $6.4 million for the three months ended September 30, 2014. The change was driven by the discontinued operations of our FMC Alkali Chemicals division which were included in the three months ended September 30, 2014. Since the sale of our FMC Alkali Chemicals division was completed on April 1, 2015 the three months ended September 30, 2015 did not include any operating results of FMC Alkali Chemicals. For more information on our discontinued operations, net of income taxes, see Note 9 to the condensed consolidated financial statements included in this Form 10-Q.

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Nine months ended September 30, 2015 vs. 2014

Discontinued operations, net of income taxes represented a gain of $698.8 million for the nine months ended September 30, 2015, compared to a loss of $4.9 million for the nine months ended September 30, 2014. The change was driven by the divestiture of our FMC Alkali Chemicals division in the nine months ended September 30, 2015 which resulted in an after tax gain of $702 million in 2015.

Net income (loss) attributable to FMC stockholders

Three months ended September 30, 2015 vs. 2014

Net income attributable to FMC stockholders decreased to a loss of $2.4 million from income of $56.3 million. The decrease was primarily driven by lower segment operating profit in FMC Agricultural Solutions.

Nine months ended September 30, 2015 vs. 2014

Net income attributable to FMC stockholders increased to $693.1 million from $231.0 million. The increase was primarily due to the gain from the sale of our FMC Alkali Chemicals division as described above.

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LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at September 30, 2015 and December 31, 2014, were $173.7 million and $109.5 million, respectively. Of the cash and cash equivalents balance at September 30, 2015, $118.5 million were held by our foreign subsidiaries. Our intent is to reinvest permanently the earnings of our foreign subsidiaries and therefore we have not recorded taxes that would be payable if we repatriated these earnings.

At September 30, 2015, we had total debt of $2,169.7 million as compared to $1,678.6 million at December 31, 2014. Total debt included $2,048.5 million and $1,153.4 million of long-term debt (excluding current portions of $1.4 million and $2.0 million) at September 30, 2015 and December 31, 2014, respectively. As of September 30, 2015, we were in compliance with all of our debt covenants. See Note 8 in the condensed consolidated financial statements included in this Form 10-Q for further details.

The increase in long-term debt was due to borrowings of $1.65 billion under our senior unsecured Term Loan Facility. The proceeds of the borrowing were used to finance the acquisition of Cheminova as well as to pay costs, fees and expenses incurred in connection with the acquisition and the term loan facility. At September 30, 2015, $900.0 million remained outstanding under the Term Loan facility, as a portion of the net proceeds from the sale of our FMC Alkali Chemicals division (see Note 9 in the condensed consolidated financial statements included in this Form 10-Q for further details) was used to pay down the initial borrowings. The scheduled maturity of the Term Loan Facility is on April 21, 2020. The borrowings under the Term Loan Agreement will bear interest at a floating rate, which will be a base rate or a Eurocurrency rate equal to the London interbank offered rate for the relevant interest period, plus in each case an applicable margin, as determined in accordance with the provisions of the Term Loan Agreement. See Note 8 in the condensed consolidated financial statements included in this Form 10-Q for further details.

Short-term debt, which consists of borrowings under our commercial paper program as well as short-term foreign borrowings, decreased from $523.2 million at December 31, 2014 to $119.8 million at September 30, 2015. A portion of the proceeds from the sale of our FMC Alkali Chemicals was utilized to pay down outstanding borrowings under our commercial paper program resulting in a reduction to short-term borrowings from December 31, 2014 to September 30, 2015.

Our commercial paper program allows us to borrow at rates generally more favorable than those available under our credit facility. We have used proceeds from the commercial paper program for general corporate purposes. At September 30, 2015, the average effective interest rate on these borrowings was 0.52%.

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Statement of Cash Flows

Cash provided (required) by operating activities of continuing operations was $(246.8) million and $132.4 million for the nine months ended September 30, 2015 and 2014, respectively.

The table below presents the components of net cash provided (required) by operating activities of continuing operations.

(in Millions)	Nine Months Ended September 30	
	2015	2014
Income (loss) from continuing operations before equity in (earnings) loss of affiliates, interest income and expense and income taxes	$4.9	$360.7
Significant non-cash expenses [1]	187.2	105.2
Operating income before non-cash expenses (Non-GAAP)	$192.1	$465.9
Change in trade receivables [2]	315.5	(98.0)
Change in inventories [3]	(8.0)	(73.4)
Change in accounts payable [4]	(201.1)	2.6
Change in accrued rebates [5]	112.3	144.0
Change in advance payments from customers [6]	(186.2)	(174.8)
Change in all other operating assets and liabilities [7]	(25.4)	79.1
Restructuring and other spending [8]	(22.3)	(6.6)
Environmental spending, continuing, net of recoveries [9]	(18.6)	(9.1)
Pension and other postretirement benefit contributions [10]	(71.0)	(65.2)
Cash basis operating income (Non-GAAP)	$87.3	$264.5
Interest payments	(61.9)	(43.2)
Tax payments	(270.6)	(84.5)
Excess tax benefits from share-based compensation	(1.6)	(4.4)
Cash provided (required) by operating activities of continuing operations	$(246.8)	$132.4

(1) Represents the sum of depreciation, amortization, non-cash asset write downs, share-based compensation, and pension charges.

(2) The decrease in trade receivables in 2015 was primarily driven by reduced revenue growth in FMC Agricultural Solutions mostly related to Brazil as well as to a lesser extent timing of collections. Collection timing is more pronounced in our FMC Agricultural Solutions business where sales, particularly in Brazil, have terms significantly longer than the rest of our businesses. Additionally, timing of collection is impacted as amounts for both periods include carry-over balances remaining to be collected in Latin America, where collection periods are measured in months rather than weeks.

(3) Inventory levels increased slightly in 2015 due to overall inventory reductions, compared to last year, as the inventory levels were adjusted to take into consideration the change in market conditions. The change in inventory for 2014 was primarily due to an inventory build to fulfill projected demand in the second half of 2014 in FMC Agricultural Solutions and FMC Health and Nutrition.

(4) The decrease in accounts payable balances during 2015 is primarily due to timing of payments including inventory reductions activities across the company, particularly as we integrate Cheminova as well as proactively adjust inventory levels in light of current market conditions.

(5) These rebates are associated with our FMC Agricultural Solutions segment, primarily in North America and Brazil and generally settle in the fourth quarter of each year.

(6) The advance payments from customers represent advances from our FMC Agricultural Solutions segment customers. During the past two years we received substantial increases in advance payments from customers at the end of the preceding years for the subsequent years planting season.

(7) Changes in all periods presented primarily represent timing of payments associated with all other operating assets and liabilities. The nine months of 2015 was primarily impacted by the payments of $264.8 million for the Cheminova purchase price hedges.

(8) See Note 7 in the condensed consolidated financial statements included in this Form 10-Q for further details.

(9) Included in our income presented for the nine months ended September 30, 2015 and September 30, 2014 are environmental charges for environmental remediation at our operating sites of $2.9 million and $17.3 million, respectively. The amounts in 2015 will be spent in periods beyond the second quarter of 2015. The amounts in this row represent environmental remediation spending at our operating sites which were recorded against pre-existing reserves, net of recoveries.

(10) Amounts include voluntary contributions to our U.S. defined benefit plan of $65.0 million and $50.0 million, respectively.

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Cash provided (required) by operating activities of discontinued operations was $(63.7) million and $69.3 million for the nine months ended September 30, 2015 and 2014, respectively.

The increase of cash required by operating activities of discontinued operations in 2015 is due primarily to divestiture costs associated with the sale of our FMC Alkali Chemicals business on April 1, 2015 which was previously classified as a discontinued operation.

Cash required by investing activities of continuing operations was $1,281.7 million and $167.8 million for the nine months ended September 30, 2015 and 2014, respectively.

The increase in spending during the nine months ended September 30, 2015, as compared to the same period in 2014 was due to the Cheminova acquisition on April 21, 2015 for an aggregate purchase price of $1.2 billion, excluding assumed net debt and hedged-related costs totaling $0.6 billion

Cash provided by investing activities of discontinued operations was $1,634.3 million and $168.4 million for the nine months ended September 30, 2015 and 2014, respectively.

Cash provided by investing activities of discontinued operations in 2015 is directly associated with the sale of our FMC Alkali Chemicals business which was completed on April 1, 2015. Cash provided by investing activities of discontinued operations in 2014 is directly associated with the sale of our FMC Peroxygens business which was completed on February 28, 2014. For more information see Note 9 to the condensed consolidated financial statements included in this Form 10-Q.

Cash provided (required) by financing activities was $28.0 million and $(199.6) million for the nine months ended September 30, 2015 and 2014, respectively.

The change period over period in financing activities is primarily due to the $1.65 billion we borrowed under our previously announced senior unsecured Term Loan facility. The proceeds of the borrowing were used to finance the acquisition of Cheminova as well as to pay costs, fees and expenses incurred in connection with the acquisition and the term loan facility. In 2015 borrowings were approximately $88 million compared to repayments in 2014 of $119 million.

Other potential liquidity needs

Our cash needs outside of the Cheminova acquisition and related integration expenses for 2015 include operating cash requirements, capital expenditures, scheduled mandatory payments of long-term debt, dividend payments, share repurchases, contributions to our pension plans, environmental and asset retirement obligation spending and restructuring. We plan to meet our liquidity needs through available cash, cash generated from operations, commercial paper issuances and borrowings under our committed revolving credit facility. At September 30, 2015, our remaining borrowing capacity under our credit facility was $1,419.4 million (which includes borrowings under our commercial paper program).

As discussed throughout this 10-Q, we closed on the Cheminova acquisition in April of 2015 as well as completed the sale of our FMC Alkali Chemicals division in that same month. The proceeds from the FMC Alkali Chemicals sale as well as borrowings under our term loan facility were used to finance the acquisition. See Note 8 to the condensed consolidated financial statements included within this Form 10-Q for more detail on the term loan.

Projected 2015 capital expenditures as well as expenditures related to contract manufacturers are expected to be lower than 2014 levels. This includes expected spending for Cheminova subsequent to the acquisition.

Projected 2015 spending includes approximately $50 million of net environmental remediation spending. This spending does not include expected spending on capital projects relating to environmental control facilities or expected spending for environmental compliance costs, which we will include as a component of costs of sales and services to the condensed consolidated statements of income (loss) since these amounts are not covered by established reserves. Capital spending to expand, maintain or replace equipment at our production facilities may trigger requirements for upgrading our environmental controls, which may increase our spending for environmental controls over the foregoing projections.

In order to reduce future funding volatility in our U.S. qualified defined benefit pension plan, we have made voluntary contributions through September 30, 2015 and 2014 of $65.0 million and $50.0 million, respectively. These contributions are in excess of the minimum requirements. We do not expect to make any further contributions to our U.S. defined benefit pension plan during 2015.

For the nine months ended September 30, 2015 and 2014, we paid $64.3 million and $58.1 million, respectively, in dividends declared. On October 15, 2015, we paid dividends totaling $22.1 million to our shareholders of record as of September 30, 2015. This amount is included in “Accrued and other liabilities” on the condensed consolidated balance sheet as of September 30, 2015.

During the nine months ended September 30, 2015, no shares were repurchased under the publicly announced repurchase program. At September 30, 2015, $250.0 million remained unused under our Board-authorized repurchase program. This repurchase program does not include a specific timetable or price targets and may be suspended or terminated at any time. Shares may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market

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conditions and other factors. We also reacquire shares from time to time from employees in connection with the vesting, exercise and forfeiture of awards under our equity compensation plans.

Commitments and Contingencies
See Note 16 to the condensed consolidated financial statements included in this Form 10-Q.

Contractual Commitments
Information related to our contractual commitments at December 31, 2014 can be found in a table included within Part II, Item 7 of our 2014 Form 10-K. There have been no significant changes to our contractual commitments during the nine months ended September 30, 2015.

Climate Change
A detailed discussion related to climate change can be found in Part II, Item 7 of our 2014 Form 10-K. Our former FMC Alkali Chemicals division mined and refined trona ore into soda ash, and this activity constituted most of FMC's greenhouse gas emissions globally. The sale of our Alkali Chemicals Division was completed on April 1, 2015 as discussed further in Note 9 to the condensed consolidated financial statements included within this Form 10-Q. As a result, we no longer have the level of greenhouse gas emissions that were previously driven by this business.
On April 21, 2015, we completed the acquisition of Cheminova as discussed further in Note 3 to the condensed consolidated financial statements included within this Form 10-Q. Cheminova has foreign operations with multiple plants, which may be subject to national or local energy management or climate change regulation. Therefore, we will evaluate any such regulations at these facilities and will routinely assess the consequences of potential future climate change on our operations.

Off-Balance Sheet Arrangements
We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Fair-Value Measurements
See Note 15 to the condensed consolidated financial statements in this Form 10-Q for additional discussion surrounding our fair value measurements.

DERIVATIVE FINANCIAL INSTRUMENTS AND MARKET RISKS
Our earnings, cash flows, and financial position are exposed to market risks relating to fluctuations in commodity prices, interest rates and foreign currency exchange rates. Our policy is to minimize exposure to our cash flow over time caused by changes in commodity, interest and currency exchange rates. To accomplish this, we have implemented a controlled program of risk management consisting of appropriate derivative contracts entered into with major financial institutions.
The analysis below presents the sensitivity of the market value of our financial instruments to selected changes in market rates and prices. The range of changes chosen reflects our view of changes that are reasonably possible over a one-year period. Market-value estimates are based on the present value of projected future cash flows considering the market rates and prices chosen.
At September 30, 2015, our financial instrument position was a net asset of $15.5 million compared to a net liability of $92.5 million at December 31, 2014. The change in the net financial instrument position was primarily due to the settlement of outstanding hedges for the purchase price of Cheminova, see Note 3 to the condensed consolidated financial statement included within this Form 10-Q for more information.
Since our risk management programs are generally highly effective, the potential loss in value for each risk management portfolio described below would be largely offset by changes in the value of the underlying exposure.

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Commodity Price Risk

Energy costs are diversified among coal, electricity, and natural gas. We attempt to mitigate our exposure to increasing energy costs by hedging the cost of future deliveries of natural gas and by entering into fixed-price contracts for the purchase of coal and fuel oil. To analyze the effect of changing energy prices, we have performed a sensitivity analysis in which we assume an instantaneous 10 percent change in energy market prices from their levels at September 30, 2015 and December 31, 2014, with all other variables (including interest rates) held constant.

		Hedged energy exposure vs. Energy market pricing	
(in Millions)	Net Asset / (Liability) Position on Consolidated Balance Sheets	10% Increase	10% Decrease
Net asset/(liability) position at September 30, 2015	$(1.6)	$(0.8)	$(2.3)
Net asset/(liability) position at December 31, 2014	$(7.3)	$(5.3)	$(9.4)

Our FMC Agricultural Solutions segment enters into contracts with certain customers in Brazil to exchange our products for future physical delivery of soybeans. To mitigate the price risk associated with these barter contracts, we enter into offsetting derivatives to hedge our exposure. As of September 30, 2015 and December 31, 2014 our net financial instrument position was immaterial.

Foreign Currency Exchange Rate Risk

The primary currencies for which we have exchange rate exposure are the U.S. dollar versus the euro, the U.S. dollar versus the Chinese yuan, the U.S. dollar versus the Brazilian real and the U.S. dollar versus the Argentine peso. Foreign currency debt and foreign exchange forward contracts are used in countries where we do business, thereby reducing our net asset exposure. Foreign exchange forward contracts are also used to hedge firm and highly anticipated foreign currency cash flows.

To analyze the effects of changing foreign currency rates, we have performed a sensitivity analysis in which we assume an instantaneous 10 percent change in the foreign currency exchange rates from their levels at September 30, 2015 and December 31, 2014, with all other variables (including interest rates) held constant.

		Hedged Currency vs. Functional Currency	
(in Millions)	Net Asset / (Liability) Position on Consolidated Balance Sheets	10% Strengthening	10% Weakening
Net asset/(liability) position at September 30, 2015	$17.1	$44.3	$(10.4)
Net asset/(liability) position at December 31, 2014 [(1)]	$(85.2)	$91.3	$(261.0)

(1) Includes the unrealized loss on hedging the purchase price of Cheminova as of December 31, 2014. See "Cheminova Acquisition Hedge Costs" in Note 3 to the condensed consolidated financial statements included in this Form 10-Q.

Interest Rate Risk

One of the strategies that we can use to manage interest rate exposure is to enter into interest rate swap agreements. In these agreements, we agree to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated on an agreed-upon notional principal amount. As of September 30, 2015 and December 31, 2014, we had no interest rate swap agreements.

Our debt portfolio, at September 30, 2015, is composed of 55 percent fixed-rate debt and 45 percent variable-rate debt. The variable-rate component of our debt portfolio principally consists of borrowings under our Term Loan Facility,

Credit Facility, commercial paper program, variable-rate industrial and pollution control revenue bonds, and amounts outstanding under foreign subsidiary credit lines. Changes in interest rates affect different portions of our variable-rate debt portfolio in different ways.

Based on the variable-rate debt in our debt portfolio at September 30, 2015, a one percentage point increase in interest rates then in effect would have increased gross interest expense by $7.3 million and a one percentage point decrease in interest rates then in effect would have decreased gross interest expense by $2.1 million for the nine months of September 30, 2015.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this item is provided in “Derivative Financial Instruments and Market Risks,” under ITEM 2 - Management’s Discussion and Analysis of Financial Condition and Results of Operations.

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ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures. Based on management’s evaluation (with the participation of the Company’s Chief Executive Officer and Chief Financial Officer), the Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2015, the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to provide reasonable assurance that information required to be disclosed by the Company in reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. As further discussed in Note 3 to the condensed consolidated financial statements included within this Form 10-Q, we completed the acquisition of Cheminova on April 21, 2015. We have begun the process of analyzing Cheminova’s systems of disclosure controls and procedures and internal controls over financial reporting and integrating them within our framework of controls. Accordingly, pursuant to SEC guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment for up to one year following the date of acquisition, the scope of our assessment of the effectiveness of our disclosure controls and procedures does not include any disclosure controls and procedures of Cheminova that are also part of Cheminova's internal control over financial reporting.

(b) Change in Internal Controls. There have been no changes in internal control over financial reporting that occurred during the quarter ended September 30, 2015, that materially affected or are reasonably likely to materially affect, our internal control over financial reporting. The Company is currently evaluating Cheminova's processes, information technology systems, and other components of internal controls over financial reporting as a part of the Company's integration activities which may result in periodic control changes. Such changes will be disclosed as required by applicable SEC guidance.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
FMC Corporation:

We have reviewed the condensed consolidated balance sheet of FMC Corporation and subsidiaries as of September 30, 2015, the related condensed consolidated statements of income (loss) and comprehensive income (loss), for the three-month and nine-month periods ended September 30, 2015 and 2014, and the related condensed consolidated statements of cash flows for the nine-month periods ended September 30, 2015 and 2014. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of FMC Corporation and subsidiaries as of December 31, 2014, and the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for the year then ended (not presented herein); and in our report dated February 27, 2015, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2014, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG LLP
Philadelphia, Pennsylvania
November 2, 2015

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

FIFRA compliance complaint matters. In September 2015, EPA Region 3 filed an administrative complaint against the Company, claiming that certain advertising and labeling regarding one of our pesticide products did not comply with the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA") and has calculated a proposed penalty in excess of $100,000. We disagree with EPA on whether a violation occurred and, if a violation did occur, the appropriate penalty calculation, and will defend ourselves vigorously. We do not expect that any penalty associated with final judgment or other resolution would be material.

Other matters. For additional discussion of developments in the legal proceedings disclosed in Part I, Item 3 of our 2014 Form 10-K, see Note 16 to the condensed consolidated financial statements included within this Form 10-Q.

ITEM 1A. RISK FACTORS

Subsequent to the acquisition of Cheminova and divestiture of our FMC Alkali Chemicals division (see Note 3 and Note 9 to the condensed consolidated financial statements included within this Form 10-Q for more information) we have reassessed our risk factors. Below lists our risk factors updated for these events.

Among the factors that could have an impact on our ability to achieve operating results and meet our other goals are:

Industry Risks:

Pricing and volumes in our markets are sensitive to a number of industry specific and global issues and events including:

- Capacity utilization - Our businesses are sensitive to industry capacity utilization. As a result, pricing tends to fluctuate when capacity utilization changes occur within our industry.
- Competition - All of our segments face competition, which could affect our ability to maintain or raise prices, successfully enter certain markets or retain our market position. Our FMC Agricultural Solutions, competition includes not only generic suppliers of the same pesticidal active ingredients, but also alternative proprietary pesticide chemistries, crop protection technologies that are bred into or applied onto seeds. Increased generic presence in agricultural chemical markets has been driven by the number of significant product patents and product data protections that have expired in the last decade, and this trend is expected to continue.
- Changes in our customer base - Our customer base has the potential to change, especially when long-term supply contracts are renegotiated. Our FMC Lithium and FMC Health and Nutrition businesses are most sensitive to this risk.
- Climatic conditions - Our FMC Agricultural Solutions markets are affected by climatic conditions, which could adversely impact crop pricing and pest infestations. Adverse weather conditions can impact our ability to extract lithium efficiently from our lithium reserves in Argentina. Natural disasters can impact production at our facilities in various parts of the world. The nature of these events makes them difficult to predict.
- Changing regulatory environment - Changes in the regulatory environment, particularly in the United States, Brazil, China and the European Union, could adversely impact our ability to continue producing and/or selling certain products in our domestic and foreign markets or could increase the cost of doing so. Our FMC Agricultural Solutions business is most sensitive to this general regulatory risk given the need to obtain and maintain pesticide registrations in every country in which we sell our products. Compliance with changing laws and regulations may involve significant costs or capital expenditures or require changes in business practice that could result in reduced profitability. In the European Union, the regulatory risk specifically includes chemicals regulation known as REACH (Registration, Evaluation, and Authorization of Chemicals), which affects each of our business segments to varying degrees. The fundamental principle behind the REACH regulation is that manufacturers must verify through a special registration system that their chemicals can be marketed safely.
- Geographic concentration - Although we have operations in most regions throughout the globe, the majority of our FMC Agricultural Solutions sales outside the United States have principally been to customers in Latin America, including Brazil, Argentina and Mexico. With the acquisition of Cheminova, we are expanding our international sales,

particularly in Europe and key Asian countries such as India. Accordingly, developments in those parts of the world will generally have a more significant effect on our operations. Our operations outside the United States are subject to special risks and restrictions, including: fluctuations in currency values; exchange control regulations; changes in local political or economic conditions; governmental pricing directives; import and trade restrictions; import or export licensing requirements and trade policy; restrictions on the ability to repatriate funds; and other potentially detrimental domestic and foreign governmental practices or policies affecting U.S. companies doing business abroad.

Food and pharmaceutical regulation - Some of our manufacturing processes and facilities, as well as some of our customers, are subject to regulation by the U.S. Food and Drug Administration (FDA) or similar foreign agencies.

- Regulatory requirements of the FDA are complex, and any failure to comply with them including as a result of contamination due

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to acts of sabotage could subject us and/or our customers to fines, injunctions, civil penalties, lawsuits, recall or seizure of products, total or partial suspension of production, denial of government approvals, withdrawal of marketing approvals and criminal prosecution. Any of these actions could adversely impact our net sales, undermine goodwill established with our customers, damage commercial prospects for our products and materially adversely affect our results of operations.

- Climate change regulation - Changes in the regulation of greenhouse gases, depending on their nature and scope, could subject our manufacturing operations to significant additional costs or limits on operations.
- Fluctuations in commodity prices - Our operating results could be significantly affected by the cost of commodities such as raw materials and energy, including natural gas. We may not be able to raise prices or improve productivity sufficiently to offset future increases in commodity pricing. Accordingly, increases in commodity prices may negatively affect our financial results. Where practical, we use hedging strategies to address material commodity price risks, where hedge strategies are available on reasonable terms. We also use raw material supply agreements that contain terms designed to mitigate the risk of short-term changes in commodity prices. However, we are unable to avoid the risk of medium- and long-term increases. Additionally, fluctuations in commodity prices could negatively impact our customers' ability to sell their product at previously forecasted prices resulting in reduced customer liquidity. Inadequate customer liquidity could affect our customers’ abilities to pay for our products and, therefore, affect existing and future sales or our ability to collect on customer receivables.
- Supply arrangements - Certain raw materials are critical to our production process. While we have made supply arrangements to meet planned operating requirements, an inability to obtain the critical raw materials or operate under contract manufacturing arrangements would adversely impact our ability to produce certain products. We increasingly source critical intermediates and finished products from a number of suppliers. An inability to obtain these products or execute under contract sourcing arrangements would adversely impact our ability to sell products. In FMC Lithium geological conditions can affect production of raw materials.
- Economic and political change - Our business could be adversely affected by economic and political changes in the markets where we compete including: inflation rates, recessions, trade restrictions, foreign ownership restrictions and economic embargoes imposed by the United States or any of the foreign countries in which we do business; changes in laws, taxation, and regulations and the interpretation and application of these laws, taxes, and regulations; restrictions imposed by foreign governments through exchange controls or taxation policy; nationalization or expropriation of property, undeveloped property rights, and legal systems or political instability; other governmental actions; and other external factors over which we have no control. Economic and political conditions within foreign jurisdictions or strained relations between countries can cause fluctuations in demand, price volatility, supply disruptions, or loss of property. In Argentina, continued inflation and tightening of foreign exchange controls along with deteriorating economic and financial conditions could adversely affect our business.

Operational Risks:

- Market access risk - Our results may be affected by changes in distribution channels, which could impact our ability to access the market.
- Business disruptions - Although more recently, FMC Agricultural Solutions has engaged in pesticide active ingredient contract manufacturing rather than owned and operated FMC own manufacturing facilities, Cheminova owns and operates large-scale manufacturing facilities in Denmark and India. This will present us with additional operating risks, in that our operating results will be dependent in part on the continued operation of the various acquired production facilities and the ability to manufacture products on schedule. Interruptions at these facilities may materially reduce the productivity and profitability of a particular manufacturing facility, or our business as a whole, during and after the period of such operational difficulties. Although we take precautions to enhance the safety of our operations and minimize the risk of disruptions, our operations and those of our contract manufacturers are subject to hazards inherent in chemical manufacturing and the related storage and transportation of raw materials, products and wastes. These potential hazards include explosions, fires, severe weather and natural disasters, mechanical failure, unscheduled downtimes, supplier disruptions, labor shortages or other labor difficulties, information technology systems outages, disruption in our supply chain or manufacturing and distribution operations, transportation

interruptions, chemical spills, discharges or releases of toxic or hazardous substances or gases, shipment of incorrect or off-specification product to customers, storage tank leaks, other environmental risks, or other sudden disruption in business operations beyond our control as a result of events such as acts of sabotage, terrorism or war, civil or political unrest, natural disasters, pandemic situations and large scale power outages. Some of these hazards may cause severe damage to or destruction of property and equipment or personal injury and loss of life and may result in suspension of operations or the shutdown of affected facilities.

- Information technology security risks - As with all enterprise information systems, our information technology systems could be penetrated by outside parties intent on extracting information, corrupting information, or disrupting business processes. Our systems have in the past been, and likely will in the future be, subject to unauthorized access attempts. Unauthorized access could disrupt our business operations and could result in failures or interruptions in our computer

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systems and in the loss of assets and could have a material adverse effect on our business, financial condition or results of operations. In addition, breaches of our security measures or the accidental loss, inadvertent disclosure, or unapproved dissemination of proprietary information or sensitive or confidential information about us, our employees, our vendors, or our customers, could result in litigation and potential liability for us, damage our reputation, or otherwise harm our business, financial condition, or results of operations.

Capital-intensive business - With the acquisition of Cheminova, our business is more capital intensive than it has been historically. We rely on cash generated from operations and external financing to fund our growth and ongoing capital needs. Limitations on access to external financing could adversely affect our operating results. Moreover, interest payments, dividends and the expansion of our business or other business opportunities may require significant amounts of capital. We believe that our cash from operations and available borrowings under our revolving credit facility will be sufficient to meet these needs in the foreseeable future. However, if we need external financing, our

- access to credit markets and pricing of our capital will be dependent upon maintaining sufficient credit ratings from credit rating agencies and the state of the capital markets generally. There can be no assurances that we would be able to obtain equity or debt financing on terms we deem acceptable, and it is possible that the cost of any financings could increase significantly, thereby increasing our expenses and decreasing our net income. If we are unable to generate sufficient cash flow or raise adequate external financing, including as a result of significant disruptions in the global credit markets, we could be forced to restrict our operations and growth opportunities, which could adversely affect our operating results.

We may use our $1.5 billion revolving credit facility to meet our cash needs, to the extent available. As of September 30, 2015, we had unused and available credit capacity of $1.4 billion. In the event of a default under our credit facility or any of our senior notes, we could be required to immediately repay all outstanding borrowings and make cash deposits as collateral for all obligations the facility supports, which we may not be able to do. Any default under any of our credit arrangements could cause a default under many of our other credit agreements and debt instruments. Without waivers from lenders party to those agreements, any such default could have a material adverse effect on our ability to continue to operate.

- Litigation and environmental risks - Current reserves relating to our ongoing litigation and environmental liabilities may ultimately prove to be inadequate.

- Hazardous materials - We manufacture and transport certain materials that are inherently hazardous due to their toxic or volatile nature. While we take precautions to handle and transport these materials in a safe manner, if they are mishandled or released into the environment, they could cause property damage or personal injury claims against us.

- Environmental Compliance - We are subject to extensive federal, state, local, and foreign environmental and safety laws. regulations, directives, rules and ordinances concerning, among other things, emissions in the air, discharges to land and water, and the generation, handling, treatment, disposal and remediation of hazardous waste and other materials. We may face liability arising out of the normal course of business, including alleged personal injury or property damage due to exposure to chemicals or other hazardous substances at our current or former facilities or chemicals that we manufacture, handle or own. We take our environmental responsibilities very seriously, but there is a risk of environmental impact inherent in our manufacturing operations and transportation of chemicals. Any substantial liability for environmental damage could have a material adverse effect on our financial condition, results of operations and cash flows.

- Inability to attract and retain key employees - The inability to recruit and retain key personnel or the unexpected loss of key personnel may adversely affect our operations. In addition, our future success depends in part on our ability to identify and develop talent to succeed senior management.

Technology Risks:

- Our ability to compete successfully depends in part upon our ability to maintain a superior technological capability and to continue to identify, develop and commercialize new and innovative, high value-added products for existing and future customers.

- Failure to continue to make process improvements to reduce costs could impede our competitive position.

Some of our competitors may secure patents on production methods or uses of products that may limit our ability to compete cost-effectively.

Portfolio Management Risks:

- We continuously review our portfolio which includes the evaluation of potential business acquisitions that may strategically fit our business and strategic growth initiatives. If we are unable to successfully integrate and develop our acquired businesses, we could fail to achieve anticipated synergies which would include expected cost savings and revenue growth. Failure to achieve these anticipated synergies, could materially and adversely affect our financial results. In addition to strategic acquisitions we evaluate the diversity of our portfolio in light of our objectives and alignment with our growth strategy. In implementing this strategy we may not be successful in separating underperforming or non-

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strategic assets and gains or losses on the divestiture of, or lost operating income from, such assets may affect the company's earnings. Moreover, we may incur asset impairment charges related to acquisitions or divestitures that reduce its earnings.

In particular, inability to successfully integrate and develop Cheminova as planned could result in our inability to achieve the synergies we have projected and could thereby cause our future results of operations to be materially and adversely worse than expected. We expect to generate synergies as a result of i) improving Cheminova operating cost-efficiencies, ii) changing the mix of Cheminova's sales from generic, lower margin products to more differentiated and higher margin products, and iii) rationalizing of distribution channels used by FMC and Cheminova in overlapping European markets. However, there can be no assurances that we will be successful in achieving these planned synergies.

Financial Risks:

- Deterioration in the global economy and worldwide credit and foreign exchange markets could adversely affect our business. A worsening of global or regional economic conditions or financial markets could adversely affect our customers' ability to meet the terms of sale or our suppliers' ability to perform all their commitments to us. A slowdown in economic growth in our international markets, particularly Latin American regions, or a deterioration of credit or foreign exchange markets could adversely affect customers, suppliers and our overall business there. Customers in weakened economies may be unable to purchase our products, or it could become more expensive for them to purchase imported products in their local currency, or sell their commodities at prevailing international prices, and we may be unable to collect receivables from such customers.
- We are an international company and face foreign exchange rate risks in the normal course of our business. We are particularly sensitive to the euro, the Brazilian real and the Chinese yuan. To a lesser extent, we are sensitive to the Mexican peso, the Argentine peso, the British pound sterling and several Asian currencies, including the Japanese yen. Our acquisition of Cheminova has significantly expanded our operations and sales in foreign countries and correspondingly increased our exposure to foreign exchange risks.
- Our future effective tax rates may be materially impacted by numerous items including: a future change in the composition of earnings from foreign and domestic tax jurisdictions, as earnings in foreign jurisdictions are typically taxed at more favorable rates than the United States federal statutory rate; accounting for uncertain tax positions; business combinations; expiration of statute of limitations or settlement of tax audits; changes in valuation allowance; changes in tax law; and the potential decision to repatriate certain future foreign earnings on which United States taxes have not been previously accrued.
- We have significant investments in long-lived assets and continually review the carrying value of these assets for recoverability in light of changing market conditions and alternative product sourcing opportunities.
- Obligations related to our pension and postretirement plans reflect certain assumptions. To the extent our plans' actual experience differs from these assumptions, our costs and funding obligations could increase or decrease significantly.

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ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS
ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Publicly Announced Program Total Number of Shares Purchased	Total Dollar Amount Purchased	Maximum Dollar Value of Shares that May Yet be Purchased
July 1-31, 2015	—	—	—	—	250,000,000
August 1-31, 2015	—	—	—	—	250,000,000
September 1-30, 2015	—	—	—	—	250,000,000
Total Q3 2015	—	—	—	—	250,000,000

During the nine months ended September 30, 2015, we did not repurchase any shares under the publicly announced repurchase program. At September 30, 2015, $250.0 million remained unused under our Board-authorized repurchase program. This repurchase program does not include a specific timetable or price targets and may be suspended or terminated at any time. Shares may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market conditions and other factors. We also reacquire shares from time to time from employees in connection with the vesting, exercise and forfeiture of awards under our equity compensation plans.

ITEM 5. OTHER INFORMATION
None.
ITEM 6. EXHIBITS

12 Statements of Computation of Ratios of Earnings to Fixed Charges

15 Awareness Letter of KPMG LLP

31.1 Chief Executive Officer Certification

31.2 Chief Financial Officer Certification

32.1 CEO Certification of Quarterly Report

32.2 CFO Certification of Quarterly Report

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FMC CORPORATION
(Registrant)

By: /S/ PAUL W. GRAVES
Paul W. Graves
Executive Vice President and
Chief Financial Officer

Date: November 2, 2015

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INDEX OF EXHIBITS FILED WITH THE
FORM 10-Q OF FMC CORPORATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Exhibit No.	Exhibit Description
12	Statements of Computation of Ratios of Earnings to Fixed Charges
15	Awareness Letter of KPMG LLP
31.1	Chief Executive Officer Certification
31.2	Chief Financial Officer Certification
32.1	CEO Certification of Quarterly Report
32.2	CFO Certification of Quarterly Report
101	Interactive Data File