DREYFUS STRATEGIC MUNICIPALS INC
Form N-Q
August 16, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-5245

Dreyfus Strategic Municipals, Inc.
(Exact name of Registrant as specified in charter)

c/o The Dreyfus Corporation
200 Park Avenue
New York, New York 10166
(Address of principal executive offices) (Zip code)

Mark N. Jacobs, Esq.
200 Park Avenue
New York, New York 10166
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 922-6000

Date of fiscal year end: 9/30

Date of reporting period: 6/30/2007

FORM N-Q

Item 1. **Schedule of Investments.**

STATEMENT OF INVESTMENTS

Dreyfus Strategic Municipals, Inc.
June 30, 2007 (Unaudited)

Long-Term Municipal Investments--156.7%	Coupon Rate (%)	Maturity Date	Principal Amount ($)	Value ($)
Alabama--5.3%				
Houston County Health Care				
Authority, GO (Insured; AMBAC)	6.25	10/1/09	8,000,000 a	8,477,600
Jefferson County,				

Limited Obligation School				
Warrants	5.25	1/1/18	16,000,000	16,905,760
Jefferson County,				
Limited Obligation School				
Warrants	5.50	1/1/22	4,000,000	4,268,720
Alaska--.7%				
Alaska Housing Finance				
Corporation, General Mortgage				
Revenue (Insured; MBIA)	6.00	6/1/49	4,000,000	4,126,800
Arizona--3.7%				
Arizona Health Facilities				
Authority, Health Care				
Facilities Revenue (The				
Beatitudes Campus Project)	5.10	10/1/22	3,000,000	2,946,750
Maricopa County Pollution Control				
Corporation, PCR (Public				
Service Company of New Mexico				
Palo Verde Project)	5.75	11/1/22	6,000,000	6,038,100
Navajo County Industrial				
Development Authority, IDR				
(Stone Container Corporation				
Project)	7.40	4/1/26	1,585,000	1,621,122
Scottsdale Industrial Development				
Authority, HR (Scottsdale				
Healthcare)	5.80	12/1/11	6,000,000 a	6,472,560
Tucson,				
Water System Revenue (Insured;				
FGIC)	5.00	7/1/12	3,500,000 a	3,659,775
Arkansas--.5%				
Arkansas Development Finance				
Authority, SFMR (Mortgage				
Backed Securities Program)				
(Collateralized: FNMA and GNMA)	6.25	1/1/32	2,605,000	2,653,323
California--11.1%				
California,				
GO	5.25	4/1/14	4,995,000 a	5,374,870
California,				
GO	5.25	4/1/34	5,000	5,238
California,				
GO (Various Purpose)	5.50	4/1/14	3,385,000 a	3,692,189
California,				

GO (Various Purpose)	5.00	9/1/30	10,000,000	10,254,500
California,				
GO (Various Purpose)	5.00	3/1/32	5,000,000	5,113,750
California,				
GO (Various Purpose) (Insured;				

AMBAC)	4.25	12/1/35	9,000,000	8,190,810
California Pollution Control Financing Authority, SWDR (Keller Canyon Landfill Company Project)	6.88	11/1/27	2,000,000	2,011,020
California Statewide Communities Development Authority, Revenue (Bentley School)	6.75	7/1/32	2,000,000	2,152,060
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	7.80	6/1/13	8,100,000 a	9,685,332
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	7.90	6/1/13	2,000,000 a	2,400,940
Golden State Tobacco Securitization Corporation, Tobacco Settlement Asset-Backed Bonds	5.75	6/1/47	8,000,000	8,365,760
State Public Works Board of California, LR Department of General Services (Butterfield State Office Complex)	5.25	6/1/30	5,000,000	5,215,250
Colorado--6.7%				
Beacon Point Metropolitan District, GO	6.25	12/1/35	2,000,000	2,080,120
Colorado Housing Finance Authority (Single Family Program) (Collateralized; FHA)	6.60	8/1/32	1,920,000	2,015,827
Denver City and County, Special Facilities Airport Revenue (United Air Lines Project)	5.75	10/1/32	5,000,000 b	5,203,500
Denver City and County, Special Facilities Airport Revenue (United Airlines Project)	6.88	10/1/32	7,135,000	7,144,989
Fiddler's Business Improvement District, Senior Lien GO Capital Improvement Bonds (Insured; ACA)	5.00	12/1/32	1,500,000	1,503,300
Fiddler's Business Improvement District, Senior Lien GO Capital Improvement Bonds (Insured; ACA)	4.50	12/1/36	2,800,000	2,541,392
Northwest Parkway Public Highway				

Authority, Revenue	7.13	6/15/41	10,750,000	11,465,950
Salida Hospital District,				
HR	5.25	10/1/36	3,500,000	3,476,410
Southlands Metropolitan District				
Number 1, GO	7.13	12/1/34	2,000,000	2,197,680
Florida--4.0%				
Deltona,				
Utilities System Revenue				
(Insured; MBIA)	5.13	10/1/27	6,000,000	6,203,700
Florida Housing Finance				
Corporation, Housing Revenue				
(Nelson Park Apartments)				
(Insured; FSA)	6.40	3/1/40	5,000	5,193
Municipal Securities Trust				
Certificates (Florida Housing				
Finance Corporation, Housing				
Revenue - Nelson Park				
Apartments) (Insured; FSA)	6.40	3/1/40	8,250,000 c,d	8,727,510
Orange County Health Facilities				
Authority, HR (Orlando				
Regional Healthcare System)	6.00	10/1/09	45,000 a	47,396
Orange County Health Facilities				
Authority, HR (Orlando				
Regional Healthcare System)	6.00	10/1/26	1,955,000	2,032,398
Palm Beach County School Board,				
COP (Master Lease Purchase				
Agreement) (Insured; FGIC)	5.00	8/1/29	5,470,000	5,605,820
Georgia--3.2%				
Augusta,				
Water and Sewer Revenue				
(Insured; FSA)	5.25	10/1/39	3,000,000	3,150,060
Brooks County Development				
Authority, Senior Health and				
Housing Facilities Revenue				
(Presbyterian Home, Quitman,				
Inc.) (Collateralized; GNMA)	5.70	1/20/39	4,445,000	4,823,225
Metropolitan Atlanta Rapid Transit				
Authority, Sales Tax Revenue				
(Third Indenture Series)				
(Insured; FGIC)	5.25	7/1/27	5,000,000	5,522,700
Milledgeville-Baldwin County				
Development Authority, Revenue				
(Georgia College and State				
Foundation)	6.00	9/1/13	2,090,000	2,306,273
Milledgeville-Baldwin County				
Development Authority, Revenue				
(Georgia College and State				

Foundation)	6.00	9/1/14	2,000,000 a	2,245,560
Hawaii--.4%				
Hawaii Department of Transportation, Special Facility Revenue (Caterair				

International Corporation)	10.13	12/1/10	2,200,000	2,206,160
Idaho--.6%				
Power County Industrial Development Corporation, SWDR (FMC Corporation Project)	6.45	8/1/32	3,250,000	3,427,385
Illinois--13.0%				
Cary, Special Service Area Number One, Special Tax Bonds (Insured; Radian)	5.00	3/1/30	1,950,000	1,977,963
Chicago (Insured; FGIC)	6.13	7/1/10	14,565,000 a	15,594,745
Chicago, SFMR (Collateralized: FHLMC, FNMA and GNMA)	6.55	4/1/33	2,870,000	2,907,798
Chicago, Wastewater Transmission Revenue (Insured; MBIA)	6.00	1/1/10	3,000,000 a	3,175,860
Chicago O'Hare International Airport, Special Facilities Revenue (American Airlines Inc. Project)	8.20	12/1/24	6,500,000	6,520,475
Chicago O'Hare International Airport, Special Facility Revenue (American Airlines, Inc. Project)	5.50	12/1/30	5,000,000	4,995,200
Illinois Educational Facilities Authority, Revenue (Northwestern University)	5.00	12/1/38	5,000,000	5,114,100
Illinois Educational Facilities Authority, Revenue (University of Chicago) (Insured; MBIA)	5.13	7/1/08	5,000 a	5,117
Illinois Health Facilities Authority, Revenue (Advocate Health Care Network)	6.13	11/15/10	4,020,000 a	4,291,792
Illinois Health Facilities Authority, Revenue (OSF Healthcare System)	6.25	11/15/09	7,730,000 a	8,211,502
Illinois Health Facilities Authority, Revenue (Swedish American Hospital)	6.88	5/15/10	4,960,000 a	5,345,987

Illinois Housing Development Authority, Homeowner Mortgage Revenue	5.10	8/1/31	5,555,000	5,591,219
Lombard Public Facilities Corporation, Conference Center and Hotel First Tier Revenue	7.13	1/1/36	3,500,000	3,733,660
Metropolitan Pier and Exposition Authority, Dedicated State Tax Revenue (McCormick Place Expansion) (Insured; MBIA)	5.25	6/15/42	5,325,000	5,562,814
Indiana--2.2%				

Franklin Township School Building Corporation, First Mortgage Bonds	6.13	7/15/10	6,500,000 a	7,021,950
Indiana Housing Finance Authority, SFMR	5.95	1/1/29	635,000	644,804
Petersburg, SWDR (Indianapolis Power and Light Company Project)	6.38	11/1/29	4,150,000	4,417,509
Kansas--6.1%				
Kansas Development Finance Authority, Health Facilities Revenue (Sisters of Charity of Leavenworth Health Services Corporation)	6.25	12/1/28	3,000,000	3,184,140
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.25	12/1/38	3,935,000	4,055,411
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FNMA and GNMA)	6.30	12/1/32	4,375,000	4,395,431
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FNMA and GNMA)	6.45	12/1/33	9,295,000	9,877,611
Sedgwick and Shawnee Counties, SFMR (Mortgage-Backed Securities Program) (Collateralized: FNMA and GNMA)	5.70	12/1/35	2,415,000	2,493,125
Wichita, Hospital Facilities Improvement Revenue (Via Christi Health System Inc.)	6.25	11/15/24	10,000,000	10,480,900

Kentucky--1.2%				
Kentucky Area Development Districts Financing Trust, COP (Lease Acquisition Program)	5.50	5/1/27	2,000,000	2,094,760
Kentucky Economic Development Finance Authority, MFHR (Christian Care Communities Projects) (Collateralized; GNMA)	5.25	11/20/25	2,370,000	2,516,087
Kentucky Economic Development Finance Authority, MFHR (Christian Care Communities Projects) (Collateralized; GNMA)	5.38	11/20/35	1,805,000	1,921,278
Louisiana--1.9%				
Lakeshore Villages Master Community Development District, Special Assessment Revenue	5.25	7/1/17	3,000,000	2,943,990
Louisiana Public Facilities Authority, Revenue (Tulane University of Louisiana Project) (Insured; MBIA)	5.00	2/15/35	6,250,000	6,444,813
Saint James Parish, SWDR (Freeport-McMoRan Partnership Project)	7.70	10/1/22	1,405,000	1,437,905
Maine--.5%				
Maine Housing Authority, Mortgage Purchase	5.30	11/15/23	2,825,000	2,894,693
Maryland--2.3%				
Maryland Community Development Administration, Department of Housing and Community Development, Residential Revenue	5.75	9/1/37	2,500,000	2,638,550
Maryland Economic Development Corporation, Senior Student Housing Revenue (University of Maryland, Baltimore Project)	5.75	10/1/33	4,500,000	4,448,475
Maryland Economic Development Corporation, Student Housing Revenue (University of Maryland, College Park Project)	6.50	6/1/13	3,000,000 a	3,399,480
Maryland Health and Higher Educational Facilities Authority, Revenue (Maryland				

Institute College of Art Issue)	5.00	6/1/30	2,500,000	2,513,300
Massachusetts--2.4%				
Massachusetts Health and Educational Facilities Authority, Revenue (Civic Investments Issue)	9.00	12/15/12	1,800,000 a	2,167,146
Massachusetts Health and Educational Facilities Authority, Revenue (Partners HealthCare System Issue)	5.75	7/1/32	5,000,000	5,316,750
Massachusetts Industrial Finance Agency, RRR (Ogden Haverhill Project)	5.60	12/1/19	6,000,000	6,189,300
Michigan--7.0%				
Charyl Stockwell Academy, COP	5.90	10/1/35	2,580,000	2,677,498
Detroit School District, School Building and Site Improvement Bonds (GO - Unlimited Tax) (Insured; FGIC)	5.00	5/1/28	5,000,000	5,112,650
Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)	6.00	7/1/35	5,930,000	6,414,718

Kent Hospital Finance Authority, Revenue (Metropolitan Hospital Project)	6.25	7/1/40	3,000,000	3,291,540
Michigan Hospital Finance Authority, Revenue (Ascension Health Credit Group)	6.13	11/15/09	5,000,000 a	5,293,900
Michigan Strategic Fund, LOR (The Detroit Edison Company Exempt Facilities Project) (Insured; XLCA)	5.25	12/15/32	3,000,000	3,104,130
Michigan Strategic Fund, SWDR (Genesee Power Station Project)	7.50	1/1/21	13,500,000	13,498,650
Minnesota--4.9%				
Dakota County Community Development Agency, SFMR (Mortgage-Backed Securities Program) (Collateralized: FHLMC, FNMA and GNMA)	5.15	12/1/38	2,497,540	2,511,426
Dakota County Community Development Agency, SFMR (Mortgage-Backed Securities Program) (Collateralized:				

FHLMC, FNMA and GNMA)	5.30	12/1/39	4,970,931	5,086,058
Duluth Economic Development Authority, Health Care Facilities Revenue (Saint Luke's Hospital)	7.25	6/15/32	5,000,000	5,486,350
Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)	6.00	11/15/25	2,000,000	2,155,960
Saint Paul Housing and Redevelopment Authority, Hospital Facility Revenue (HealthEast Project)	6.00	11/15/30	2,000,000	2,163,120
Saint Paul Port Authority, Hotel Facility Revenue (Radisson Kellogg Project)	7.38	8/1/08	3,000,000 a	3,198,990
United Hospital District of Todd, Morrison, Cass and Wadena Counties, GO Health Care Facilities Revenue (Lakewood Health System)	5.13	12/1/24	1,500,000	1,509,135
Winona, Health Care Facilities Revenue (Winona Health Obligated Group)	6.00	7/1/26	5,000,000	5,358,050
Mississippi--3.4%				
Clairborne County, PCR (System Energy Resources, Inc. Project)	6.20	2/1/26	4,545,000	4,561,317
Mississippi Business Finance Corporation, PCR (System Energy Resources, Inc. Project)	5.88	4/1/22	14,310,000	14,450,238
Missouri--2.9%				
Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.38	12/1/27	2,000,000	2,055,200
Missouri Development Finance Board, Infrastructure Facilities Revenue (Branson Landing Project)	5.50	12/1/32	4,500,000	4,652,955
Missouri Development Finance Board, Infrastructure Facilities Revenue (Independence, Crackerneck Creek Project)	5.00	3/1/28	2,000,000	2,019,480
Missouri Health and Educational				

Facilities Authority, Health Facilities Revenue (Saint Anthony's Medical Center)	6.25	12/1/10	6,750,000 a	7,291,080
Montana--.2%				
Montana Board of Housing, SFMR	6.45	6/1/29	1,335,000	1,361,166
Nevada--3.6%				
Clark County, IDR (Nevada Power Company Project)	5.60	10/1/30	3,000,000	3,017,370
North Las Vegas, GO Wastewater Reclamation System Bonds (Insured; MBIA)	4.50	10/1/36	5,000,000	4,776,550
Washoe County, GO Convention Center Revenue (Reno-Sparks Convention and Visitors Authority) (Insured; FSA)	6.40	1/1/10	12,000,000 a	12,708,000
New Hampshire--2.6%				
New Hampshire Business Finance Authority, PCR (Public Service Company of New Hampshire) (Insured; AMBAC)	6.00	5/1/21	7,000,000	7,239,610
New Hampshire Health and Educational Facilities Authority, Revenue (Exeter Project)	6.00	10/1/24	1,000,000	1,075,150
New Hampshire Health and Educational Facilities Authority, Revenue (Exeter Project)	5.75	10/1/31	1,000,000	1,054,330
New Hampshire Industrial Development Authority, PCR (Connecticut Light and Power Company Project)	5.90	11/1/16	5,000,000	5,127,950

New Jersey--4.5%				
New Jersey Economic Development Authority, Cigarette Tax Revenue	5.75	6/15/34	2,500,000	2,650,900
New Jersey Economic Development Authority, Special Facility Revenue (Continental Airlines, Inc. Project)	6.25	9/15/29	3,000,000	3,094,650
New Jersey Transportation Trust Fund Authority (Transportation System)	5.25	12/15/22	5,000,000	5,411,500

Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	7.00	6/1/13	5,640,000 a	6,522,547
Tobacco Settlement Financing Corporation of New Jersey, Tobacco Settlement Asset-Backed Bonds	5.00	6/1/41	8,000,000	7,569,520
New Mexico--1.3%				
Farmington, PCR (Tucson Electric Power Company San Juan Project)	6.95	10/1/20	4,000,000	4,094,720
New Mexico Mortgage Finance Authority, Single Family Mortgage Program Revenue (Collateralized: FHLMC, FNMA and GNMA)	7.00	9/1/31	1,475,000	1,495,488
New Mexico Mortgage Finance Authority, Single Family Mortgage Program Revenue (Collateralized: FHLMC, FNMA and GNMA)	6.15	7/1/35	1,795,000	1,887,676
New York--10.9%				
Long Island Power Authority, Electric System General Revenue (Insured; FSA)	5.13	12/1/16	20,000,000 c,d	20,460,700
New York City	5.00	8/1/28	8,000,000	8,268,240
New York City Industrial Development Agency, Liberty Revenue (7 World Trade Center Project)	6.25	3/1/15	3,000,000	3,154,680
New York City Industrial Development Agency, Special Facility Revenue (American Airlines, Inc. John F. Kennedy International Airport Project)	8.00	8/1/28	2,800,000	3,389,036
New York Liberty Development Corporation, Revenue (Goldman Sachs Headquarters Issue)	5.25	10/1/35	14,000,000	15,207,920
Tobacco Settlement Financing Corporation of New York,				

Asset-Backed Revenue Bonds (State Contingency Contract Secured) (Insured; AMBAC)	5.25	6/1/21	5,000,000	5,265,900
Triborough Bridge and Tunnel Authority, Revenue	5.25	11/15/30	5,220,000	5,471,552

North Carolina--.6%				
Gaston County Industrial Facilities and Pollution Control Financing Authority, Exempt Facilities Revenue (National Gypsum Company Project)	5.75	8/1/35	3,000,000	3,134,520
North Dakota--.2%				
North Dakota Housing Finance Agency, Home Mortgage Revenue (Housing Finance Program)	6.15	7/1/31	845,000	859,813
Ohio--5.2%				
Canal Winchester Local School District (Insured; MBIA)	0.00	12/1/29	3,955,000	1,365,385
Canal Winchester Local School District (Insured; MBIA)	0.00	12/1/31	3,955,000	1,238,825
Cleveland State University, General Receipts (Insured; FGIC)	5.00	6/1/34	6,150,000	6,332,778
Cuyahoga County, Revenue	6.00	1/1/32	750,000	811,087
Ohio, SWDR (USG Corporation Project)	5.60	8/1/32	7,805,000	7,978,973
Ohio Air Quality Development Authority, PCR (The Cleveland Electric Illuminating Company Project) (Insured; ACA)	6.10	8/1/20	3,000,000	3,063,330
Ohio Water Development Authority, PCR (The Cleveland Electric Illuminating Company Project) (Insured; ACA)	6.10	8/1/20	4,350,000	4,441,829
Toledo Lucas County Port Authority, Airport Revenue (Baxter Global Project)	6.25	11/1/13	3,800,000	3,970,050
Oklahoma--2.6%				
Oklahoma Housing Finance Agency, SFMR (Homeownership Loan Program)	7.55	9/1/28	1,135,000	1,153,239
Oklahoma Housing Finance Agency, SFMR (Homeownership Loan Program) (Collateralized: FNMA and GNMA)	7.55	9/1/27	910,000	935,589
Oklahoma Industries Authority, Health System Revenue (Obligated Group) (Insured; MBIA)	5.75	8/15/09	5,160,000 a	5,403,088
Oklahoma Industries Authority,				

Health System Revenue (Obligated Group) (Insured; MBIA)	5.75	8/15/29	7,070,000	7,353,719
Pennsylvania--4.1%				
Coatesville Area School District, GO (Insured; FSA)	5.00	8/1/23	5,340,000 b	5,614,156
Lehman Municipal Trust Receipts (Pennsylvania Economic Development Financing Authority, SWDR (USG Corporation Project))	6.00	6/1/31	9,310,000 c,d	9,657,868
Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue (Reliant Energy Seward, LLC Project)	6.75	12/1/36	2,500,000	2,750,675
Philadelphia Authority for Industrial Development, Revenue (Please Touch Museum Project)	5.25	9/1/31	2,500,000	2,576,900
Philadelphia Authority for Industrial Development, Revenue (Please Touch Museum Project)	5.25	9/1/36	2,500,000	2,563,850
South Carolina--4.8%				
Greenville County School District, Installment Purchase Revenue (Building Equity Sooner for Tomorrow)	5.50	12/1/12	5,000 a	5,389
Greenville County School District, Installment Purchase Revenue (Building Equity Sooner for Tomorrow)	5.50	12/1/12	20,020,000 a,c,d	21,575,754
Greenville Hospital System, Hospital Facilities Revenue (Insured; AMBAC)	5.50	5/1/26	5,000,000	5,267,450
Tennessee--3.4%				
Johnson City Health and Educational Facilities Board, Hospital First Mortgage Revenue (Mountain States Health Alliance)	7.50	7/1/25	5,000,000	5,721,150
Johnson City Health and Educational Facilities Board, Hospital First Mortgage Revenue (Mountain States Health Alliance)	7.50	7/1/33	3,000,000	3,423,990
Memphis Center City Revenue				

Finance Corporation, Sports Facility Revenue (Memphis Redbirds Baseball Foundation Project)	6.50	9/1/28	10,000,000	9,878,900
Texas--13.5%				
Alliance Airport Authority Inc., Special Facilities Revenue (American Airlines, Inc. Project)	5.75	12/1/29	5,000,000	5,000,500
Austin Convention Enterprises Inc., Convention Center Hotel First Tier Revenue	6.70	1/1/11	4,000,000 a	4,350,680
Cities of Dallas and Fort Worth, Dallas/Fort Worth International Airport, Facility Improvement Corporation Revenue (American Airlines, Inc.)	6.38	5/1/35	10,630,000	10,864,391
Gulf Coast Industrial Development Authority, Environmental Facilities Revenue (Microgy Holdings Project)	7.00	12/1/36	6,000,000	6,397,800
Harris County Health Facilities Development Corporation, HR (Memorial Hermann Healthcare System)	6.38	6/1/11	8,500,000 a	9,290,415
Houston, Airport System Special Facilities Revenue (Continental Airlines, Inc. Terminal E Project)	6.75	7/1/29	5,125,000	5,443,365
Houston, Airport System Special Facilities Revenue (Continental Airlines, Inc. Terminal E Project)	7.00	7/1/29	3,800,000	4,089,636
Sabine River Authority, PCR (TXU Electric Company Project)	6.45	6/1/21	11,300,000	11,687,138
Sam Rayburn Municipal Power Agency, Power Supply System Revenue	5.75	10/1/21	6,000,000	6,391,860
Texas Department of Housing and Community Affairs, Home Mortgage Revenue (Collateralized: FHLMC, FNMA				

and GNMA)	9.61	7/2/24	1,050,000 e	1,105,346
Texas Turnpike Authority,				
Central Texas Turnpike System				
Revenue (Insured; AMBAC)	5.75	8/15/38	7,100,000	7,589,048
Tyler Health Facilities				
Development Corporation, HR				
(East Texas Medical Center				
Regional Healthcare System				
Project)	6.75	11/1/25	3,000,000	3,019,800
Vermont--.2%				
Vermont Housing Finance Agency,				

SFHR (Insured; FSA)	6.40	11/1/30	945,000	954,620
Virginia--2.1%				
Greater Richmond Convention Center				
Authority, Hotel Tax Revenue				
(Convention Center Expansion				
Project)	6.25	6/15/10	10,500,000 a	11,272,590
Pittsylvania County Industrial				
Development Authority, Exempt				
Facility Revenue (Multitrade				
of Pittsylvania County, L.P.				
Project)	7.65	1/1/10	600,000	627,342
Washington--2.2%				
Seattle,				
Water System Revenue (Insured;				
FGIC)	6.00	7/1/09	10,000,000 a	10,504,800
Washington Health Care Facilities				
Authority, Revenue (Kadlec				
Medical Center) (Insured;				
Assured Guaranty)	5.00	12/1/30	2,000,000	2,050,540
West Virginia--.4%				
West Virginia Water Development				
Authority, Water Development				
Revenue (Insured; AMBAC)	6.38	7/1/39	2,250,000	2,401,762
Wisconsin--8.0%				
Badger Tobacco Asset				
Securitization Corporation,				
Tobacco Settlement				
Asset-Backed Bonds	6.13	6/1/27	11,840,000 c,d	12,490,845
Badger Tobacco Asset				
Securitization Corporation,				
Tobacco Settlement				
Asset-Backed Bonds	7.00	6/1/28	22,995,000	25,630,227
Madison,				
IDR (Madison Gas and Electric				
Company Projects)	5.88	10/1/34	2,390,000	2,524,700

Wisconsin Health and Educational Facilities Authority, Revenue (Aurora Health Care, Inc.)	6.40	4/15/33	4,000,000	4,368,400
Wyoming--.8%				
Sweetwater County, SWDR (FMC Corporation Project)	5.60	12/1/35	4,500,000	4,726,125
U.S. Related--1.5%				
Children's Trust Fund of Puerto Rico, Tobacco Settlement Asset-Backed Bonds	0.00	5/15/55	20,000,000	748,600
Guam Housing Corporation, SFMR (Guaranteed Mortgage-Backed Securities Program) (Collateralized; FHLMC)	5.75	9/1/31	965,000	1,012,758
Puerto Rico Highways and Transportation Authority,				

Transportation Revenue	6.00	7/1/10	6,000,000 a	6,408,360
Total Long-Term Municipal Investments (cost $843,680,710)				**880,317,972**

Short-Term Municipal Investments--.2%	**Coupon Rate (%)**	**Maturity Date**	**Principal Amount ($)**	**Value ($**
Michigan--.0%				
University of Michigan Regents, HR	3.90	7/1/07	200,000 f	200,000
Montana--.2%				
Montana Facility Finance Authority, Revenue (Sisters of Charity of Leavenworth Health System) (Liquidity Facility; JPMorgan Chase Bank)	3.86	7/1/07	1,200,000 f	1,200,000
Total Short-Term Municipal Investments (cost $1,400,000)				**1,400,000**
Total Investments (cost $845,080,710)			**156.9%**	**881,717,972**
Liabilities, Less Cash and Receivables			**(6.2%)**	**(34,737,358)**
Preferred Stock, at redemption value			**(50.7%)**	**(285,000,000)**
Net Assets Applicable to Common Shareholders			**100.0%**	**561,980,614**

a These securities are prerefunded; the date shown represents the prerefunded date. Bonds which are prerefunded are collateralized by U.S. Government securities which are held in escrow and are used to pay principal and interest on the municipal issue and to retire the bonds in full at the earliest refunding date.

b Purchased on a delayed delivery basis.

c Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2007, these securities amounted to $72,912,677 or 13.0% of net assets to Common Shareholders.

d Collateral for floating rate borrowings.

e Inverse floater security--the interest rate is subject to change periodically.

f Securities payable on demand. Variable interest rate--subject to periodic change.

Securities valuation policies and other investment related disclosures are hereby incorporated by reference to the annual and semi-annual reports previously filed with the Securities and Exchange Commission on Form N-CSR.

Summary of Abbreviations

ACA	American Capital Access	**AGC**	ACE Guaranty Corporation
AGIC	Asset Guaranty Insurance Company	**AMBAC**	American Municipal Bond Assurance Corporation
ARRN	Adjustable Rate Receipt Notes	**BAN**	Bond Anticipation Notes
BIGI	Bond Investors Guaranty Insurance	**BPA**	Bond Purchase Agreement
CGIC	Capital Guaranty Insurance Company	**CIC**	Continental Insurance Company
CIFG	CDC Ixis Financial Guaranty	**CMAC**	Capital Market Assurance Corporation
COP	Certificate of Participation	**CP**	Commercial Paper
EDR	Economic Development Revenue	**EIR**	Environmental Improvement Revenue
FGIC	Financial Guaranty Insurance Company	**FHA**	Federal Housing Administration
FHLB	Federal Home Loan Bank	**FHLMC**	Federal Home Loan Mortgage Corporation

FNMA	Federal National Mortgage Association	**FSA**	Financial Security Assurance
GAN	Grant Anticipation Notes	**GIC**	Guaranteed Investment Contract
GNMA	Government National Mortgage Association	**GO**	General Obligation
HR	Hospital Revenue	**IDB**	Industrial Development Board
IDC	Industrial Development Corporation	**IDR**	Industrial Development Revenue
LOC	Letter of Credit	**LOR**	Limited Obligation Revenue
LR	Lease Revenue	**MBIA**	Municipal Bond Investors Assurance Insurance Corporation
MFHR	Multi-Family Housing Revenue	**MFMR**	Multi-Family Mortgage Revenue
PCR	Pollution Control Revenue	**PILOT**	Payment in Lieu of Taxes
RAC	Revenue Anticipation Certificates	**RAN**	Revenue Anticipation Notes
RAW	Revenue Anticipation Warrants	**RRR**	Resources Recovery Revenue
SAAN	State Aid Anticipation Notes		

		$ (15.2)	$ 144.1	
Patents	1.8	(0.1)	1.7	0
Trademarks and trade names	1.3	(0.5)	0.8	1
Purchased and licensed technologies	75.2	(22.2)	53.0	7
Other intangibles	3.6	(2.4)	1.2	4
	$ 241.7	$ (44.7)	$ 197.0	$

Intangible assets not subject to amortization (indefinite life)						
Trademarks and trade names	$66.5		$66.5	$67.0		$67.0
In-process research & development	2.1		2.1	2.1		2.1
	$68.6		$68.6	$69.1		$69.1
Total intangible assets	$310.3	$ (44.7)	$265.6	$310.0	$ (37.7)	$272.3

At June 30, 2014, the finite-lived and indefinite life intangibles were allocated among our business segments as follows:

(in Millions)	Finite-lived	Indefinite Life
FMC Agricultural Solutions	$104.2	$35.2
FMC Health and Nutrition	91.7	33.4
FMC Minerals	1.1	—
Total	$197.0	$68.6

Note 5: Inventories

Inventories consisted of the following:

(in Millions)	June 30, 2014	December 31, 2013
Finished goods	$330.9	$283.0
Work in process	236.8	276.7
Raw materials, supplies and other	341.1	297.8
First-in, first-out inventory	$908.8	$857.5
Less: Excess of first-in, first-out cost over last-in, first-out cost	(170.6)	(169.1)
Net inventories	$738.2	$688.4

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

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

(in Millions)	June 30, 2014	December 31, 2013
Property, plant and equipment	$2,745.9	$2,663.2
Accumulated depreciation	(1,461.0)	(1,414.9)
Property, plant and equipment, net	$1,284.9	$1,248.3

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 June 30		Six Months Ended June 30	
(in Millions)	2014	2013	2014	2013
Restructuring charges and asset disposals	$1.4	$3.8	$6.7	$11.6
Other charges (income), net	1.3	2.1	2.7	3.6
Total restructuring and other charges	$2.7	$5.9	$9.4	$15.2

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

Restructuring charges and asset disposals
Restructuring activities that commenced during 2014 are described below. For detail on the restructuring charges and asset disposals which commenced prior to 2014, see Note 7 to our consolidated financial statements included with our 2013 Form 10-K.

2014 Restructuring Activities
Health and Nutrition Restructuring:
In the first quarter of 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.

	Restructuring Charges			
(in Millions)	Severance and Employee Benefits (1)	Other Charges (Income) (2)	Asset Disposal Charges (3)	Total
Health and Nutrition Restructuring	$0.9	$—	$—	$0.9
Lithium Restructuring	—	(0.1)	—	(0.1)
Other Items	—	0.6	—	0.6
Three months ended June 30, 2014	$0.9	$0.5	$—	$1.4
Lithium Restructuring	1.1	1.4	1.0	3.5
Other Items	(0.1)	0.4	—	0.3
Three months ended June 30, 2013	$1.0	$1.8	$1.0	$3.8
Health and Nutrition Restructuring	5.8	—	—	5.8
Lithium Restructuring	—	—	—	—
Other Items	—	0.9	—	0.9
Six months ended June 30, 2014	$5.8	$0.9	$—	$6.7
Lithium Restructuring	3.7	3.6	2.0	9.3
Other Items	1.7	0.6	—	2.3
Six months ended June 30, 2013	$5.4	$4.2	$2.0	$11.6

(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 well as recoveries associated with restructurings.

(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, see Note 8.

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

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, which are discussed in Note 8.

(in Millions)	Balance at 12/31/13 (4)	Change in reserves (2)	Cash payments	Other (3)	Balance at 6/30/14 (4)
Health and Nutrition Restructuring	$—	$5.8	$(3.9)	$—	$1.9
Lithium Restructuring	0.3	—	(0.1)	—	0.2
Other Workforce Related and Facility Shutdowns (1)	2.8	0.9	(0.6)	—	3.1
Restructuring activities related to discontinued operations (5)	3.0	1.9	(3.5)	—	1.4
Total	$6.1	$8.6	$(8.1)	$—	$6.6

(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 Payments of other discontinued reserves, net of recoveries on the condensed consolidated statements of cash flows.

Other charges (income), net

	Three Months Ended June 30		Six Months Ended June 30	
(in Millions)	2014	2013	2014	2013
Environmental charges, net	$1.3	$1.0	$2.7	$2.0
Other, net	—	1.1	—	1.6
Other charges (income), net	$1.3	$2.1	$2.7	$3.6

Environmental charges, net
Environmental charges represent the net charges associated with environmental remediation at continuing operating sites. See Note 11 for additional details.

Note 8: Asset Retirement Obligations
As of June 30, 2014, the balance of our asset retirement obligations was $21.8 million compared to $22.7 million at December 31, 2013. A more complete description of our asset retirement obligations can be found in Note 8 to our 2013 consolidated financial statements in our 2013 10-K.

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

Note 9: Debt
Debt maturing within one year:

(in Millions)	June 30, 2014	December 31, 2013
Short-term foreign debt (1)	$31.7	$7.1
Commercial paper (2)	493.6	656.0
Total short-term debt	$525.3	$663.1
Current portion of long-term debt	18.9	34.7
Short-term debt and current portion of long-term debt	$544.2	$697.8

(1) We often provide parent-company guarantees to lending institutions that extend credit to our foreign consolidated subsidiaries. Since these guarantees are provided to consolidated subsidiaries the consolidated financial position is not affected by the issuance of these guarantees.
(2) At June 30, 2014, the average effective interest rate on the borrowings was 0.33%.

Long-term debt:

(in Millions)	June 30, 2014 Interest Rate Percentage	Maturity Date	June 30, 2014	December 31, 2013
Pollution control and industrial revenue bonds (less unamortized discounts of $0.2 and $0.2, respectively)	0.2-6.5%	2014-2035	$158.0	$ 174.0
Senior notes (less unamortized discount of $2.1 and $2.2, respectively)	3.95-5.2%	2019-2024	997.9	997.8
Credit Facility (1)	2.4%	2017	—	—
Foreign debt	0-9.3%	2014-2024	16.7	17.0
Total long-term debt			$1,172.6	$ 1,188.8
Less: debt maturing within one year			18.9	34.7
Total long-term debt, less current portion			$1,153.7	$ 1,154.1

(1) Letters of credit outstanding under our Credit Facility totaled $93.0 million and available funds under this facility were $913.4 million at June 30, 2014 (which reflects borrowings under our commercial paper program).

Covenants

Among other restrictions, our Credit Facility contains 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 June 30, 2014, was 2.5 which is below the maximum leverage of 3.5. Our actual interest coverage for the four consecutive quarters ended June 30, 2014, was 16.2 which is above the minimum interest coverage of 3.5. We were in compliance with all covenants at June 30, 2014.

Note 10: Discontinued Operations

FMC Peroxygens:

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 approximately $193.0 million in after-tax proceeds and an additional pre-tax loss of $10.1 million ($39.0 million after-tax) for the the six months ended June 30, 2014. The net of tax loss of $39.0 million was driven by the final allocation of the $199.1 million of proceeds which was agreed to between us and OEP on February 28, 2014. The majority of the proceeds were allocated to higher taxing jurisdictions (i.e. United States) which resulted in tax expense within those jurisdictions, that were not offset by tax benefits from other taxing jurisdictions. We did not benefit the tax losses produced in those other taxing jurisdictions, as we do not expect the losses produced in those jurisdictions to be recoverable. The loss was recorded in discontinued operations, net of income taxes in our condensed consolidated income statements for the six months ended June 30, 2014.

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

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

(in Millions)	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Revenue	$—	$83.4	$55.5	$162.9
(Loss) income from discontinued operations before income taxes [1]	—	1.3	(10.7)	5.8
Provision for income taxes	—	1.2	29.3	3.3
Total discontinued operations of FMC Peroxygens, net of income taxes	$—	$0.1	$(40.0)	$2.5

(1) Includes allocated interest expense of zero and $0.8 million for the three and six months ended June 30, 2014, respectively and $1.2 million and $2.4 million for the three and six months ended June 30, 2013, respectively. Interest was allocated in accordance with relevant discontinued operations accounting guidance. Interest expense allocated in 2014 was prior to the completed sale. Income from discontinued operations before income taxes for the six months ended June 30, 2014 includes the pre-tax loss of $10.1 million discussed in the preceding paragraph.

The following table presents the major classes of assets and liabilities of the FMC Peroxygens business as of December 31, 2013:

(in Millions)	December 31, 2013
Assets	
Current assets of discontinued operations held for sale (primarily trade receivables and inventories)	$94.8
Property, plant & equipment	61.1
Intangible assets, net	2.7
Other non-current assets	39.7
Noncurrent assets of discontinued operations held for sale	103.5
Total Assets [1]	198.3
Liabilities	
Current liabilities of discontinued operations held for sale	43.0
Noncurrent liabilities of discontinued operations held for sale	5.2
Total Liabilities [1]	48.2
Net Assets [2]	$150.1

(1) Presented as "Current assets\liabilities of discontinued operations held for sale" on the condensed consolidated balance sheet as of December 31, 2013.

(2) Excludes the net cumulative translation adjustment (CTA) losses of our foreign FMC Peroxygens operations. See Note 14 for the CTA loss recognized upon the divestiture of FMC Peroxygens.

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

In addition to our discontinued FMC Peroxygens business 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 June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Adjustment for workers' compensation, product liability, and other postretirement benefits, net of income tax benefit (expense) of $0.6 for the three and six months ended 2014 and zero and ($0.1) for the three and six months ended 2013, respectively	$(1.0)	$—	$(1.1)	$0.1
Provision for environmental liabilities, net of recoveries, net of income tax benefit of $4.4 and $7.1 for the three and six months ended 2014 and $1.2 and $2.5 for the three and six months ended 2013, respectively [1]	(7.5)	(2.1)	(12.3)	(4.1)
Provision for legal reserves and expenses, net of recoveries, net of income tax benefit (expense) of $2.2 and $4.5 for the three and six months ended 2014 and ($2.5) and ($0.4) for the three and six months ended 2013, respectively	(3.8)	4.0	(7.6)	0.7
Provision for restructuring charges, net of income tax benefit (expense) of $0.2 for the three and six months ended 2014 and $0.1 and $0.3 for the three and six months ended 2013, respectively [2]	(0.3)	(0.5)	(1.7)	(0.9)
Discontinued operations of FMC Peroxygens, net of income tax benefit (expense) of zero and ($29.3) for the three and six months ended 2014 and ($1.2) and ($3.3) for the three and six months ended 2013, respectively	—	0.1	(40.0)	2.5
Discontinued operations, net of income taxes	$(12.6)	$1.5	$(62.7)	$(1.7)

(1) See a roll forward of our environmental reserves as well as discussion on significant environmental issues that occurred during the 2014 in Note 11.
(2) See roll forward of our restructuring reserves in Note 7.

Note 11: Environmental Obligations

We have reserves for potential environmental obligations, which management considers probable and for which a reasonable estimate of the obligation could be made. Accordingly, we have reserves of $228.5 million and $225.7 million, excluding recoveries, at June 30, 2014 and December 31, 2013, respectively.

The estimated reasonably possible environmental loss contingencies, net of expected recoveries, exceed amounts accrued by approximately $170 million at June 30, 2014. 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.

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

The table below is a roll forward of our total environmental reserves, continuing and discontinued:

(in Millions)	Operating and Discontinued Sites Total
Total environmental reserves, net of recoveries at December 31, 2013	$204.7
Provision	27.3
Spending, net of recoveries	(20.9)
Net change	6.4
Total environmental reserves, net of recoveries at June 30, 2014	$211.1
Environmental reserves, current, net of recoveries [1]	40.6
Environmental reserves, long-term continuing and discontinued, net of recoveries [2]	170.5
Total environmental reserves, net of recoveries at June 30, 2014	$211.1

(1) “Current” includes only those reserves related to continuing operations. 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.

At June 30, 2014 and December 31, 2013, we have recorded recoveries representing probable realization of claims against U.S. government agencies, insurance carriers and other third parties. Recoveries are recorded as either an offset to the “Environmental liabilities, continuing and discontinued” or as “Other assets” in the condensed consolidated balance sheets. The table below is a roll forward of our total recorded recoveries from December 31, 2013 to June 30, 2014:

(in Millions)	12/31/2013	Increase in Recoveries	Cash Received	6/30/2014
Environmental liabilities, continuing and discontinued	$ 21.0	$ 0.9	$(4.5)	$ 17.4
Other assets	35.5	5.3	(5.9)	34.9
Total	$ 56.5	$ 6.2	$(10.4)	$52.3

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

	Three Months Ended June 30		Six Months Ended June 30	
(in Millions)	2014	2013	2014	2013
Continuing operations [1]	$1.3	$1.0	$2.7	$2.0
Discontinued operations [2]	11.9	3.2	19.4	6.5
Net environmental provision	$13.2	$4.2	$22.1	$8.5

(1) Recorded as a component of “Restructuring and other charges (income)” on our condensed consolidated statements of income. See Note 7.
(2) Recorded as a component of “Discontinued operations, net of income taxes" on our condensed consolidated statements of income. See Note 10.

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

On our condensed consolidated balance sheets, the net environmental provisions are recorded to the following balance sheet captions:

	Three Months Ended June 30		Six Months Ended June 30	
(in Millions)	2014	2013	2014	2013
Environmental reserves [1]	$18.4	$5.0	$27.3	$10.3
Other assets [2]	(5.2)	(0.8)	(5.2)	(1.8)
Net environmental provision	$13.2	$4.2	$22.1	$8.5

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

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 2013 Form 10-K. The following represents significant updates that occurred in 2014 related to these contingencies.

Pocatello Tribal Litigation

Following a trial on certain jurisdictional issues which occurred during April 2014, the Shoshone-Bannock Tribal Appellate Court issued a Statement of Decision finding in favor of the Tribes' jurisdiction over FMC and awarding costs on appeal to the Tribes. The Tribal Appellate Court conducted further post-trial proceedings and on May 6, 2014 issued Finding and Conclusions and a Final Judgment consistent with its earlier Statement of Decision.

The finding by the Shoshone-Bannock Tribal Appellate Court during May 2014 does not impact our reserves for the period ended June 30, 2014. Having now exhausted the Tribal administrative and judicial process, we intend to file an action in the United States District Court seeking declaratory and injunctive relief on the grounds that the Tribes lacked jurisdiction over us.

We have estimated a reasonably possible loss for this matter and it has been reflected in our total reasonably possible loss estimate previously discussed within this note.

Middleport

In 2013 we received from the New York State Department of Environmental Conservation ("NYSDEC"), the Final Statement of Basis ("FSOB"). The FSOB includes the same Corrective Action Management Alternative (“CMA”) as the Preliminary Statement of Basis, which we continue to believe is overly conservative and is not consistent with the 1991 Administrative Order on Consent ("AOC"), which governs the remedy selection.

In order to negotiate with the NYSDEC with respect to the FSOB, we entered into a tolling agreement with the NYSDEC. The tolling agreement serves as a “standstill” agreement to the FSOB so that time spent negotiating with the NYSDEC does not go against the statute of limitations under the FSOB. The tolling agreement expired on April 30, 2014. We were not able to reach an agreement with the NYSDEC; thus, on May 1, 2014, we submitted a Notice of Dispute to the United States Environmental Protection Agency ("EPA") seeking review of the remedy chosen by the NYSDEC. On May 30, 2014, 30 days after the tolling period expired, we filed an action in the Supreme Court of New York formally challenging the NYSDEC's FSOB. In that lawsuit, FMC is contending that NYSDEC breached the 1991 AOC by not following the procedures set forth in the AOC for remedy selection. On June 3, 2014, FMC received a letter from EPA (dated May 22, 2014) declining to review the Notice of Dispute. On June 20, 2014, FMC filed an action in the United States District Court for the Western District of New York seeking a declaratory judgment that the EPA is obligated under the 1991 AOC to hear the dispute.

The amount of the reserve for this site is $40.1 million at June 30, 2014 and $41.7 million at December 31, 2013. Our reserve continues to include the estimated liability for clean-up to reflect the costs associated with our recommended CMA. Our estimated reasonably possible environmental loss contingencies exposure reflects the additional cost of the

CMA proposed in the FSOB.

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

Note 12: 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 251,000 and 354,000 potential common shares excluded from Diluted EPS for the three and six months ended June 30, 2014. There were no potential common shares excluded from Diluted EPS for the three and six months ended June 30, 2013.
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.
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 June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Earnings (loss) attributable to FMC stockholders:				
Continuing operations, net of income taxes	$121.7	$116.5	$237.4	$250.6
Discontinued operations, net of income taxes	(12.6)	1.5	(62.7)	(1.7)
Net income attributable to FMC stockholders	$109.1	$118.0	$174.7	$248.9
Less: Distributed and undistributed earnings allocable to restricted award holders	(0.3)	(0.4)	(0.5)	(0.9)
Net income allocable to common stockholders	$108.8	$117.6	$174.2	$248.0
Basic earnings (loss) per common share attributable to FMC stockholders:				
Continuing operations	$0.91	$0.85	$1.78	$1.83
Discontinued operations	(0.09)	0.01	(0.47)	(0.01)
Net income attributable to FMC stockholders	$0.82	$0.86	$1.31	$1.82
Diluted earnings (loss) per common share attributable to FMC stockholders:				
Continuing operations	$0.90	$0.85	$1.77	$1.82
Discontinued operations	(0.09)	0.01	(0.47)	(0.01)
Net income attributable to FMC stockholders	$0.81	$0.86	$1.30	$1.81
Shares (in thousands):				
Weighted average number of shares of common stock outstanding - Basic	133,339	136,328	133,233	136,810
	1,015	813	1,044	926

Weighted average additional shares assuming conversion of potential common shares				
Shares – diluted basis	134,354	137,141	134,277	137,736

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Note 13: Equity
Refer to the table below for a reconciliation of equity, equity attributable to the parent, and equity attributable to noncontrolling interest:

(in Millions, Except Per Share Data)	FMC Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2013	$1,519.8	$ 52.3	$1,572.1
Net income	174.7	9.0	183.7
Stock compensation plans	15.1	—	15.1
Excess tax benefits from share-based compensation	4.0	—	4.0
Shares for benefit plan trust	0.5	—	0.5
Net pension and other benefit actuarial gains/(losses) and prior service costs, net of income tax (1)	12.6	—	12.6
Net hedging gains/(losses) and other, net of income tax (1)	6.7	—	6.7
Foreign currency translation adjustments (1)	46.9	(0.5)	46.4
Dividends ($0.30 per share)	(40.1)	—	(40.1)
Repurchases of common stock	(4.1)	—	(4.1)
Net distributions and other activities with noncontrolling interests	(25.5)	(3.0)	(28.5)
Balance at June 30, 2014	$1,710.6	$ 57.8	$1,768.4

(1) See condensed consolidated statements of comprehensive income.

Dividends and Share Repurchases

For the six months ended June 30, 2014 and 2013, we paid $38.0 million and $37.1 million, respectively, in dividends declared in previous periods. On July 17, 2014, we paid dividends totaling $20.1 million to our shareholders of record as of June 30, 2014. This amount is included in “Accrued and other liabilities” on the condensed consolidated balance sheet as of June 30, 2014.

During the six months ended June 30, 2014, we did not repurchase any shares under the publicly announced repurchase program. At June 30, 2014, $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.

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Note 14: Reclassifications of Accumulated Other Comprehensive Income

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 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
	Three Months Ended June 30		Six Months Ended June 30		
(in Millions)	2014	2013	2014	2013	
Foreign currency translation adjustments:					
Divestiture of FMC Peroxygens (3)	$—	$—	$(49.6)	$—	Discontinued operations, net of income taxes
Derivative instruments:					
Foreign currency contracts	$(2.4)	$0.5	$(3.3)	$0.4	Costs of sales and services
Energy contracts	0.5	0.5	1.5	0.2	Costs of sales and services
Foreign currency contracts	0.2	1.1	(1.4)	2.6	Selling, general and administrative expenses
Other contracts	—	(0.1)	—	(0.1)	Interest expense, net
Total before tax	$(1.7)	$2.0	$(3.2)	$3.1	
	0.6	(0.6)	1.0	(1.0)	Provision for income taxes
Amount included in net income	$(1.1)	$1.4	$(2.2)	$2.1	
Pension and other postretirement benefits (2):					
Amortization of prior service costs	$(0.4)	$(0.5)	$(0.9)	$(1.0)	Selling, general and administrative expenses
Amortization of unrecognized net actuarial and other gains (losses)	(8.0)	(16.8)	(15.1)	(33.5)	Selling, general and administrative expenses
Recognized loss due to settlement	$(2.0)	$—	$(3.6)	$—	Selling, general and administrative expenses
Total before tax	$(10.4)	$(17.3)	$(19.6)	$(34.5)	
	3.7	6.6	6.9	13.0	Provision for income taxes
Amount included in net income	$(6.7)	$(10.7)	$(12.7)	$(21.5)	
Total reclassifications for the period	$(7.8)	$(9.3)	$(14.9)	$(19.4)	Amount included in net income

(1) Amounts in parentheses indicate charges to the condensed consolidated statements of income.
(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 15.
(3) The reclassification of historical cumulative translation adjustments was the result of the divestiture of our FMC Peroxygens business during the quarter ended March 31, 2014. The loss recognized from this reclassification is considered permanent for tax purposes and therefore no tax has been provided. See Note

10 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.

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Note 15: Pensions and Other Postretirement Benefits
The following table summarizes the components of continuing net annual benefit cost (income):

	Three Months Ended June 30				Six Months Ended June 30			
(in Millions)	Pensions		Other Benefits		Pensions		Other Benefits	
	2014	2013	2014	2013	2014	2013	2014	2013
Components of net annual benefit cost (income):								
Service cost	$4.9	$5.4	$—	$—	$9.7	$10.8	$—	$—
Interest cost	15.6	13.5	0.3	0.3	31.0	28.0	0.6	0.6
Expected return on plan assets	(21.6)	(19.2)	—	—	(43.2)	(38.4)	—	—
Amortization of prior service cost (credit)	0.4	0.6	—	—	0.9	1.1	—	—
Recognized net actuarial and other (gain) loss	7.8	17.5	(0.4)	(0.5)	15.7	35.0	(0.8)	(0.9)
Recognized loss due to settlement (1)	2.0	—	—	—	3.6	—	—	—
Net periodic benefit cost from continuing operations	$9.1	$17.8	$(0.1)	$(0.2)	$17.7	$36.5	$(0.2)	$(0.3)

(1) 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.

We made voluntary cash contributions to our U.S. defined benefit pension plan of $32.0 million and $27.0 million in the six months ended June 30, 2014 and 2013, respectively. We expect to make approximately $50 million in voluntary cash contributions to our U.S. defined benefit pension plan during 2014.

Note 16: Income Taxes
Provision for income taxes was $41.5 million resulting in an effective tax rate of 24.8 percent compared to a provision of $35.7 million resulting in an effective tax rate of 23.0 percent for the three months ended June 30, 2014 and 2013, respectively. Provision for income taxes was $80.8 million resulting in an effective tax rate of 24.7 percent compared to a provision of $81.1 million resulting in an effective tax rate of 23.9 percent for the six months ended June 30, 2014 and 2013, respectively. The increase in the effective tax rate was primarily the result of the change in the mix of domestic income compared to income earned outside of the U.S. A larger portion of our earnings were earned by our domestic operations which generally has a higher tax rate than that of our foreign operations.

Note 17: 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

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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 $1,801.2 million and $1,895.8 million and the carrying amount is $1,697.9 million and $1,851.9 million as of June 30, 2014 and December 31, 2013, 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 (Note 18). 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. A detailed description of these risks including a discussion on the concentration of credit risk is provided in Note 18 to our consolidated financial statements on our 2013 Form 10-K.

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 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 June 30, 2014, we had open foreign currency forward contracts in AOCI in a net after tax loss position of $1.2 million designated as cash flow hedges of underlying forecasted sales and purchases. Current open contracts hedge forecasted transactions until December 31, 2015. At June 30, 2014, 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 $470.3 million.

As of June 30, 2014, we had current open commodity contracts in AOCI in a net after tax gain position of $0.5 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, 2015. At June 30, 2014, we had an equivalent of 5.5 mmBTUs (millions of British Thermal Units) in aggregate notional volume of outstanding natural gas commodity forward contracts to hedge forecasted purchases.

Of the $0.7 million of net losses after-tax, representing both open foreign currency exchange contracts and commodity contracts, approximately $0.8 million of these losses would be realized in earnings during the twelve months ending June 30, 2015 and $0.1 million of net gains will be realized subsequent to June 30, 2015, if spot rates in the future are consistent with forward rates as of June 30, 2014. The actual effect on earnings will be dependent on the actual spot rates when the forecasted transactions occur. We recognize derivative gains and losses in the “Costs of sales and services” line in the condensed consolidated statements of income.

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 $1,144.0 million at June 30, 2014.

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We held an immaterial amount of bushels, in aggregate notional volume of outstanding soybean contracts, to hedge outstanding barter contracts at June 30, 2014.

Fair Value of Derivative Instruments
The following tables provide the gross fair value and net balance sheet presentation of our derivative instruments as of June 30, 2014 and December 31, 2013.

	June 30, 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	$5.7	$0.1	$5.8	$(5.4)	$0.4
Energy contracts	1.1	—	1.1	(0.2)	0.9
Total derivative assets [1]	$6.8	$0.1	$6.9	$(5.6)	$1.3
Foreign exchange contracts	$(7.5)	$(6.2)	$(13.7)	$5.4	$(8.3)
Energy contracts	(0.4)	—	(0.4)	0.2	(0.2)
Total derivative liabilities [2]	$(7.9)	$(6.2)	$(14.1)	$5.6	$(8.5)
Net derivative assets/(liabilities)	$(1.1)	$(6.1)	$(7.2)	$—	$(7.2)

	December 31, 2013 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	$6.3	$5.5	$11.8	$(6.7)	$5.1
Energy contracts	0.7	—	0.7	(0.2)	0.5
Total derivative assets [1]	$7.0	$5.5	$12.5	$(6.9)	$5.6
Foreign exchange contracts	$(17.7)	$(0.6)	$(18.3)	$6.7	$(11.6)
Energy contracts	(0.6)	—	(0.6)	0.2	(0.4)
Total derivative liabilities [2]	$(18.3)	$(0.6)	$(18.9)	$6.9	$(12.0)
Net derivative assets/(liabilities)	$(11.3)	$4.9	$(6.4)	$—	$(6.4)

(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 summarizes the gains or losses related to our cash flow hedges and derivatives not designated as hedging instruments for the three and six months ended June 30, 2014 and 2013, respectively.

Derivatives in Cash Flow Hedging Relationships

	Three Months Ended June 30							
	Contracts							
	Foreign Exchange		Energy		Other		Total	
(in Millions)	2014	2013	2014	2013	2014	2013	2014	2013
Unrealized hedging gains (losses) and other, net of tax	$2.0	$(7.0)	$—	$(2.4)	$—	$—	$2.0	$(9.4)
Reclassification of deferred hedging (gains) losses, net of tax [(1)]								
Effective portion	1.4	(1.0)	(0.3)	(0.3)	—	(0.1)	1.1	(1.4)
Total derivative instrument impact on comprehensive income	$3.4	$(8.0)	$(0.3)	$(2.7)	$—	$(0.1)	$3.1	$(10.8)

	Six Months Ended June 30							
	Contracts							
	Foreign Exchange		Energy		Other		Total	
(in Millions)	2014	2013	2014	2013	2014	2013	2014	2013
Unrealized hedging gains (losses) and other, net of tax	$3.1	$(3.2)	$1.4	$—	$—	$—	$4.5	$(3.2)
Reclassification of deferred hedging (gains) losses, net of tax [(1)]								
Effective portion	3.2	(1.9)	(1.0)	(0.1)	—	(0.1)	2.2	(2.1)
Total derivative instrument impact on comprehensive income	$6.3	$(5.1)	$0.4	$(0.1)	$—	$(0.1)	$6.7	$(5.3)

(1) See Note 14 for classification of amounts within the condensed consolidated statements of income.

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			
		Three Months Ended June 30		Six Months Ended June 30	
(in Millions)		2014	2013	2014	2013
Foreign exchange contracts	Cost of sales and services	$6.2	$(0.6)	$1.3	$(2.5)
Total		$6.2	$(0.6)	$1.3	$(2.5)

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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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 our condensed consolidated balance sheets as of June 30, 2014 and December 31, 2013. During the periods presented there were no transfers between fair-value hierarchy levels.

(in Millions)	June 30, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Derivatives – Commodities [1]:				
Energy contracts	$0.9	$—	$0.9	$—
Derivatives – Foreign exchange [1]	0.4	—	0.4	—
Other [2]	30.6	30.6	—	—
Total assets	$31.9	$30.6	$1.3	$—
Liabilities				
Derivatives – Commodities [1]:				
Energy contracts	$0.2	$—	$0.2	$—
Derivatives – Foreign exchange [1]	8.3	—	8.3	—
Other [3]	35.0	33.9	1.1	—
Total liabilities	$43.5	$33.9	$9.6	$—

(1) See the Fair Value of Derivative Instruments table within this Note for classifications on our 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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(in Millions)	December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Derivatives – Commodities[1]:				
Energy contracts	$0.5	$—	$0.5	$—
Derivatives – Foreign exchange[1]	5.1	—	5.1	—
Other [2]	32.7	32.7	—	—
Total assets	$38.3	$32.7	$5.6	$—
Liabilities				
Derivatives – Commodities[1]:				
Energy contracts	$0.4	$—	$0.4	$—
Derivatives – Foreign exchange[1]	11.6	—	11.6	—
Other [3]	37.4	37.4	—	—
Total liabilities	$49.4	$37.4	$12.0	$—

(1) See the Fair Value of Derivative Instruments table within this Note for classification on our 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 our condensed consolidated balance sheets during the six months ended June 30, 2014 and the year ended December 31, 2013.

(in Millions)	June 30, 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) (Six Months Ended June 30, 2014)
Liabilities					
Liabilities associated with exit activities [1]	$1.9	$—	$—	$ 1.9	$(5.8)
Total liabilities	$1.9	$—	$—	$ 1.9	$(5.8)

(1)

This amount represents severance liabilities associated with the Health and Nutrition restructuring as further described in Note 7.

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(in Millions)	December 31, 2013	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, 2013)
Assets					
Net assets of discontinued operations held for sale (1)	$150.1	$—	$—	$150.1	$(156.7)
Long-lived assets associated with exit activities (2)	2.6	—	—	2.6	(1.9)
Total assets	$152.7	$—	$—	$152.7	$(158.6)
Liabilities					
Liabilities associated with exit activities (3)	$—	$—	$—	$—	$(7.2)
Total liabilities	$—	$—	$—	$—	$(7.2)

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(1) We assessed the carrying value of the net assets held for sale of our discontinued FMC Peroxygens segment at December 31, 2013. This charge was recorded in "Discontinued operations, net of income taxes" for the year ended December 31, 2013. Our evaluation of fair value, less cost to sell was based on the signed definitive agreement with One Equity Partners.

(2) We recorded charges, within our FMC Minerals segment, to write down the value of certain long-lived assets to their fair value related to our Lithium restructuring.

(3) This amount represents severance liabilities associated with the Lithium restructuring.

Note 18: 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 June 30, 2014. 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 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)	$52.5
Debt guarantees (2)	71.7
Total	$124.2

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(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. 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 are 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.

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Contingencies

Competition / antitrust litigation related to the discontinued FMC Peroxygens business. 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. The court issued its formal reference to the ECJ on April 29, 2013. Such a reference to the ECJ normally takes 12-18 months from the date of formal reference for completion. 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.

Canadian antitrust actions. In 2005, after public disclosures of the U.S. federal grand jury investigation into the hydrogen peroxide industry (which resulted in no charges brought against us) and the filing of various class actions in U.S. federal and state courts, which have all been settled, putative class actions against us and five other major hydrogen peroxide producers were filed in provincial courts in Ontario, Quebec and British Columbia under the laws of Canada. The other five defendants have settled these claims for a total of approximately $20.6 million. On September 28, 2009, the Ontario Superior Court of Justice certified a class of direct and indirect purchasers of hydrogen peroxide from 1994 to 2005. Our motion for leave to appeal the class certification decision was denied in June 2010. The case was largely dormant while the Canadian Supreme Court considered, in different litigation, whether indirect purchasers may recover overcharges in antitrust actions. In October 2013 the Court ruled that such recovery is permissible. Despite this ruling, the plaintiffs have now moved to dismiss certain downstream purchasers from the case and to reduce the class period to November 1, 1998 through December 31, 2003 - thereby eliminating six of the eleven years of the originally certified class period. Since the proceedings are in the preliminary stages with respect to the merits, we are unable to develop a reasonable estimate of our potential exposure of loss at this time. We intend to vigorously defend these matters.

Asbestos claims. Like hundreds of other industrial companies, we have been named as one of many defendants in asbestos-related personal injury litigation. Most of these cases allege personal injury or death resulting from exposure to asbestos in premises of FMC or to asbestos-containing components installed in machinery or equipment manufactured or sold by businesses classified as discontinued operations. We intend to continue managing these cases in accordance with our historical experience. We have established a reserve for this litigation within our discontinued operations and are unable to develop a reasonable estimate of any exposure of a loss in excess of the established reserve. Our experience has been that the overall trends in terms of the rate of filing of asbestos-related claims with respect to all potential defendants has changed over time, and that filing rates as to us in particular have varied significantly over the last several years. We are a peripheral defendant - that is, we have never manufactured asbestos or asbestos-containing components. As a result, claim filing rates against us have yet to form a predictable pattern, and we are unable to project a reasonably accurate future filing rate and thus, we are presently unable to reasonably estimate our asbestos liability with respect to claims that may be filed in the future.

Other contingent liabilities. In addition to the matters disclosed above, we have certain other contingent liabilities arising from litigation, claims, products we have sold, guarantees or warranties we have made, contracts we have entered into, indemnities we have provided, and other commitments incident to the ordinary course of business. Some of these contingencies are known - for example pending product liability litigation or claims - but are so preliminary that the merits cannot be determined, or if more advanced, are not deemed material based on current knowledge; and some are unknown - for example, claims with respect to which we have no notice or claims which may arise in the future, resulting from products we have sold, guarantees or warranties we have made, or indemnities we have provided. Therefore, we are unable to develop a reasonable estimate of our potential exposure of loss for these contingencies, either individually or in the aggregate, at this time. Based on information currently available and established reserves, we have no reason to believe that the ultimate resolution of our known contingencies, including the matters described in this Note, will have a material adverse effect on our consolidated financial position, liquidity or results of operations. However, there can be no assurance that the outcome of these contingencies will be favorable, and adverse results

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

in certain of these contingencies could have a material adverse effect on our consolidated financial position, results of operations in any one reporting period, or liquidity.
See Note 11 for legal proceedings associated with our environmental contingencies.

Note 19: Segment Information

(in Millions)	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Revenue				
FMC Agricultural Solutions	$531.2	$442.6	$998.1	$937.8
FMC Health and Nutrition	207.1	189.9	433.3	381.8
FMC Minerals	249.6	244.4	498.3	469.0
Eliminations	(0.1)	(0.9)	(0.1)	(1.9)
Total	$987.8	$876.0	$1,929.6	$1,786.7
Income from continuing operations before income taxes				
FMC Agricultural Solutions	$130.7	$124.7	$250.8	$288.0
FMC Health and Nutrition	49.1	44.3	100.0	88.0
FMC Minerals	42.8	35.4	79.6	64.4
Eliminations	—	(0.1)	—	(0.2)
Segment operating profit	$222.6	$204.3	430.4	440.2
Corporate and other	(19.6)	(20.3)	(37.1)	(40.1)
Operating profit before the items listed below	$203.0	$184.0	$393.3	$400.1
Interest expense, net	(15.3)	(11.1)	(28.8)	(21.6)
Restructuring and other (charges) income (1)	(2.7)	(5.9)	(9.4)	(15.2)
Non-operating pension and postretirement (charges) income (2)	(2.7)	(11.6)	(6.9)	(24.3)
Business separation costs (3)	(13.8)	—	(16.8)	—
Acquisition related charges (4)	(1.1)	—	(4.2)	—
Provision for income taxes	(41.5)	(35.7)	(80.8)	(81.1)
Discontinued operations, net of income taxes	(12.6)	1.5	(62.7)	(1.7)
Net income attributable to noncontrolling interests	$(4.2)	$(3.2)	$(9.0)	$(7.3)
Net income attributable to FMC stockholders	$109.1	$118.0	$174.7	$248.9

(1) See Note 7 for details of restructuring and other charges (income). Amounts for the three months ended June 30, 2014, relate to FMC Health and Nutrition of $1.0 million, FMC Minerals of $(0.1) million and Corporate of $1.8 million. Amounts for the three months ended June 30, 2013, relate to FMC Agricultural Solutions of $1.4 million, FMC Minerals of $3.5 million and Corporate of $1.0 million. Amounts for the six months ended June 30, 2014, relate to FMC Health and Nutrition of $5.9 million and Corporate of $3.5 million. Amounts for the six months ended June 30, 2013, relate to FMC Agricultural Solutions of $2.0 million, FMC Health and Nutrition of $0.6 million, FMC Minerals of $9.3 million and Corporate of $3.3 million.

(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, provides 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 our 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 our condensed consolidated statements of income.

(3) Charges are associated with our announced plan to separate into two independent public companies. See Note 3 for more detail on the business separation costs. These charges are included within "Business separation costs" on our condensed consolidated income statement. These costs were primarily related to professional fees associated with separation activities within the finance and legal functions.

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

(4) Charges relate to the expensing of the inventory fair value step-up resulting from the application of purchase accounting for acquisitions and costs incurred associated the completion of acquisitions. On the condensed consolidated statements of income, the charges associated with inventory fair value step-up are included in "Costs of sales and services" and fees associated with concluding the acquisitions are included in "Selling, general and administrative expenses". Charges for the three and six months ended June 30, 2014, represented amortization of inventory fair value step-up associated with our Epax acquisition completed in the latter part of 2013 within our FMC Health and Nutrition segment, see Note 3 to our 2013 10-K for more information.

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

Note 20: Supplemental Information

We have various subsidiaries that conduct business within Argentina, primarily in our FMC Agricultural Solutions and FMC Minerals segments. At June 30, 2014 we had $56.4 million of outstanding receivables due from the Argentina government which primarily represent export tax and valued added tax receivables. As with all outstanding receivable balances we continually review recoverability by analyzing historical experience, current collection trends and regional business and political factors among other factors. We have further analyzed the recoverability of our outstanding receivables from the Argentina government in light of the current economic and political environment within Argentina, including the recent credit downgrades of local and federal governments and the recent US Supreme Court ruling regarding hold-out bond creditor payments. Based on our analysis of the impact of economic conditions in Argentina on our receivables, at this time, we believe the outstanding receivables to be recoverable.

On July 31, 2014, the Argentina Government defaulted on some of its debt obligations. At this time, we are not able to reasonably estimate the financial statement impact of this event, if any.

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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, 2013 (the “2013 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 I of the 2013 10-K 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 2013 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 “Application of Critical Accounting Policies” section in our 2013 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

We did not adopt any changes in the current period that had a material effect on these critical accounting policies nor did we make any changes to our accounting policies that would have changed these critical accounting policies.

RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS AND REGULATORY ITEMS

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

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 Minerals. 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 Minerals segment manufactures a wide range

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of inorganic materials, including soda ash and lithium. Soda ash is utilized in markets such as glass and detergents and lithium is utilized in energy storage, specialty polymers and pharmaceutical synthesis.

Second Quarter 2014 Highlights

The following are the more significant developments in our businesses during the three months ended June 30, 2014:

- Revenue of $987.8 million for the three months ended June 30, 2014 increased $111.8 million or 13 percent versus the same period last year. The increase in revenue was driven by all three of our segments. 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 increased by 11 percent, sales in Asia were up 20 percent, Latin America sales increased by seven percent and sales in Europe, Middle East and Africa were up 18 percent.
- Our gross margin, excluding acquisition related charges, increased by approximately $31 million or approximately 10 percent to $358.7 million versus prior year's quarter. Gross margin percent of 36 percent declined from 37 percent. The reduction in gross margin and gross margin percent was driven by unfavorable currency movements and product mix of sales in FMC Agricultural Solutions.
- Selling, general and administrative expenses, excluding non-operating pension and postretirement charges increased by approximately $7 million or six percent to $122.3 million. The majority of these increases were experienced in our FMC Agricultural Solutions segment.
- Research and Development expenses of $33.2 million increased approximately $6 million or 20 percent. This increase is primarily related to spending in FMC Agricultural Solutions to fund investments in earlier stage active ingredient research, biological crop protection development projects and rapid market innovation initiatives.
- Adjusted after-tax earnings from continuing operations attributable to FMC stockholders of $135.7 million increased $7.8 million or 6 percent primarily due to higher operating results in FMC Agricultural Solutions, FMC Health and Nutrition and FMC Minerals. See the disclosure of our Adjusted Earnings Non-GAAP financial measurement below, under the section titled "Results of Operations".

Other Highlights

- On March 10, 2014, we announced a plan to separate into two independent public companies. One company initially referred to as “New FMC,” will contain our FMC Agricultural Solutions and FMC Health and Nutrition segments, while the other company, "FMC Minerals", will be comprised of our FMC Minerals segment. “New FMC” will be renamed "FMC Corporation" subsequent to the separation. During the second quarter we incurred $13.8 million in business separation costs as we continued to separate into two independent public companies.

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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 June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Revenue				
FMC Agricultural Solutions	$531.2	$442.6	$998.1	$937.8
FMC Health and Nutrition	207.1	189.9	433.3	381.8
FMC Minerals	249.6	244.4	498.3	469.0
Eliminations	(0.1)	(0.9)	(0.1)	(1.9)
Total	$987.8	$876.0	$1,929.6	$1,786.7
Income (loss) from continuing operations before income taxes				
FMC Agricultural Solutions	$130.7	$124.7	$250.8	$288.0
FMC Health and Nutrition	49.1	44.3	100.0	88.0
FMC Minerals	42.8	35.4	79.6	64.4
Eliminations	—	(0.1)	—	(0.2)
Segment operating profit	$222.6	$204.3	$430.4	$440.2
Corporate and other	(19.6)	(20.3)	(37.1)	(40.1)
Operating profit before the items listed below	$203.0	$184.0	$393.3	$400.1
Interest expense, net	(15.3)	(11.1)	(28.8)	(21.6)
Corporate special (charges) income:				
Restructuring and other (charges) income [1]	(2.7)	(5.9)	(9.4)	(15.2)
Non-operating pension and postretirement charges [2]	(2.7)	(11.6)	(6.9)	(24.3)
Business separation costs [3]	(13.8)	—	(16.8)	—
Acquisition related charges [4]	(1.1)	—	(4.2)	—
Provision for income taxes	(41.5)	(35.7)	(80.8)	(81.1)
Discontinued operations, net of income taxes	(12.6)	1.5	(62.7)	(1.7)
Net income attributable to noncontrolling interests	(4.2)	(3.2)	(9.0)	(7.3)
Net income attributable to FMC stockholders	$109.1	$118.0	$174.7	$248.9

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(1) See Note 7 for details of restructuring and other charges (income). Amounts for the three months ended June 30, 2014, relate to FMC Health and Nutrition of $1.0 million, FMC Minerals of $(0.1) million and Corporate of $1.8 million. Amounts for the three months ended June 30, 2013, relate to FMC Agricultural Solutions of $1.4 million, FMC Minerals of $3.5 million, and Corporate of $1.0 million. Amounts for the six months ended June 30, 2014, relate to FMC Health and Nutrition of $5.9 million and Corporate of $3.5 million. Amounts for the six months ended June 30, 2013, relate to FMC Agricultural Solutions of $2.0 million, FMC Health and Nutrition of $0.6 million, FMC Minerals of $9.3 million and Corporate of $3.3 million.

(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, provides 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 our 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 our condensed consolidated statements of income.

(3) Charges are associated with our announced plan to separate into two independent public companies. See Note 3 in our condensed consolidated financial statements filed in this Form 10-Q for more detail on the business separation costs. These charges are included

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within "Business separation costs" on our condensed consolidated income statement. These costs were primarily related to professional fees associated with separation activities within the finance and legal functions.

(4) Charges relate to the expensing of the inventory fair value step-up resulting from the application of purchase accounting for acquisitions and costs incurred associated the completion of acquisitions. On the condensed consolidated statements of income, the charges associated with inventory fair value step-up are included in “Costs of sales and services” and fees associated with concluding the acquisitions are included in "Selling, general and administrative expenses". Charges for the three and six months ended June 30, 2014, represented amortization of inventory fair value step-up associated with our Epax acquisition completed in the latter part of 2013 within our FMC Health and Nutrition segment, see Note 3 to our 2013 10-K for more information.

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 attributable to FMC stockholders”. We believe that this measure provides useful information about our operating results to investors and securities analysts. We also believe that excluding the effect of restructuring and other income and charges, non-operating pension and postretirement charges, certain 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 June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Net income attributable to FMC stockholders (GAAP)	$109.1	$118.0	$174.7	$248.9
Corporate special charges (income), pre-tax	20.3	17.5	37.3	39.5
Income tax expense (benefit) on Corporate special charges (income)	(7.3)	(6.8)	(13.1)	(14.9)
Corporate special charges (income), net of income taxes	$13.0	$10.7	$24.2	$24.6
Discontinued operations, net of income taxes	12.6	(1.5)	62.7	1.7
Tax adjustments	1.0	0.7	1.0	1.7
Adjusted after-tax earnings from continuing operations attributable to FMC stockholders (Non-GAAP)	$135.7	$127.9	$262.6	$276.9

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 19 of our condensed consolidated financial statements filed in this Form 10-Q and in Note 20 of our consolidated financial statements in our 2013 Form 10-K.

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FMC Agricultural Solutions

($ in Millions)	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Revenue	$531.2	$442.6	$998.1	$937.8
Operating Profit	130.7	124.7	250.8	288.0

Three Months Ended June 30, 2014 vs. 2013

Revenue of $531.2 million increased approximately 20 percent versus the prior year quarter due to increased sales across all regions.

In Latin America, sales were $202.7 million up 10 percent, driven by expanded market access and higher sales of third party products in the region; these sales were partially offset by poor conditions that impacted sugarcane plantings in Brazil and reduced demand for herbicides and insecticides. In North America, sales were $168.6 million, up 27 percent , due to the prolonged cold weather that resulted in a shift in timing of sales into the second quarter. Sales in Europe, Middle East and Africa (EMEA) increased 46 percent to $62.3 million driven by higher herbicide volumes. Asian sales were $97.6 million, up 17 percent, reflecting sales growth in Australia, Pakistan, Korea and China.

FMC Agricultural Solutions' operating profit of $130.7 million increased approximately five percent compared to the prior-year quarter, reflecting the sales increases described in the preceding paragraph. Segment operating profit margin was impacted by changes in product mix, unfavorable foreign exchange movements and planned increases to selling, general and administrative (S,G&A) costs as well as research and development (R&D). S,G&A costs were approximately $7 million higher and R&D costs were approximately $6 million higher than the prior-year quarter with spending focused on sales and technology investments.

Six Months Ended June 30, 2014 vs. 2013

Revenue of $998.1 million increased approximately six percent versus the prior year period due to sales growth across all regions despite unfavorable weather conditions during the first half of the year.

Latin America sales of $343.1 million increased one percent. North America sales of $389.2 million increased eight percent and EMEA sales of $87.6 million increased nine percent. Revenue in Asia of $178.2 million increased 12 percent mainly reflecting sales growth in Australia, India, Pakistan and China.

FMC Agricultural Solutions' operating profit of $250.8 million decreased approximately 13 percent compared to the year-ago period, reflecting unfavorable currency impacts, planned increases to S,G&A as well as R&D costs and weather-related changes in product mix. S,G&A costs were approximately $12 million higher and R&D costs were approximately $4 million higher than the prior-year period with spending on marketing, sales and technology investments.

In 2014, we expect full-year segment revenue to grow mid- to high- single digits percentage reflecting increased volumes and growth from new and recently introduced products, particularly in Latin America and Europe. We expect full-year segment operating profit growth in the mid-single digits percentage driven primarily by continued market share gain in Latin America partially offset by the drought conditions affecting sugarcane in Brazil.

Certain Regulatory Issues

We intend to defend vigorously all our products in the U.S., EU and other countries as our pesticide products are reviewed in the ordinary course of regulatory programs during 2014 as part of the ongoing cycle of re-registration of our pesticide products around the world. In early 2014, the Brazilian health surveillance agency informed us that they intend to complete their review of carbofuran along with several other major pesticides by the end of this year, but the agency has not yet issued any required formal announcement that identifies their specific concerns or preliminary position on re-registration. We are co-operating and defending our product in this process. Under the Brazilian regulatory process, any recommendation would require public notice and comment as well as concurrence from the Brazilian environmental and agricultural ministries before any regulatory change is effective. Thus, we do not expect any material sales impact due to this Brazilian regulatory review during 2014.

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FMC Health and Nutrition

($ in Millions)	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Revenue	$207.1	$189.9	$433.3	$381.8
Operating Profit	49.1	44.3	100.0	88.0

Three Months Ended June 30, 2014 vs. 2013

Revenue was $207.1 million, an increase of approximately nine percent versus the prior-year quarter. This revenue increase was due to higher sales into health markets, including revenue from acquisitions in 2013, slightly offset by weaker demand for nutrition products in Asia. Favorable price increases and currency contributed two percent, respectively, which were offset by lower volumes.

Segment operating profit of $49.1 million increased 11 percent versus the prior-year quarter primarily driven by the revenue growth discussed in the preceding paragraph and favorable mix of products.

Six Months Ended June 30, 2014 vs. 2013

Revenue was $433.3 million, an increase of approximately 13 percent versus the prior-year period. Revenue from health markets, including that from acquisitions in 2013, increased sales by approximately 12 percent. The combination of favorable pricing, increased volumes and currency increased sales by one percent.

Segment operating profit of $100.0 million increased 14 percent versus the year ago period. The increase is consistent with that of the three months ended June 30, 2014 noted above.

In 2014, full year segment revenue is expected to increase low- to mid-teens percentage versus 2013 driven by higher volumes in texture and stability solutions, natural colors and binder product lines and contributions from the omega-3 product line. Full year segment operating profit is expected to grow mid-teens percentage versus 2013 due to increased demand for functional ingredients and benefits from new omega-3 sales.

FMC Minerals

($ in Millions)	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Revenue	$249.6	$244.4	$498.3	$469.0
Operating Profit	42.8	35.4	79.6	64.4

Three Months Ended June 30, 2014 vs. 2013

Revenue was $249.6 million, an increase of approximately two percent versus the prior-year quarter. Increased production in our Lithium division drove higher sales.

Lithium revenues of $56.6 million increased 11 percent. Improved operations produced additional volumes and allowed for higher sales, particularly for energy storage applications.

Alkali revenues of $193.0 million remained consistent with prior-year quarter revenue of $193.4 million. Higher pricing increased revenues by one percent. Lower volumes related to timing of shipments and lower freight associated with geographic mix reduced revenue by one percent.

Segment operating profit of $42.8 million increased approximately 21 percent versus the prior-year quarter. Higher volumes in Lithium and favorable pricing in Alkali improved profitability. Higher energy costs in Alkali were offset by continued progress in manufacturing cost improvements.

Six Months Ended June 30, 2014 vs. 2013

Revenue was $498.3 million, an increase of approximately six percent versus the prior-year period. Volume gains in our Lithium division and improvements in soda ash pricing contributed to the higher revenue.

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Lithium revenues of $120.4 million increased 27 percent due to higher production volumes that allowed for additional sales, particularly for energy storage applications.

Alkali revenues of $377.9 million increased one percent compared to the period year period. Higher average prices contributed two percent. Lower volumes related to timing of shipments and lower freight associated with geographic mix reduced sales by one percent. The most notable price increases were realized in Asian export markets.

Segment operating profit of $79.6 million increased approximately 24 percent versus the prior-year period. Operating profit was driven by higher volumes in Lithium and improved pricing in Alkali. These increases were partially offset by unfavorable currency and energy costs.

In 2014, we expect full-year segment revenue to grow mid- to high- single digits percentage driven primarily by increased volumes in both lithium and soda ash and short- and long-term contracted price increases in soda ash. Full-year segment operating profit in 2014 is expected to grow high-teens percentage versus the previous year, reflecting lithium margin improvements and more favorable soda ash pricing versus 2013.

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 last-in, first-out (LIFO) related charges that are included as a component of "Cost of sales and services" on our condensed consolidated statements of income.

Three Months Ended June 30, 2014 vs. 2013

Corporate and other expenses of $19.6 million in the second quarter of 2014 decreased slightly by $0.7 million from $20.3 million in the same period in 2013.

Six Months Ended June 30, 2014 vs. 2013

Corporate and other expenses of $37.1 million in the first half of 2014 decreased by $3.0 million from $40.1 million in the same period in 2013. The decrease is partially driven by a reduction in our LIFO inventory reserve charge compared to prior period.

Interest expense, net

Three Months Ended June 30, 2014 vs. 2013

Interest expense, net for the second quarter of 2014 was $15.3 million as compared to the second quarter of 2013 of $11.1 million. The increase was primarily due to higher overall debt levels driven by funding requirements for the acquisition of Epax and increased working capital requirements.

Six Months Ended June 30, 2014 vs. 2013

Interest expense, net for the first half of 2014 was $28.8 million as compared to the first half of 2013 of $21.6 million. The increase is consistent with the description provided for the three months ended June 30, 2014.

Corporate special (charges) income

Three Months Ended June 30, 2014 vs. 2013

Restructuring and other charges (income)

	Three Months Ended June 30		Six Months Ended June 30	
(in Millions)	2014	2013	2014	2013
Restructuring charges and asset disposals	$1.4	$3.8	$6.7	$11.6
Other charges (income), net	1.3	2.1	2.7	3.6
Total restructuring and other charges	$2.7	$5.9	$9.4	$15.2

Restructuring and asset disposal charges in 2014 of $1.4 million were primarily associated with the announced Health and Nutrition restructuring. Other charges (income) net in 2014 of $1.3 million were primarily related to corporate environmental charges.

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Restructuring and asset disposal charges in 2013 of $3.8 million were primarily associated with the previously announced Lithium restructuring. Other charges (income) net in 2013 of $2.1 million were primarily related to corporate environmental charges.

The liabilities associated with the restructuring charges listed above are also included within Note 7 to our 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 June 30, 2014 was $2.7 million compared to $11.6 million for the three months ended June 30, 2013. The decrease was primarily the result of lower amortization of actuarial losses of $9.6 million attributable to a lengthening of the average remaining service period used for amortization purposes as a result of a completed actuarial study indicating overall decreases in retirement and termination activity.

Business separation costs

Charges are associated with our announced plan to separate into two independent public companies. See Note 3 to our condensed consolidated financial statements included in this Form 10-Q for more detail on the business separation costs.

Acquisition related charges

Charges for the three months ended June 30, 2014, represented the final amortization of inventory fair value step-up associated with our Epax acquisition within our FMC Health and Nutrition segment. No such charges existed for the three months ended June 30, 2013.

Six Months Ended June 30, 2014 vs. 2013

Restructuring and other charges (income)

Restructuring and asset disposal charges in 2014 of $6.7 million were primarily associated with the announced Health and Nutrition restructuring. Other charges (income) net in 2014 of $2.7 million were primarily related to corporate environmental charges.

Restructuring and asset disposal charges in 2013 of $11.6 million were primarily associated with the previously announced Lithium restructuring. Other charges (income) net in 2013 of $3.6 million were primarily related to corporate environmental charges.

Non-operating pension and postretirement charges

The charge for the six months ended June 30, 2014 was $6.9 million compared to $24.3 million for the six months ended June 30, 2013. The decrease was primarily the result of lower amortization of actuarial losses of $19.2 million attributable to a lengthening of the average remaining service period used for amortization purposes as a result of a completed actuarial study regarding the length of participant service.

Business separation costs

Charges are associated with our announced plan to separate into two independent public companies. See Note 3 to our condensed consolidated financial statements included in this Form 10-Q for more detail on the business separation costs.

Acquisition related charges

Charges for the six months ended June 30, 2014, represented the final amortization of inventory fair value step-up associated with our Epax acquisition within our FMC Health and Nutrition segment. No such charges existed for the six months ended June 30, 2013.

Provision for income taxes

Three Months Ended June 30, 2014 vs. 2013

Provision for income taxes was $41.5 million resulting in an effective tax rate of 24.8 percent compared to a provision of $35.7 million resulting in an effective tax rate of 23.0 percent for the three months ended June 30, 2014 and 2013, respectively. The increase in the effective tax rate was primarily the result of the change in the mix of domestic income compared to income earned outside of the U.S. A larger portion of our earnings were earned by our domestic operations which generally has a higher tax rate than that of our foreign operations.

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Six Months Ended June 30, 2014 vs. 2013

Provision for income taxes was $80.8 million resulting in an effective tax rate of 24.7 percent compared to a provision of $81.1 million resulting in an effective tax rate of 23.9 percent for the six months ended June 30, 2014 and 2013, respectively. The increase in the effective tax rate for the six months is consistent with the description provided above on the three months ended June 30, 2014.

Discontinued operations, net of income taxes

Our discontinued operations represent our discontinued FMC Peroxygens business results as well as adjustments to retained liabilities from previous 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. For more information on our Discontinued operations, net of income taxes, see Note 10 to our condensed consolidated financial statements included in this Form 10-Q.

Three Months Ended June 30, 2014 vs. 2013

Discontinued operations, net of income taxes represented a loss of $12.6 million for the three months ended June 30, 2014, compared to a gain of $1.5 million for the three months ended June 30, 2013. The loss for 2014 was driven by an increase in provisions for environmental liabilities and legal reserves. The gain recognized in 2013 was due to a $13.9 million insurance recovery related to previously discontinued operations legal matters.

Six Months Ended June 30, 2014 vs. 2013

Discontinued operations, net of income taxes represented a loss of $62.7 million for the six months ended June 30, 2014, compared to a loss of $1.7 million for the six months ended June 30, 2013. The increase was driven by the completed divestiture of our FMC Peroxygens business which resulted in an after-tax loss of $40.0 million.

Net income attributable to FMC stockholders

Three Months Ended June 30, 2014 vs. 2013

Net income attributable to FMC stockholders decreased to $109.1 million for the three months ended June 30, 2014, from $118.0 million for the three months ended June 30, 2013. The decrease was driven by higher costs from our discontinued operations and business separation costs. Partially offsetting these costs are higher segment operating profit and lower non-operating pension and postretirement charges.

Six Months Ended June 30, 2014 vs. 2013

Net income attributable to FMC stockholders decreased to $174.7 million for the six months ended June 30, 2014, from $248.9 million for the six months ended June 30, 2013. The decrease was due to reduced segment operating profits in our FMC Agricultural Solutions segment, the loss on the sale of our discontinued FMC Peroxygens business, and the costs associated with our recently announced business separation. Partially offsetting these costs are lower non-operating pension and postretirement charges.

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LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at June 30, 2014 and December 31, 2013, were $114.4 million and $123.2 million, respectively. Of the cash and cash equivalents balance at June 30, 2014, $101.6 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 June 30, 2014, we had total debt of $1,697.9 million as compared to $1,851.9 million at December 31, 2013. Total debt included $1,153.7 million and $1,154.1 million of long-term debt (excluding current portions of $18.9 million and $34.7 million) at June 30, 2014 and December 31, 2013, respectively. Short-term debt, which consists primarily of borrowings under our commercial paper program, decreased from $663.1 million at December 31, 2013 to $525.3 million at June 30, 2014. 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 June 30, 2014, the average effective interest rate on these borrowings was 0.33%.

Statement of Cash Flows

Cash provided by operating activities was $148.5 million and $248.0 million for the six months ended June 30, 2014 and 2013, respectively.

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

(in Millions)	Six Months Ended June 30	
	2014	2013
Income from continuing operations before equity in (earnings) loss of affiliates, interest income and expense and income taxes	$356.2	$361.0
Significant non-cash expenses [1]	91.6	103.5
Operating income before non-cash expenses (Non-GAAP)	$447.8	$464.5
Change in trade receivables [2]	(15.2)	29.9
Change in inventories [3]	(50.2)	10.4
Change in accounts payable	(52.3)	(71.7)
Change in accrued rebates [4]	146.0	178.8
Change in advance payments from customers [5]	(174.9)	(135.1)
Change in all other operating assets and liabilities [6]	(16.9)	(58.2)
Restructuring and other spending [7]	(4.6)	(6.5)
Environmental spending, continuing, net of recoveries [8]	(5.1)	(2.9)
Pension and other postretirement benefit contributions [9]	(45.2)	(43.0)
Cash basis operating income (Non-GAAP)	$229.4	$366.2
Interest payments	(19.6)	(22.4)
Tax payments [10]	(57.3)	(89.5)
Excess tax benefits from share-based compensation	(4.0)	(6.3)
Cash provided (required) by operating activities	$148.5	$248.0

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

(2) Overall, the use of cash in 2014 for trade receivables is due to increases in our FMC Health and Nutrition business as well as in our FMC Agricultural Solutions' business in Brazil where terms are significantly longer than the rest of our businesses. The change from 2013 to 2014 is also due timing of collections.

(3) The change in inventory from 2013 to 2014 resulted in a use of cash 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) These rebates are associated with our FMC Agricultural Solutions segment, primarily in North America and Brazil. The decrease from 2013 to 2014 is primarily associated with the mix in sales eligible for rebates and incentives in

2014 compared to 2013 as well as timing of payment of rebates.

(5) The advance payments from customers represent advances from our FMC Agricultural Solutions segment customers. The use of cash for each year presented is consistent with our sales increases year over each year.

(6) Changes in all periods presented primarily represent timing of payments associated with all other operating assets and liabilities, including guarantees issued to our vendors under our vendor finance program.

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

(8) Included in our results are environmental charges for environmental remediation at our operating sites of for the three and six months ended June 30, 2014 of $1.3 million and $2.7 million, respectively and $1.0 million and $2.0 million, respectively for the three and six months ended June 30, 2013. The amounts in 2014 will be spent in periods beyond second quarter 2014. The amounts in this row represent environmental remediation spending at our operating sites which were recorded against pre-existing reserves, net of recoveries.

(9) Amounts include voluntary contributions to our U.S. defined benefit plan of $32.0 million and $27.0 million, respectively for the six months ended June 30, 2014 and 2013.

(10) The reduction in tax payments from 2013 to 2014 is due to December 31, 2013 domestic prepaid tax balance that was utilized in the first quarter of 2014, thereby reducing tax payments for the first half 2014.

Cash required by operating activities of discontinued operations was $33.4 million and $14.9 million for the six months ended June 30, 2014 and 2013, respectively.

The increase in cash required by operating activities of discontinued operations in 2014 is due the spending associated with divestiture of our FMC Peroxygens business which was accrued for in first quarter of 2014 as well as increased spending associated with our other discontinued reserves which primarily includes retained legal obligations. This increased spending was slightly offset by reduced net spending associated with discontinued environmental remediation sites.

Cash required by investing activities of continuing operations was $125.3 million and $101.4 million for the six months ended June 30, 2014 and 2013, respectively.

The increase in spending during the six months ended June 30, 2014, as compared to the same period in 2013 was primarily due to higher capital expenditures in our FMC Health and Nutrition segment.

Cash provided (required) by investing activities of discontinued operations was $200.0 million and $(11.3) million for the six months ended June 30, 2014 and 2013, respectively.

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 10 in our condensed consolidated financial statements included in this Form 10-Q.

Cash required by financing activities was $198.2 million and $119.1 million for the six months ended June 30, 2014 and 2013, respectively.

The change period over period in financing activities is primarily due the repayment of debt in 2014 compared to borrowings in 2013. In 2013, increased borrowings were approximately $107 million compared to repayments in 2014 of $155 million. Additionally during the six months ended 2013 we paid approximately $116 million in share repurchases and $87 million to noncontrolling interests (primarily to acquire additional ownership in our FMC Wyoming business) compared to approximately $16 million in combined payments in 2014.

Other potential liquidity needs

On March 10, 2014, we announced a plan to separate into two independent public companies. One company initially referred to as “New FMC,” will contain our FMC Agricultural Solutions and FMC Health and Nutrition segments, while the other company, "FMC Minerals", will be comprised of our FMC Minerals segment. “New FMC” will be renamed "FMC Corporation" subsequent to the separation.

We are currently in the process of evaluating the form and structure to separate FMC Corporation into two separate independent companies. We expect the separation, which remains subject to final board approval and other customary conditions, to take the form of a tax-free distribution of shares to existing FMC Corporation shareholders. For the three and six months ended June 30, 2014, $13.8 million and $16.8 million, respectively in expense was recognized related to this transaction and is included within "Business separation costs" on our condensed consolidated statement of income. These costs were primarily related to professional fees associated with separation activities within finance and legal functions. We expect the cost to complete the separation will approximate $100 million to $130 million.

Our cash needs for 2014 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 June 30, 2014, our remaining borrowing capacity under our credit facility was $913.4 million (which includes borrowings under our commercial paper program).

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Projected 2014 capital expenditures as well as expenditures related to contract manufacturers are expected to be consistent with 2013, as increased capital expenditures in FMC Agricultural Solutions and FMC Minerals will be offset by a reduction in FMC Health and Nutrition.

Projected 2014 spending includes approximately $35 million of net environmental remediation spending. This spending does not include expected spending of approximately $10 million in 2014 on capital projects relating to environmental control facilities. Also, we expect to spend approximately $30 million in 2014 for environmental compliance costs, which we will include as a component of costs of sales and services in our condensed consolidated statements of income 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 (U.S. Plan), we have made voluntary contributions through June 30, 2014 and 2013 of $32.0 million and $27.0 million, respectively. We expect to make approximately $50 million in voluntary cash contributions to our U.S. defined benefit pension plan during 2014. These contributions are in excess of the minimum requirements. We made voluntary contributions of $40 million in 2013. We do not believe that these projected contributions will have a material negative impact on our current and future liquidity needs. However, any volatility of interest rates or negative equity returns may require greater contributions to the U.S. Plan in the future.

For the six months ended June 30, 2014 and 2013, we paid $38.0 million and $37.1 million, respectively, in dividends declared in previous periods. On July 17, 2014, we paid dividends totaling $20.1 million to our shareholders of record as of June 30, 2014. This amount is included in “Accrued and other liabilities” on the condensed consolidated balance sheet as of June 30, 2014.

During the six months ended June 30, 2014, we did not repurchase any shares under the publicly announced repurchase program. At June 30, 2014, $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.

We have various subsidiaries that conduct business within Argentina, primarily in our FMC Agricultural Solutions and FMC Minerals segments. At June 30, 2014 we had $56.4 million of outstanding receivables due from the Argentina government which primarily represent export tax and valued added tax receivables. As with all outstanding receivable balances we continually review recoverability by analyzing historical experience, current collection trends and regional business and political factors among other factors. We have further analyzed the recoverability of our outstanding receivables from the Argentina government in light of the current economic and political environment within Argentina, including the recent credit downgrades of local and federal governments and the recent US Supreme Court ruling regarding hold-out bond creditor payments. Based on our analysis of the impact of economic conditions in Argentina on our receivables, at this time, we believe the outstanding receivables to be recoverable.

On July 31, 2014, the Argentina Government defaulted on some of its debt obligations. At this time, we are not able to reasonably estimate the financial statement impact of this event, if any.

Commitments and Contingencies

See Note 18 to our condensed consolidated financial statements included in this Form 10-Q.

Contractual Commitments

Information related to our contractual commitments at December 31, 2013 can be found in a table included within Part II, Item 7 of our 2013 Form 10-K. There have been no material changes to our contractual commitments during the six months ended June 30, 2014.

Climate Change
A detailed discussion related to climate change can be found in Part II, Item 7 of our 2013 Form 10-K. There have been no material changes related to climate change from the information reported in our 2013 10-K.

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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 17 to our 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 June 30, 2014, our financial instrument position was a net liability of $7.2 million compared to a net liability of $6.4 million at December 31, 2013. The change in the net financial instrument position was primarily due to larger unrealized losses in our commodity and foreign exchange portfolios.

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.

Commodity Price Risk

Energy costs are approximately seven percent of our cost of sales and services and 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 June 30, 2014 and December 31, 2013, with all other variables (including interest rates) held constant.

		Hedged energy exposure vs. Energy market pricing	
(in Millions)	Net Asset / (Liability) Position	10% Increase	10% Decrease
Net asset/(liability) position at June 30, 2014	$0.7	$3.5	$(2.0)
Net asset/(liability) position at December 31, 2013	$0.1	$3.0	$(2.7)

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 June 30, 2014 and December 31, 2013 we had no outstanding soybean derivative contracts.

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 and the U.S. dollar versus the Brazilian real. 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 June 30, 2014 and December 31, 2013, with all other variables (including interest rates) held constant.

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(in Millions)	Net Asset / (Liability) Position	Hedged currency vs. Functional currency 10% Strengthening	10% Weakening
Net asset/(liability) position at June 30, 2014	$(7.9)	$21.5	$(36.4)
Net asset/(liability) position at December 31, 2013	$(6.5)	$9.1	$(21.0)

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 June 30, 2014 and December 31, 2013, we had no interest rate swap agreements.

Our debt portfolio, at June 30, 2014, is composed of 69 percent fixed-rate debt and 31 percent variable-rate debt. The variable-rate component of our debt portfolio principally consists of borrowings under our 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 June 30, 2014, a one percentage point increase in interest rates then in effect would have increased gross interest expense by $5.2 million and a one percentage point decrease in interest rates then in effect would have decreased gross interest expense by $1.9 million for the six months of June 30, 2014.

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.

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 June 30, 2014, 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.

(b) Change in Internal Controls. There have been no changes in internal control over financial reporting that occurred during the quarter ended June 30, 2014, that materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

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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 June 30, 2014, the related condensed consolidated statements of income and comprehensive income for the three-month and six-month periods ended June 30, 2014 and 2013, and the related condensed consolidated statements of cash flows for the six-month periods ended June 30, 2014 and 2013. 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, 2013, 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 18, 2014, 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, 2013, 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
August 1, 2014

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of developments in the legal proceedings disclosed in Part I, Item 3 of our 2013 Form 10-K, see Notes 11 and 18 to the condensed consolidated financial statements included within this Form 10-Q.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part 1, Item 1A "Risk Factors" of our 2013 Form 10-K. The risks described in our Form 10-K are not the only risks that we face. Additional risks not presently known to us or that we do not currently consider significant may also have an adverse effect on us. If any of the risks actually occur, our business, results of operations, cash flows or financial condition could suffer.

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

ISSUER PURCHASES OF EQUITY SECURITIES

			Publicly Announced Program (1)		
Period	Total Number of Shares Purchased (2)	Average Price Paid Per Share	Total Number of Shares Purchased	Total Dollar Amount Purchased	Maximum Dollar Value of Shares that May Yet be Purchased
April 1-30, 2014	345	$77.87	—	—	250,000,000
May 1-31, 2014	—	$—	—	—	250,000,000
June 1-30, 2014	—	$—	—	—	250,000,000
Total Q2 2014	345	$77.87	—	—	250,000,000

(1) 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.

(2) Represents reacquired shares for employees exercises in connection with the vesting and forfeiture of awards under our equity compensation plans.

ITEM 4. MINE SAFETY DISCLOSURES

Information regarding mine safety and other regulatory actions at our mine in Green River, Wyoming is included in Exhibit 95 to this Form 10-Q.

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
95	Mine Safety Disclosures
101	Interactive Data File

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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: August 1, 2014

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INDEX OF EXHIBITS FILED WITH THE
FORM 10-Q OF FMC CORPORATION
FOR THE QUARTER ENDED JUNE 30, 2014

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
95	Mine Safety Disclosures
101	Interactive Data File