FMC TECHNOLOGIES INC
Form 10-K
February 24, 2016

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

FORM 10-K

(Mark One)
ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015
or
.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission file number 001-16489

FMC TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	36-4412642
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5875 N. Sam Houston Parkway W., Houston, Texas	77086
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 281/591-4000
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ý NO ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ¨ NO ý
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ý NO ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ý NO ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§232.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ¨ NO ý

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant, determined by multiplying the outstanding shares on June 30, 2015, by the closing price on such day of $41.49 as reported on the New York Stock Exchange, was $5,416,567,545.*

The number of shares of the registrant's common stock, $0.01 par value, outstanding as of February 22, 2016 was 226,906,343.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to its 2016 annual meeting of stockholder are incorporated by reference into Part III of this Annual Report of Form 10-K where indicated. The 2016 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

* Excludes 99,371,968 shares of the registrant's Common Stock held by directors, officers and holders of more than 5% of the registrant's Common Stock as of June 30, 2015. Exclusion of shares held by any person should not be construed to indicate that such person or entity possesses the power, direct or indirect, to direct or cause the direction of the management or policies of the registrant, or that such person or entity is controlled by or under common control with the registrant.

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains “forward-looking statements” intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained in this report are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements usually relate to future events and anticipated revenues, earnings, cash flows or other aspects of our operations or operating results. Forward-looking statements are often identified by the words “believe,” “expect,” “anticipate,” “plan,” “intend,” “foresee,” “should,” “would,” “could,” “may,” “estimate,” “outlook” expressions, including the negative thereof. The absence of these words, however, does not mean that the statements are not forward-looking. These forward-looking statements are based on our current expectations, beliefs and assumptions concerning future developments and business conditions and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we anticipate.

All of our forward-looking statements involve risks and uncertainties (some of which are significant or beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections. Known material factors that could cause our actual results to differ from those in the forward-looking statements are those described in Part I, Item 1A “Risk Factors” of this Annual Report on Form 10-K. We wish to caution you not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any of our forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except to the extent required by law.

PART I

ITEM 1. BUSINESS

OVERVIEW

FMC Technologies, Inc. is a global provider of technology solutions for the energy industry. FMC Technologies, Inc. was incorporated in November 2000 under Delaware law and was a wholly-owned subsidiary of FMC Corporation until our initial public offering in June 2001. Our principal executive offices are located at 5875 North Sam Houston Parkway West, Houston, Texas 77086. As used in this report, except where otherwise stated or indicated by the context, all references to the "Company," "FMC Technologies," "we," "us," and "our" are to FMC Technologies, Inc. and its consolidated subsidiaries.

We design, manufacture and service technologically sophisticated systems and products, including subsea production and processing systems, surface wellhead production systems, high pressure fluid control equipment, measurement solutions and marine loading systems for the energy industry. We report our results of operations in the following reporting segments: Subsea Technologies, Surface Technologies and Energy Infrastructure. Financial information about our business segments is incorporated herein by reference from Note 20 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

During 2012, we acquired the remaining 55% of Schilling Robotics, LLC ("Schilling Robotics"), 100% of Pure Energy Services Ltd. ("Pure Energy") and 100% of Control Systems International, Inc. ("CSI"). Schilling Robotics is a supplier of advanced robotic intervention products, including a line of remotely operating vehicle systems ("ROV"), manipulator systems and subsea control systems and is included in our Subsea Technologies segment. Prior to 2012 we owned 45% of Schilling Robotics. The acquisition of the remaining 55% has enabled us to grow in the subsea market environment, where demand for ROVs and the need for maintenance activities of subsea equipment exists. Additionally, we acquired Pure Energy, a provider of flowback services and wireline services. The acquisition of Pure Energy complements the existing products and services of our Surface Technologies segment and creates client value by providing an integrated well site solution. Finally, we acquired CSI, a provider of automation, control and information technology to the oil and gas industry. Included in our Energy Infrastructure segment, CSI enhances our automation and controls technologies and benefits technologies to support our long-term strategy to expand our subsea production and processing systems.

Also in 2012, we formed FMC Technologies Offshore, LLC ("FTO Services"), a 50/50 joint venture with Edison Chouest Offshore LLC. Utilizing the subsea technologies, tooling and expertise of FMC Technologies, and the vessel, port logistics and ROV operations of Edison Chouest Offshore, the joint venture was formed to provide integrated vessel-based subsea services for offshore oil and gas fields around the world. The objective of the joint venture is to provide cost-effective solutions to enhance our customers' ability to initiate, maintain and increase production from subsea field developments. Additional information regarding this joint venture is incorporated herein by reference from Note 7 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

During 2014, we completed the sale of our equity interests and assets primarily representing a product line of our material handling business to Syntron Material Handling, LLC, an affiliate of Levine Leichtman Capital Partners Private Capital Solutions II, L.P. Additional financial information is incorporated herein by reference from Note 5 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

During 2015, we signed an agreement with Technip S.A. ("Technip") to form Forsys Subsea Limited ("Forsys Subsea"), a 50/50 joint venture. Forsys Subsea brings the proprietary technologies of FMC Technologies and Technip together to offer front-end engineering and design services aimed to identify opportunities through new technologies, services, and standardization of equipment to significantly reduce the cost of subsea field development and provide the technology to maximize well performance over the life of the field. In conjunction with the formation of Forsys Subsea, the agreement also formed an alliance with Technip that enables us to create the framework to deliver and install seabed and/or topside subsea infrastructure resulting from designs produced by Forsys Subsea. Additional financial information is incorporated herein by reference from Note 7 to our consolidated financial statements

included in Part II, Item 8 of this Annual Report on Form 10-K.

Also in 2015, we largely completed integration efforts in our Surface Technologies segment. These integration efforts, primarily in North America, bring together the services acquired from Pure Energy and our surface wellhead business to create an integrated shale offering. The integration efforts have the strategic aim (i) to improve our customers' returns by offering integrated solutions involving multiple surface products and services, (ii) to enable execution excellence through specialization and focus, (iii) to improve scalability and (iv) to increase market share in the North American shale market. Our integration efforts of our Surface Technologies products and services resulted in Surface Technologies now being organized and operated under the three businesses of surface integrated services, surface wellhead international, and fluid control.

Website Access to Reports and Proxy Statement. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements and Forms 3, 4 and 5 filed on behalf of directors and executive officers, and amendments to each of those reports, are available free of charge through our website at www.fmctechnologies.com, under "Investors—Financial Information—SEC Filings" as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission (the "SEC"). Alternatively, our reports may be accessed through the website maintained by the SEC at www.sec.gov. Unless expressly noted, the information on our website or any other website is not incorporated by reference in this Annual Report on Form 10-K and should not be considered part of this Annual Report on Form 10-K or any other filing we make with the SEC.

BUSINESS SEGMENTS

Subsea Technologies

Subsea Technologies designs and manufactures products and systems and provides services used by oil and gas companies involved in deepwater exploration and production of crude oil and natural gas. The core competencies of this segment are our technology and engineering expertise. Our systems control the flow of crude oil and natural gas from producing wells. We specialize in offshore production systems and have manufacturing facilities near the world's principal offshore oil and gas producing basins. We primarily market our products through our own technical sales organization.

Principal Products and Services

Subsea Systems. Our systems are used in the offshore production of crude oil and natural gas. Subsea systems are placed on the seafloor and are used to control the flow of crude oil and natural gas from the reservoir to a host processing facility, such as a floating production facility, a fixed platform or an onshore facility.

The design and manufacture of our subsea systems requires a high degree of technical expertise and innovation. Some of our systems are designed to withstand exposure to the extreme hydrostatic pressure that deepwater environments present, as well as internal pressures of up to 15,000 pounds per square inch ("psi") and temperatures in excess of 350º F. The development of our integrated subsea production systems includes initial engineering design studies and field development planning to consider all relevant aspects and project requirements including optimization of drilling programs and subsea architecture. Our subsea production systems and products include drilling systems, subsea trees, chokes and flow modules, manifold pipeline systems, control and data management systems, well access systems and other technologies. Additionally, as part of our technologies to enhance field economics by maximizing recovery, our subsea processing systems can enable cost-effective, platform-less solutions where the field is tied directly back to an existing offshore facility or directly to shore. Subsea processing system solutions include subsea boosting, subsea gas compression and subsea separation which are designed to accelerate production, increase recovery or extend field life. In order to provide these products, systems and services, we utilize engineering, project management, procurement, manufacturing, assembly and testing capabilities.

We also provide an array of subsea services aimed to improve uptime, lower lifecycle costs and increase recovery over the life of the field. These services include (i) installation services to plan and direct the technical onshore and offshore activities, resources and operations required in an installation, (ii) asset management services such as tool management, equipment refurbishment, condition and performance monitoring, processing equipment-related maintenance and rental tools, (iii) product optimization using a suite of services including flow assurance services, real-time surveillance, predictive analytics and flow modeling software, (iv) inspection, maintenance and repair of control and instrumentation modules, chokes, flow modules, and processing equipment, and (v) well access and intervention services including exploration wellheads, production and completion related services, rig-based intervention, riserless light well intervention through our FTO Services joint venture, tree commissioning, through tubing rotary drilling and plug and abandonment. Additionally, Forsys Subsea, our joint venture with Technip, offers front-end engineering and design to identify opportunities through new technologies, services, and standardization of equipment to significantly reduce the cost of subsea field development and provide the technology to maximize well performance over the life of the field.

Subsea systems represented approximately 69%, 63% and 63% of our consolidated revenue in 2015, 2014 and 2013, respectively.

Schilling Robotics. We design and manufacture ROVs and manipulator arms and provide support services for subsea control systems for subsea exploration and production. Our product offering includes electric and hydraulic work-class ROVs, tether-management systems, launch and recovery systems, remote manipulator arms and modular control systems for wide-ranging subsea applications. We also provide support and services such as product training, pilot simulator training, spare parts, and technical assistance.

Multi Phase Meters. We design and manufacture multiphase and wetgas meters to measure production rates of oil, water and gas for both topside and subsea applications. These meters have diverse applications that include production testing of well fluid rates, reservoir monitoring, measurement of fluid rates for production and revenue sharing between partners, and artificial lift optimization. The Multi Phase Meters product line augments our portfolio of technologies for increasing oil and gas recovery, early water detection, accurate fiscal allocation and reservoir optimization.

Capital Intensity

Many of the systems and products we supply for subsea applications are highly engineered to meet the unique demands of our customers' field properties and are typically ordered one to two years prior to installation. We often receive advance payments and progress billings from our customers in order to fund initial development and our working capital requirements. However, our working capital balances can vary significantly depending on the payment terms and execution timing on key contracts.

Dependence on Key Customers

Generally, our customers in this segment are major integrated oil companies, national oil companies and independent exploration and production companies.

We actively pursue alliances with oil and gas companies that are engaged in the subsea development of crude oil and natural gas to promote our integrated systems for subsea production. Development of subsea fields, particularly in deepwater environments, involves substantial capital investments by our customers. Our customers have sought the security of alliances with us to ensure timely and cost-effective delivery of subsea and other energy-related systems that provide integrated solutions to meet their needs. Our alliances establish important ongoing relationships with our customers. While our alliances do not contractually commit our customers to purchase our systems and services, they have historically led to, and we expect that they would continue to result in, such purchases. Examples of customers we have entered alliances with include Statoil, Shell, BP and Anadarko.

Petrobras is a key customer for the Subsea Technologies segment. Given the current recessionary economy in Brazil and the low crude oil price environment, our operational performance may be negatively affected by any significant changes in Petrobras' operations, such as further decreases in their capital spending plans. As part of enhancing our customer relationship, we are working with Petrobras to delay certain deliveries of product which may affect the timing of our results of operations or cash flows.

The loss of one or more of our significant customers could have a material adverse effect on our Subsea Technologies segment. No single Subsea Technologies customer accounted for 10% or more of our 2015 consolidated revenue.

Competition

Subsea Technologies competes with companies that supply subsea systems and with other smaller companies that are focused on a specific application, technology or geographical niche in which we operate. Companies including OneSubsea (a Cameron and Schlumberger company), GE Oil & Gas (a division of General Electric Company), Aker Solutions ASA and Dril-Quip, Inc. compete with us in the marketplace across our various Subsea Technologies product and services.

Competitive factors in our industry include price, the quality of both product technology and service, and on-time delivery. Our competitive strengths include our intellectual capital, the reliability of our products, the breadth of technologies embedded in our products and services that enable us to design unique solutions for our customers' project requirements while incorporating standardized components to contain costs and our worldwide presence and reputation in each of the major producing basins around the world. Our strong customer relationships, experience and technology help us maintain a leadership position in the subsea systems market.

Seasonality

In the North Sea, winter weather generally subdues drilling activity and demand for subsea services as certain activities cannot be performed. As a result, the level of offshore activity in our subsea services is negatively

influenced and tends to decrease in the first quarter of each year.

Surface Technologies

Surface Technologies designs and manufactures products and systems and provides services used by oil and gas companies involved in land and offshore exploration and production of crude oil and natural gas. We design, manufacture and supply technologically advanced wellhead systems and high pressure valves and pumps used in stimulation activities for oilfield service companies and provide flowback and wireline services for exploration and production companies in the oil and gas industry.

Principal Products and Services

Surface Integrated Services and Surface Wellhead International. We provide a full range of drilling, completion and production wellhead systems for both standard and custom-engineered applications. Surface wellhead production systems, or trees, are used to control and regulate the flow of crude oil and natural gas from the well. Our surface wellhead products and systems are used worldwide on both onshore and offshore applications and can be used in difficult climates, including arctic cold or desert high temperatures. Our product technologies include conventional wellheads, unihead drill-thru wellheads designed for faster surface installations, drilling time optimization ("DTO") timesaving conventional wellheads designed to reduce overall rig time and other technologies including sealing technology, thermal equipment, and valves and actuators. We support our customers through comprehensive surface wellhead system service packages that provide strategic solutions to ensure optimal equipment performance and reliability and include all phases of the asset's life cycle, from the early planning stages through testing and installation, commissioning and operations, replacement and upgrades, interventions, decommissioning/abandonment, and maintenance, storage and preservations.

As part of our surface integrated services business, we provide an integrated shale offering which includes manifolds and trees and flowback equipment for timely and cost-effective well completion. Acquired in October 2012 and formerly known as Pure Energy Services Ltd., we also provide flowback services for the recovery of solids, fluids, and hydrocarbons from oil and natural gas wells after the stimulation of the well, cased hole electric wireline and slickline services, specialty logging services, and well optimization services for exploration companies in the oil and gas industry.

Fluid Control. We design and manufacture flowline products, under the Weco®/Chiksan® trademarks, articulating frac arm manifold trailers, well service pumps, compact valves and reciprocating pumps used in well completion and stimulation activities by major oilfield service companies, such as Schlumberger Limited, Baker Hughes Incorporated, Halliburton Company and Weatherford International plc. Our flowline products are used in equipment that pumps fluid into a well during the well construction and stimulation processes. Our well service pump product line includes Triplex and Quintuplex pumps utilized in a variety of applications including fracturing, acidizing and matrix stimulation and are capable of delivering flow rates up to 35 barrels per minute at pressures up to 20,000 psi. The performance of this business typically rises and falls with variations in the active rig count throughout the world and pressure pumping activity in the Americas.

Capital Intensity

Surface Technologies manufactures most of its products, resulting in a reliance on manufacturing locations throughout the world. We also maintain a large amount of rental equipment related to pressure pumping operations.

Dependence on Key Customers

No single Surface Technologies customer accounted for 10% or more of our 2015 consolidated revenue.

Competition

Surface Technologies is a market leader for its primary products and services. Some of the competitive factors include technological innovation, reliability and product quality. Surface Technologies competes with other companies that supply surface production equipment and pressure pumping products. Some of our major competitors include Cameron International Corporation, Weir Oil & Gas (a division of The Weir Group PLC), GE Oil & Gas (a division

of General Electric Company) and Gardner Denver, Inc.

Seasonality

In western Canada, the level of activity in the oilfield services industry is influenced by seasonal weather patterns. During the spring months, wet weather and the spring thaw make the ground unstable and less capable of supporting heavy equipment and machinery. As a result, municipalities and provincial transportation departments enforce road bans that restrict the movement of heavy equipment during the spring months, which reduces activity levels. There is greater demand for oilfield services, specifically completion services, provided by our Canadian surface integrated services business in the winter season when freezing permits the movement and operation of heavy equipment. Activities tend to increase in the fall and peak in the winter months of November through March.

Energy Infrastructure

Principal Products and Services

Measurement Solutions. We design, manufacture and service measurement products for the worldwide oil and gas industry. Our flow computers and control systems manage and monitor liquid and gas measurement for applications such as custody transfer, fiscal measurement and batch loading and deliveries. Our floating production, storage and off-loading metering systems provide the precision and reliability required for measuring large flow rates characteristic of marine loading operations. Our gas and liquid measurement systems provide many solutions in energy-related applications such as crude oil and natural gas production and transportation, refined product transportation, petroleum refining, and petroleum marketing and distribution. We combine advanced measurement technology with state-of-the-art electronics and supervisory control systems to provide the measurement of both liquids and gases to ensure processes operate efficiently while reducing operating costs and minimizing the risk associated with custody transfer. As part of our liquid measurement system offering, we also provide design, engineering, project management, training, commissioning and aftermarket services in connection with the applications of blending and transfer technology solutions and process automation systems for manufacturers in the lubricant, petroleum, fuel blending, and additive and chemical industries.

We also provide automation and control technology for the oil and gas, chemical and other industries. Acquired in April 2012 and formerly known as Control Systems International, Inc., our automation and control technology supplies innovative control and automation system solutions. One of the primary products, UCOS®, is a comprehensive software solution that combines distributed control system and supervisory control and data acquisition system retrofits using software solutions and compression control algorithms which allows customers to control and manage the engineering, design and monitoring of their systems of operations.

Loading Systems. We provide land- and marine-based loading and transfer systems to the oil and gas, petrochemical and chemical industries. Our systems provide transfer loading solutions using Chiksan® loading arms and Chiksan® swivel joint technologies capable of diverse applications. While our marine systems are typically constructed on a fixed jetty platform, we have developed advanced loading systems that can be mounted on a vessel or structure to facilitate ship-to-ship and tandem loading and offloading operations in open seas or exposed locations. Both our land- and marine-based loading and transfer systems are capable of handling a wide range of products including petroleum products, liquefied natural gas (“LNG”) and chemical products.

Separation Systems. We design and manufacture systems that separate production flows from wells into oil, gas, sand and water. Our separation technology can be applied to both greenfield development as well as retrofit solutions for fields currently in production. Also, these systems provide solutions for both subsea and topside applications. For subsea applications, these systems can be designed with primary separation at the seabed which enables more effective production, increased field recovery and the reduced need for topside processing capacity for our customers.

Dependence on Key Customers

No single Energy Infrastructure customer accounted for 10% or more of our 2015 consolidated revenue.

OTHER BUSINESS INFORMATION RELEVANT TO OUR BUSINESS SEGMENTS

Product Development

We invest in product development to advance technologies necessary to support the current and future technical challenges of our customers. We seek to develop products and services aimed to assist our customers to lower capital and operating expenditures, increase oil recovery and deliver improved performance of their assets. We also strive to increase standardization within our product lines in order to reduce delivery times, improve product integrity and control costs. To satisfy all these aims, our investments in product development are focused on (i) progressing capabilities to bring products to market faster and more efficiently, (ii) developing the next generation of cost-effective production and processing equipment, (iii) advancing core enabling technologies and materials and (iv) expanding product families to address broader market applications.

To accelerate the commercialization of technologies in all of our businesses, we made several investments to enhance our research and development capabilities. First, we expanded our network of rapid prototyping centers, increasing the resources available for our engineers to design and build new products. Second, we upgraded and expanded our capabilities to conduct qualification testing. These investments included the addition of test cells, flow loops, bending fixtures and test pits along with advanced instrumentation to better facilitate monitoring of test programs. Our investments added capacity and provided new functionality to accommodate a broader range of test parameters including high pressure, high temperature (“HPHT”) conditions.

Subsea Technologies. We continue to expand our subsea technologies portfolio of solutions in order to deliver a complete production system for HPHT applications. In 2014, we entered into a joint development agreement with several major operators to develop common standards for subsea production equipment capable of operating at pressures as high as 20,000 psi and temperatures up to 350º F. In 2015, we added another major operator to this joint agreement. We believe standardization of our products is an important element in improving execution, optimizing resources, lowering lifecycle costs and providing superior long-term value. This joint development agreement is expected to result in standardized design, materials, processes and interfaces to deliver improved reliability and operability over the life of the field. During 2015, we completed major qualification testing meeting the latest industry guidelines.

The downturn in the energy market has shifted the needs of our customers. As a result, we have also invested in subsea product development focused on developing lower cost solutions. Technology development progressed on the next generation of subsea equipment utilizing designs that will be significantly smaller and lighter than current designs. In addition to the investments to develop lower cost production solutions, we continued efforts on our portfolio of product technology and services aimed to help operators maximize recovery from existing subsea fields. Along with our development partner Sulzer Pumps Ltd., we expanded the product family of pumps and motors to include more sizes and pressure ratings. Additionally, development of our well access management system was completed in 2015, and the system was successfully employed in the North Sea. This combined subsea product and service solution provided real-time data to the operator to enable the assessment of actual loading on a subsea completion riser during operations, leading to reduced operational and maintenance costs and increased oil recovery.

Surface Technologies. Development work focused on enhancing several core enabling technologies including seals, valves and instrumentation. During 2015, we completed development on a steam valve for high temperature service. The valve was successfully qualified and installed on an onshore field in North America. Additionally, we completed development on the next generation of sealing technology featuring a dual metal packoff. Developed in collaboration with one of our key customers, the new design of the sealing technology eliminates elastomers and improves seal performance. Other investments in our surface technologies portfolio included the development and testing of sensing and instrumentation technologies and of technologies for the treatment of well fluids.

Energy Infrastructure. Our measurement solutions business completed development of AccuLoad IV, the newest generation electronic preset system. This new generation includes important upgrades and enhancements such as improved diagnostics that will ensure AccuLoad® remains a widely used preset in oil custody transfer. Our loading systems business completed extended fatigue and operating simulation testing on ATOL, our tandem offshore loading solution.

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Order Backlog
Information regarding order backlog is incorporated herein by reference from the section entitled “Inbound Orders and Order Backlog” in Part II, Item 7 of this Annual Report on Form 10-K.

Sources and Availability of Raw Materials
Our business segments purchase carbon steel, stainless steel, aluminum and steel castings and forgings both domestically and internationally. We typically do not use single source suppliers for the majority of our raw material purchases; however, certain geographic areas of our businesses or a project or group of projects may heavily depend on certain suppliers for raw materials or supply of semi-finished goods. We believe the available supplies of raw materials are adequate to meet our needs.

Research and Development
We are engaged in research and development (“R&D”) activities directed toward the improvement of existing products and services, the design of specialized products to meet customer needs and the development of new products, processes and services. A large part of our product development spending has focused on the improved design and standardization of our Subsea Technologies products to meet our customer needs. Financial information about R&D activities is incorporated herein by reference from Note 20 to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Patents, Trademarks and Other Intellectual Property
We own a number of U.S. and foreign patents, trademarks and licenses that are cumulatively important to our businesses. As part of our ongoing research and development, we seek patents when appropriate for new products and product improvements. We have approximately 1,530 issued patents and pending patent applications worldwide. Further, we license intellectual property rights to or from third parties. We also own numerous U.S. and foreign trademarks and trade names and have approximately 155 registrations and pending applications in the United States and abroad.
We protect and promote our intellectual property portfolio and take actions we deem appropriate to enforce and defend our intellectual property rights. We do not believe, however, that the loss of any one patent, trademark or license, or group of related patents, trademarks or licenses would have a material adverse effect on our overall business.

Employees
As of December 31, 2015, we had approximately 17,400 full-time employees, consisting of approximately 5,700 in the United States and 11,700 in non-U.S. locations. Less than 2% of our U.S. employees are represented by labor unions.

The Iran Threat Reduction and Syria Human Rights Act of 2012
The Iran Threat Reduction and Syria Human Rights Act of 2012 amended Section 13 of the Exchange Act and requires disclosure when a company knowingly engages in specified prohibited activities involving Iran. We had no such activities to report during the year ended December 31, 2015.

Segment and Geographic Financial Information
The majority of our consolidated revenue and segment operating profits are generated in markets outside of the United States. Each segments’ revenue is dependent upon worldwide oil and gas exploration and production activity. Financial information about our segments and geographic areas is incorporated herein by reference from Note 20 to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding our executive officers called for by Item 401(b) of Regulation S-K is hereby included in Part I, Item 1 “Business” of this Annual Report on Form 10-K.

As of February 24, 2016, the executive officers of FMC Technologies, together with the offices held by them, their business experience and their ages, are as follows:

Name	Age	Current Position and Business Experience
John T. Gremp	64	Chairman and Chief Executive Officer (2015) Chairman, President and Chief Executive Officer (2013) Chairman and Chief Executive Officer (2012) Chairman, President and Chief Executive Officer (2011)
Maryann T. Mannen	53	Executive Vice President and Chief Financial Officer (2014) Senior Vice President and Chief Financial Officer (2011)
Richard G. Alabaster	55	Vice President—Surface Technologies (2015) General Manager—Surface Integrated Services (2013) General Manager—Fluid Control (2010)
Bradley D. Beitler	62	Vice President—Technology (2009)
Sanjay Bhatia	46	Vice President—Corporate Development (2012) Director of Business Development (2007)
Barry Glickman	47	Vice President—Subsea Services (2015) General Manager—Subsea Systems Western Region (2012) Vice President—Energy Infrastructure (2011)
Tore Halvorsen	61	Integration Leader for GE Oil & Gas/Wood Group (2011) Senior Vice President—Subsea Technologies (2011)
Jay A. Nutt	52	Vice President—Controller and Treasurer (2015) Vice President and Controller (2009)
Douglas J. Pferdehirt	52	President and Chief Operating Officer (2015) Executive Vice President and Chief Operating Officer (2012) Executive Vice President—Corporate Development & Communication for Schlumberger Limited (2011)
Dianne B. Ralston	49	Senior Vice President, General Counsel, and Secretary (2015) Executive Vice President, General Counsel, and Secretary for Weatherford International plc (2014) Deputy General Counsel—Corporate for Schlumberger Limited (2012) Deputy General Counsel— Government Affairs, Litigation, and IP Enforcement for Schlumberger Limited (2010)
Mark J. Scott	62	Vice President—Administration (2010)

No family relationships exist among any of the above-listed officers, and there are no arrangements or understandings between any of the above-listed officers and any other person pursuant to which they serve as an officer. During the past ten years, none of the above-listed officers was involved in any legal proceedings as defined in Item 401(f) of Regulation S-K. All officers are elected by the Board of Directors to hold office until their successors are elected and qualified.

ITEM 1A. RISK FACTORS

Important risk factors that could impact our ability to achieve our anticipated operating results and growth plan goals are presented below. The following risk factors should be read in conjunction with discussions of our business and the factors affecting our business located elsewhere in this Annual Report on Form 10-K and in our other filings with the SEC.

Demand for our products and services depends on oil and gas industry activity and expenditure levels, which are directly affected by trends in the demand for and price of crude oil and natural gas.

We are substantially dependent on conditions in the oil and gas industry, including the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies. Any substantial or extended decline in these expenditures may result in the reduced pace of discovery and development of new reserves of oil and gas and the reduced exploitation of existing wells, which could adversely affect demand for our products and services and, in certain instances, result in the cancellation, modification or rescheduling of existing orders in our backlog. These factors could have an adverse effect on our revenue and profitability. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which, historically, have been volatile.

Factors affecting the prices of oil and natural gas include, but are not limited to, the following:

- demand for hydrocarbons, which is affected by worldwide population growth, economic growth rates and general economic and business conditions;
- costs of exploring for, producing and delivering oil and natural gas;
- political and economic uncertainty and sociopolitical unrest;
- available excess production capacity within the Organization of Petroleum Exporting Countries ("OPEC") and the level of oil production by non-OPEC countries;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- technological advances affecting energy consumption;
- potential acceleration of the development of alternative fuels;
- access to capital and credit markets, which may affect our customers' activity levels and spending for our products and services; and
- natural disasters.

The oil and gas industry has historically experienced periodic downturns, which have been characterized by diminished demand for oilfield services and downward pressure on the prices we charge. The current downturn in the oil and gas industry has resulted in a reduction in demand for oilfield services and could further adversely affect our financial condition, results of operations or cash flows.

The industries in which we operate or have operated expose us to potential liabilities arising out of the installation or use of our products that could adversely affect our financial condition.

We are subject to potential liabilities arising from equipment malfunctions and failures, particularly due to high temperature and pressure environments, equipment misuse and natural disasters, the occurrence of which may result in uncontrollable flows of gas or well fluids, fires and explosions. Although we have obtained insurance against many of these risks, our insurance may not be adequate to cover our liabilities. Further, the insurance may not generally be available in the future or, if available, premiums may not be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we are not able to obtain liability insurance, such potential liabilities could have a material adverse effect on our business, results of operations, financial condition or cash flows.

Our operations require us to comply with numerous U.S. and international regulations, violations of which could have a material adverse effect on our financial condition, results of operations or cash flows.

We are exposed to a variety of federal, state, local and international laws and regulations relating to matters such as environmental, health and safety, labor and employment, import/export control, currency exchange, bribery and corruption and taxation. These laws and regulations are complex, frequently change and have tended to become more stringent over time. In the event the scope of these laws and regulations expand in the future, the incremental cost of compliance could adversely impact our financial condition, results of operations or cash flows.

Our operations outside of the United States require us to comply with numerous anti-bribery and anti-corruption regulations under the laws of the United States and various other countries. The U.S. Foreign Corrupt Practices Act ("FCPA"), the United Kingdom ("U.K.") Bribery Act and the Brazilian Anti-Bribery Act (also known as the Brazilian Clean Company Act), among others, apply to us and our operations. We have internal control policies and procedures and have implemented training and compliance programs for our employees and agents with respect to these regulations. However, our policies, procedures and programs may not always protect us from reckless or criminal acts committed by our employees or agents, and severe criminal or civil sanctions may be imposed as a result of violations of these laws. We are also subject to the risks that our employees, joint venture partners and agents outside of the United States may fail to comply with applicable laws.

Moreover, we import raw materials, semi-finished goods, as well as finished products into many countries for use in such countries or for manufacturing and/or finishing for re-export and import into another country for use or further integration into equipment or systems. Most movement of raw materials, semi-finished or finished products involves imports and exports. As a result, compliance with multiple trade sanctions, embargoes and import/export laws and regulations, as well as the recently enacted conflict minerals reporting requirements, pose a constant challenge and risk to us since our business is conducted on a worldwide basis through various subsidiaries. Our failure to comply with these laws and regulations could materially affect our reputation, financial condition and results of operations.

Compliance with environmental laws and regulations may adversely affect our business and results of operations.

Environmental laws and regulations in the United States and foreign countries affect the equipment, systems and services we design, market and sell, as well as the facilities where we manufacture our equipment and systems. We are required to invest financial and managerial resources to comply with environmental laws and regulations and believe that we will continue to be required to do so in the future. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations, or the issuance of orders enjoining operations. These laws and regulations, as well as the adoption of new legal requirements or other laws and regulations affecting exploration and development of drilling for crude oil and natural gas, could adversely affect our business and operating results by increasing our costs, limiting the demand for our products and services or restricting our operations.

International, national and state governments and agencies are currently evaluating and/or promulgating legislation and regulations that are focused on restricting emissions commonly referred to as greenhouse gas ("GHG") emissions. For instance, under the U.S. Clean Air Act, the U.S. Environmental Protection Agency ("EPA") has made findings that GHG emissions endanger public health and the environment, resulting in the EPA's adoption of regulations requiring construction and operating permit reviews of certain stationary sources with major emissions of GHGs, which reviews require the installation of new GHG emission control technologies. The EPA has also promulgated rules requiring the monitoring and annual reporting of GHG emissions from certain sources, including onshore and offshore oil and natural gas production facilities and onshore oil and natural gas processing, transmission, storage and distribution facilities. In addition, in August 2015, the EPA announced proposed rules that would establish new air emission controls for methane emissions from certain new, modified or reconstructed equipment and processes in the oil and natural gas source category, including production, processing, transmission and storage activities, as part of an overall effort to reduce methane emissions by up to 45 percent by 2025. To the extent our customers are subject to these or other similar proposed or newly enacted laws and regulations, the additional costs incurred by our customers to comply with such laws and regulations could impact their ability or desire to continue to operate at current or anticipated levels, which would negatively impact their demand for our products and services. In addition, any new

laws or regulations establishing cap-and-trade or that favor the increased use of non-fossil fuels may dampen demand for oil and gas production and lead to lower spending by our customers for our products and services. Similarly, to the extent we are or become subject to any of these or other similar proposed or newly enacted laws and regulations, we expect that our efforts to monitor, report and comply with such laws and regulations, and any related taxes imposed on companies by such programs, will increase our cost of doing business and may have a material adverse effect on our financial condition and results of operation.

Moreover, environmental concerns have been raised regarding the potential impact of hydraulic fracturing on underground water supplies. Although we do not perform hydraulic fracturing, we do provide equipment and services to companies employing this enhanced recovery technique. There have been several regulatory and governmental initiatives in the United States to restrict the hydraulic fracturing process, which could have an adverse impact on our customers' completion or production activities. For example, the EPA has issued final regulations under the U.S. Clean Air Act governing performance standards, including standards for the capture of air emissions released during hydraulic fracturing and proposed in April 2015 the prohibition of the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants. Also, the U.S. Bureau of Land Management finalized rules in March 2015 that impose new or more stringent standards for performing hydraulic fracturing on federal and American Indian lands. The U.S. District Court of Wyoming has temporarily stayed implementation of this rule, and a final decision has not yet been issued. These and other similar state and foreign regulatory initiatives, if adopted, would establish additional levels of regulation for our customers that could make it more difficult for our customers to complete natural gas and oil wells and could adversely affect the demand for our equipment and services, which, in turn, could adversely affect our financial condition, results of operations or cash flows.

Disruptions in the political, regulatory, economic and social conditions of the countries in which we conduct business could adversely affect our business or results of operations.

We operate manufacturing facilities in the United States and in various countries across the world. Instability and unforeseen changes in any of the markets in which we conduct business, including economically and politically volatile areas such as North Africa, West Africa, the Middle East and the Commonwealth of Independent States, could have an adverse effect on the demand for our products and services, our financial condition or our results of operations. These factors include, but are not limited to, the following:

- nationalization and expropriation;
- potentially burdensome taxation;
- inflationary and recessionary markets, including capital and equity markets;
- civil unrest, labor issues, political instability, terrorist attacks, cyber-terrorism, military activity and wars;
- supply disruptions in key oil producing countries;
- ability of OPEC to set and maintain production levels and pricing;
- trade restrictions, trade protection measures or price controls;
- foreign ownership restrictions;
- import or export licensing requirements;
- restrictions on operations, trade practices, trade partners and investment decisions resulting from domestic and foreign laws and regulations;
- changes in, and the administration of, laws and regulations;
- inability to repatriate income or capital;
- reductions in the availability of qualified personnel;
- foreign currency fluctuations or currency restrictions; and
- fluctuations in the interest rate component of forward foreign currency rates.

Because a significant portion of our revenue is denominated in foreign currencies, changes in exchange rates will produce fluctuations in our revenue, costs and earnings and may also affect the book value of our assets and liabilities located outside of the United States and the amount of our stockholders' equity. Although it is our policy to seek to minimize our currency exposure by engaging in hedging transactions where appropriate, our efforts may not be successful. Moreover, certain currencies, specifically currencies in countries such as Angola and Nigeria where we have sizable operations, do not actively trade in the global foreign exchange markets and may subject us to increased foreign currency exposures. Refer to "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of this Annual Report on Form 10-K for additional discussion of foreign currency rate risk. To the extent we sell our products and services in foreign markets, currency fluctuations may result in our products and services becoming too expensive for foreign customers. As a result, fluctuations in foreign currency exchange rates may affect our financial position or results of operations.

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We may lose money on fixed-price contracts.
As customary for the types of businesses in which we operate, we often agree to provide products and services under fixed-price contracts. Under these contracts, we are typically responsible for cost overruns. Our actual costs and any gross profit realized on these fixed-price contracts may vary from the estimated amounts on which these contracts were originally based. There is inherent risk in the estimation process, including significant unforeseen technical and logistical challenges or longer than expected lead times. A fixed-price contract may prohibit our ability to mitigate the impact of unanticipated increases in raw material prices through increased pricing. Depending on the size of a project, variations from estimated contract performance could have a significant impact on our financial condition, results of operations or cash flows.

Disruptions in the timely delivery of our backlog could affect our future sales, profitability, and our relationships with our customers.
Many of the contracts we enter into with our customers require long manufacturing lead times due to complex technical and logistical requirements. These contracts may contain clauses related to liquidated damages or financial incentives regarding on-time delivery, and a failure by us to deliver in accordance with customer expectations could subject us to liquidated damages or loss of financial incentives, reduce our margins on these contracts or result in damage to existing customer relationships. The ability to meet customer delivery schedules for this backlog is dependent on a number of factors, including, but not limited to, access to the raw materials required for production, an adequately trained and capable workforce, subcontractor performance, project engineering expertise and execution, sufficient manufacturing plant capacity and appropriate planning and scheduling of manufacturing resources. Failure to deliver backlog in accordance with expectations could negatively impact our financial performance, particularly in light of the current industry environment where customers may seek to improve their returns or cash flows.

Due to the types of contracts we enter into, the cumulative loss of several major contracts or alliances may have an adverse effect on our results of operations.
We often enter into large, long-term contracts that, collectively, represent a significant portion of our revenue. These agreements, if terminated or breached, may have a larger impact on our operating results or our financial condition than shorter-term contracts due to the value at risk. If we were to lose several key alliances or agreements over a relatively short period of time we could experience a significant adverse impact on our financial condition, results of operations or cash flows.

Increased costs of raw materials and other components may result in increased operating expenses and adversely affect our results of operations or cash flows.
Our results of operations may be adversely affected by our inability to manage the rising costs and availability of raw materials and components used in our wide variety of products and systems. Unexpected changes in the size and timing of regional and/or product markets, particularly for short lead-time products, could affect our results of operations or cash flows.
In accordance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC's rules regarding mandatory disclosure and reporting requirements by public companies of their use of "conflict minerals" (tantalum, tin, tungsten and gold) originating in the Democratic Republic of Congo and adjoining countries became effective in 2014. While the conflict minerals rule continues in effect as adopted, there remains uncertainty regarding how the conflict minerals rule, and our compliance obligations, will be affected in the future. Additional requirements under the rule could affect sourcing at competitive prices and availability in sufficient quantities of certain of the conflict minerals used in the manufacture of our products or in the provision of our services, which could have a material adverse effect on our ability to purchase these products in the future. The costs of compliance, including those related to supply chain research, the limited number of suppliers and possible changes in the sourcing of these minerals, could have a material adverse effect on our results of operations or cash flows.

A failure of our information technology infrastructure could adversely impact our business and results of operations.
The efficient operation of our business is dependent on our information technology ("IT") systems. Accordingly, we rely upon the capacity, reliability and security of our IT hardware and software infrastructure and our ability to expand and update this infrastructure in response to our changing needs. Despite our implementation of security measures, our systems are vulnerable to damages from computer viruses, natural disasters, incursions by intruders or hackers, failures in hardware or software, power fluctuations, cyber terrorists and other similar disruptions. Additionally, we rely on third parties to support the operation of our IT hardware and software infrastructure, and in certain instances, utilize web-based applications. Although no such material incidents have occurred to date, the failure of our IT systems or those of our vendors to perform as anticipated for any reason or any significant breach of security could disrupt our business and result in numerous adverse consequences, including reduced effectiveness and efficiency of operations, inappropriate disclosure of confidential and proprietary information, reputational harm, increased overhead costs and loss of important information, which could have a material adverse effect on our business and results of operations. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

Our success depends on our ability to implement new technologies and services.
Our success depends on the ongoing development and implementation of new product designs and improvements and on our ability to protect and maintain critical intellectual property assets related to these developments. If we are not able to obtain patent or other protection of our technology, we may not be able to continue to develop systems, services and technologies to meet evolving industry requirements, and if so, at prices acceptable to our customers.

Uninsured claims and litigation against us, including intellectual property litigation, could adversely impact our financial condition, results of operations or cash flows.
We could be impacted by the outcome of pending litigation, as well as unexpected litigation or proceedings. We have insurance coverage against operating hazards, including product liability claims and personal injury claims related to our products, to the extent deemed prudent by our management and to the extent insurance is available. However, no assurance can be given that the nature and amount of that insurance will be sufficient to fully indemnify us against liabilities arising out of pending and future claims and litigation. Our financial condition, results of operations or cash flows could be adversely affected by unexpected claims not covered by insurance.
In addition, the tools, techniques, methodologies, programs and components we use to provide our services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs. Royalty payments under licenses from third parties, if available, would increase our costs. If a license were not available, we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations or cash flows. Additionally, developing non-infringing technologies would increase our costs.
A deterioration in future expected profitability or cash flows could result in an impairment of our recorded goodwill.
Goodwill is tested for impairment on an annual basis, or more frequently when impairment indicators arise. A lower fair value estimate in the future for any of our reporting units could result in goodwill impairments. Factors that could trigger a lower fair value estimate include changes in customer demand, cost increases, regulatory or political environment changes, and other changes in market conditions, such as decreased prices in similar market-based transactions, which could impact future earnings of the reporting unit.
At December 31, 2015, recorded goodwill of $63.7 million was associated with our U.S. surface integrated services reporting unit. The decline in crude oil prices that began in 2014 and continued throughout 2015 has introduced uncertainty associated with certain key assumptions used in estimating fair value of the reporting unit. Depressed crude oil and natural gas prices for a prolonged period of time may adversely affect the economics of our customers' projects, particularly shale-related projects in North America, which may lead to the reduction in demand for our products and services, negatively impacting the financial results of the reporting unit. Our estimate of fair value for the U.S. surface integrated services reporting unit relies on third party forecasts of the number of hydraulic fracturing stages expected to be completed as well as the expected recovery of the overall North American oil and gas market.

Management is monitoring the overall market, specifically crude oil and natural gas prices, and its effect on the estimates and assumptions used in our goodwill impairment test for U.S. surface integrated services, which may require re-evaluation and could result in an impairment of goodwill for this reporting unit.

At December 31, 2015, recorded goodwill of $54.7 million was associated with our separation systems reporting unit. The decline in crude oil prices and its related effect on customer capital spending has led to negative margins for separation systems in 2015. Our estimate of fair value for the separation systems reporting unit relies on assumptions of lower oil and gas activity over the next few years with expected market recovery in 2019 for this business. To mitigate the impact of lower commodity prices, management is expanding the reporting unit's existing product offering in both greenfield and brownfield applications by introducing differentiating technology and expanding the system and solutions business as a growth platform. Management is monitoring the overall market, specifically crude oil prices and changes in customer capital spending, and its effect on the estimates and assumptions used in our goodwill impairment test for separation systems, which may require re-evaluation and could result in an impairment of goodwill for this reporting unit.
Refer to "Critical Accounting Estimates" in Part II, Item 7 of this Annual Report on Form 10-K for additional discussion regarding estimates and assumptions surrounding goodwill.

A downgrade in our debt rating could restrict our ability to access the capital markets.
The terms of our financing are, in part, dependent on the credit ratings assigned to our debt by independent credit rating agencies. We cannot provide assurance that any of our current credit ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency. Factors that may impact our credit ratings include debt levels, capital structure, planned asset purchases or sales, near- and long-term production growth opportunities, market position, liquidity, asset quality, cost structure, product mix, customer and geographic diversification and commodity price levels. A downgrade in our credit ratings, particularly to non-investment grade levels, could limit our ability to access the debt capital markets, refinance our existing debt or cause us to refinance or issue debt with less favorable terms and conditions. Moreover, our revolving credit agreement includes an increase in interest rates if the ratings for our debt are downgraded, which could have an adverse effect on our results of operations. An increase in the level of our indebtedness and related interest costs may increase our vulnerability to adverse general economic and industry conditions and may affect our ability to obtain additional financing.

Our industry is undergoing consolidation that may impact our results of operations.
Our industry, including our customers and competitors, is undergoing consolidation which may affect demand for our products and services as a result of price concessions or decreased customer capital spending. This consolidation activity could have a significant negative impact on our results of operations, financial condition or cash flows. We are unable to predict what effect consolidations in the industry may have on prices, capital spending by our customers, our selling strategies, our competitive position, our ability to retain customers or our ability to negotiate favorable agreements with our customers.

Our businesses are dependent on the continuing services of certain of our key managers and employees.
We depend on key personnel. The loss of any key personnel could adversely impact our business if we are unable to implement key strategies or transactions in their absence. The loss of qualified employees or an inability to retain and motivate additional highly-skilled employees required for the operation and expansion of our business could hinder our ability to successfully conduct research activities and develop marketable products and services.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We lease our corporate headquarters in Houston, Texas, and own or lease numerous properties throughout the world. We operate 29 major production facilities and service bases in 18 countries.

We believe our properties and facilities are suitable for their present and intended purposes and are operating at a level consistent with the requirements of the industry in which we operate. We also believe that our leases are at competitive or market rates and do not anticipate any difficulty in leasing suitable additional space upon expiration of our current lease terms.

The following table shows our principal properties by reporting segment at December 31, 2015:

Subsea Technologies	Surface Technologies	Energy Infrastructure
United States:		
Davis, California	Brighton, Colorado	Corpus Christi, Texas
* Houston, Texas	Oklahoma City, Oklahoma	Erie, Pennsylvania
	San Antonio, Texas	
	Stephenville, Texas	
International:		
Bergen, Norway	Abu Dhabi, U.A.E.	Arnhem, The Netherlands
* Dunfermline, Scotland	Collecchio, Italy	
Kongsberg, Norway	Dammam, Saudi Arabia	
Labuan, Malaysia	Edmonton, Canada	
Luanda, Angola	Jakarta, Indonesia	
Macaé, Brazil	Neuquén, Argentina	
* Nusajaya, Malaysia	+ Sens, France	
Perth, Australia		
Port Harcourt, Nigeria		
* Rio de Janeiro, Brazil		
* Singapore		
* Stavanger, Norway		
Takoradi, Ghana		

*These facilities are principal properties in Subsea Technologies and Surface Technologies.

+This facility is a principal property in Surface Technologies and Energy Infrastructure.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various pending or potential legal actions in the ordinary course of our business. Management is unable to predict the ultimate outcome of these actions because of the inherent uncertainty of litigation. However, management believes that the most probable, ultimate resolution of these matters will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the New York Stock Exchange ("NYSE") under the "FTI" symbol.

	2015				2014			
	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Common stock closing price:								
High	$35.48	$39.79	$44.10	$46.52	$57.00	$63.52	$61.89	$53.27
Low	$28.35	$28.73	$36.96	$36.14	$42.75	$54.21	$52.16	$48.37
Closing stock price at December 31, 2015								$29.01
Closing stock price at February 22, 2016								$25.32
Number of common stockholders of record at February 22, 2016								2,876

We have not declared or paid cash dividends in 2015 or 2014, and we do not currently have a plan to pay cash dividends in the future.

As of December 31, 2015, our securities authorized for issuance under equity compensation plans were as follows:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans	
Equity compensation plans approved by security holders	—	$ —	23,042,721	(1)
Equity compensation plans not approved by security holders	—	—	—	
Total	—	$ —	23,042,721	(1)

(1) The table includes shares of our common stock available for future issuance under the Amended and Restated FMC Technologies, Inc. Incentive Compensation and Stock Plan. This number includes 4,068,156 shares available for issuance for nonvested stock awards that vest after December 31, 2015.

We had no unregistered sales of equity securities during the year ended December 31, 2015.

The following table summarizes repurchases of our common stock during the three months ended December 31, 2015.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs (b)
October 1, 2015 – October 31, 2015	286,710	$33.15	286,000	18,812,222
November 1, 2015 – November 30, 2015	260,470	$33.97	260,000	18,552,222
December 1, 2015 – December 31, 2015	773,874	$29.60	772,444	17,779,778
Total	1,321,054		1,318,444	17,779,778

(a) Represents 1,318,444 shares of common stock repurchased and held in treasury and 2,610 shares of common stock purchased and held in an employee benefit trust established for the FMC Technologies, Inc. Non-Qualified Savings and Investment Plan. In addition to these shares purchased on the open market, we sold 2,300 shares of registered common stock held in this trust, as directed by the beneficiaries, during the three months ended December 31, 2015.

(b) In 2005, we announced a repurchase plan approved by our Board of Directors authorizing the repurchase of up to two million shares of our issued and outstanding common stock through open market purchases. The Board of Directors authorized extensions of this program, adding five million shares in February 2006 and eight million shares in February 2007 for a total of 15 million shares of common stock authorized for repurchase. As a result of the two-for-one stock splits (i) on August 31, 2007, the authorization was increased to 30 million shares; and (ii) on March 31, 2011, the authorization was increased to 60 million shares. The Board of Directors authorized additional extensions of this program, adding 15 million shares in both December 2011 and February 2015 for a total of 90 million shares of common stock authorized for repurchase.

ITEM 6. SELECTED FINANCIAL DATA

The following tables set forth selected financial data of the Company for each of the five years in the period ended December 31, 2015. This information should be read in conjunction with Part I, Item 1 “Business,” Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the audited consolidated financial statements and notes thereto included in Part II, Item 8 of this Annual Report on Form 10-K.

(In millions, except per share data) Years Ended December 31	2015	2014	2013	2012	2011
Statement of income data:					
Total revenue	$6,362.7	$7,942.6	$7,126.2	$6,151.4	$5,099.0
Total costs and expenses	$5,770.6	$6,874.1	$6,378.6	$5,546.6	$4,536.6
Net income	$394.8	$705.3	$506.6	$434.8	$403.5
Net income attributable to FMC Technologies, Inc.	$393.1	$699.9	$501.4	$430.0	$399.8
Earnings per share from continuing operations attributable to FMC Technologies, Inc.: [1]					
Basic earnings per share	$1.70	$2.96	$2.10	$1.79	$1.66
Diluted earnings per share	$1.70	$2.95	$2.10	$1.78	$1.64
Cash dividends declared	$—	$—	$—	$—	$—
(In millions) As of December 31	2015	2014	2013	2012	2011
Balance sheet data:					
Total assets	$6,437.9	$7,172.1	$6,605.6	$5,902.9	$4,271.0
Net (debt) cash [2]	$(239.8)	$(666.6)	$(973.2)	$(1,298.7)	$(279.6)
Long-term debt, less current portion	$1,134.1	$1,293.7	$1,329.8	$1,580.4	$36.0
Total FMC Technologies, Inc. stockholders’ equity	$2,511.8	$2,456.3	$2,317.2	$1,836.9	$1,424.6
(In millions) Years Ended December 31	2015	2014	2013	2012	2011
Other financial information:					
Capital expenditures	$250.8	$404.4	$314.1	$405.6	$274.0
Cash flows provided by operating activities	$932.4	$892.5	$795.4	$138.4	$164.8
Segment operating capital employed [3]	$3,219.1	$3,672.7	$3,610.8	$3,572.6	$2,204.2
Order backlog [4]	$4,355.6	$6,619.4	$6,998.2	$5,377.8	$4,876.4

(1) On February 25, 2011, our Board of Directors approved a two-for-one stock split of our outstanding shares of common stock. The stock split was completed in the form of a stock dividend that was issued on March 31, 2011. All per share information presented has been adjusted to reflect the stock split.

(2) Net (debt) cash consists of cash and cash equivalents less short-term debt, long-term debt and the current portion of long-term debt. Net (debt) cash is a non-GAAP measure that management uses to evaluate our capital structure and financial leverage. See “Liquidity and Capital Resources” in Part II, Item 7 of this Annual Report on Form 10-K for additional discussion of net (debt) cash.

(3) We view segment operating capital employed, which consists of assets, net of liabilities, as the primary measure of segment capital. Segment operating capital employed excludes corporate debt facilities and certain investments, pension liabilities, deferred and currently payable income taxes and last-in, first-out (“LIFO”) inventory adjustments.

See additional financial information about segment operating capital employed in Note 20 to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.

(4) Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders at the reporting date.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Overview

We design, manufacture and service technologically sophisticated systems and products for customers in the energy industry. We have manufacturing operations worldwide, strategically located to facilitate delivery of our products, systems and services to our customers. We report our results of operations in the following segments: Subsea Technologies, Surface Technologies and Energy Infrastructure. Management's determination of the Company's reporting segments was made on the basis of our strategic priorities and corresponds to the manner in which our chief operating decision maker reviews and evaluates operating performance to make decisions about resources allocations to each segment.

A description of our products and services and annual financial data for each segment can be found in Part I, Item 1, "Business" and Note 20 to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K. A discussion and analysis of our consolidated results of operations and the results of operations of each of our segments for the years ended December 31, 2015, 2014 and 2013 follows.

We focus on economic- and industry-specific drivers and key risk factors affecting our business segments as we formulate our strategic plans and make decisions related to allocating capital and human resources. The results of our segments are primarily driven by changes in capital spending by oil and gas companies, which largely depend upon current and anticipated future crude oil and natural gas demand, production volumes, and consequently, commodity prices. We use crude oil and natural gas prices as an indicator of demand. Additionally, we use rig count as an indicator of demand which consequently influences the level of worldwide production activity and spending decisions. We also focus on key risk factors when determining our overall strategy and making decisions for capital allocation. These factors include risks associated with the global economic outlook, product obsolescence and the competitive environment. We address these risks in our business strategies, which incorporate continuing development of leading edge technologies and cultivating strong customer relationships.

Our Subsea Technologies segment is primarily affected by trends in deepwater oil and natural gas production. Our Surface Technologies segment is primarily affected by trends in land-based and shallow water oil and natural gas production, including trends in shale production. We have developed close working relationships with our customers. Our Subsea Technologies segment results reflect our ability to build long-term alliances with oil and natural gas companies that are actively engaged in offshore deepwater development and to provide solutions for their needs in a timely and cost-effective manner. We believe that by closely working with our customers, we enhance our competitive advantage, improve our operating results and strengthen our market positions. Our share of subsea tree awards during the year is one way we evaluate our market position.

As we evaluate our operating results, we consider business segment performance indicators like segment revenue, operating profit and capital employed, in addition to the level of inbound orders and order backlog. A significant proportion of our revenue is recognized under the percentage of completion method of accounting. Cash receipts from such arrangements typically occur at milestones achieved under stated contract terms. Consequently, the timing of revenue recognition is not always correlated with the timing of customer payments. We aim to structure our contracts to receive advance payments that we typically use to fund engineering efforts and inventory purchases. Working capital (excluding cash) and net (debt) cash are therefore key performance indicators of cash flows.

In each of our segments, we serve customers from around the world. During 2015, approximately 73% of our total sales were recognized outside of the United States. We evaluate international markets and pursue opportunities that fit our technological capabilities and strategies. We have targeted opportunities in West Africa, Brazil, the North Sea and

the Asia-Pacific region because of the expected offshore drilling potential in those regions.

Business Outlook

Overall Outlook—Along with volatility in global equity prices and exchange rates, crude oil price volatility which began in late 2014 continued throughout 2015, and as such, uncertainty regarding the short-term market fundamentals remains. This uncertainty is driven by multiple factors, including continued strength in U.S. oil production and international crude oil supply, especially from OPEC's and other major non-OPEC countries' decisions to maintain oil production levels to retain or increase their market share. The increases in global crude oil inventories in 2015 marked the second consecutive year of inventory builds and have put significant downward pressure on commodity prices. As a result of the weak crude oil price environment, many crude oil development prospects have been deferred and near-term capital spending plans of our customers have been reduced, leading to a downturn in demand for our products and services and an overall weaker demand for oilfield services. The timing of any recovery of crude oil prices is dependent on many variables, including the expected impact on supply of the relief of international sanctions on Iran's oil sector. The market corrections necessary to address the oversupply of crude oil are expected to occur over the next couple of years. Although oil companies have reduced their near-term capital investments, most of their capital spending reductions have been in capital exploration budgets that largely affect production levels beyond 2018. However, we believe as long-term demand rises and production naturally declines, commodity prices will recover and our customers will begin to increase their investments in new sources of oil production.

Subsea Technologies—In reaction to the decline in crude oil prices, many of our customers reduced their capital spending plans in 2015 or deferred new deepwater projects. These actions had an adverse effect on our 2015 subsea inbound orders when compared to the prior year. During 2015, we reduced our workforce to maintain operating margin improvements and to align our operations with anticipated decreases in future year activity due to delayed subsea project inbound.

Given the lower industry expectations for 2016, we have strategically aligned our focus on certain objectives to ensure our continued success during these difficult times in our industry. These objectives include (i) the continuing improvement of our execution, (ii) the strengthening of our relationships with our customers, (iii) the timely identification of further restructuring efforts to effectively reduce costs, (iv) the employment of critical supply chain management to reduce product costs, (v) the capitalization of our subsea service offerings as a continued growth platform, and (vi) the integration of our overall product and service offerings to increase the value stream to our customers. We remain focused on ways to reduce customer costs by offering cost-effective approaches to our customers' project developments, including customer acceptance of new technologies and alternative business models to help achieve their cost-reduction goals and accelerate achievement of first oil. Many customers, including our alliance customers, are actively exploring ways to utilize our standardized subsea production equipment as operators understand the cost and scheduling benefits that standardization brings to their projects.

Additionally, Forsys Subsea, our joint venture with Technip, was designed to bring the proprietary technologies of FMC Technologies and Technip together to offer front-end engineering and design services aimed to identify opportunities through new technologies, services, and standardization of equipment to significantly reduce the cost of subsea field development. Forsys Subsea received two integrated FEED studies during 2015, and we expect expanded interest and market acceptance in 2016.

In the long-term, we continue to believe deepwater development will remain a significant part of our customers' portfolio. A critical part of our long-term strategy to maintain our subsea market leadership is to continue to invest in the technologies required to develop our customers' fields and further expand our capabilities focused on increasing reservoir production over the life of the field. We believe the long-term commitment to deepwater was further exemplified during 2015 with Chevron joining our high-pressure, high-temperature joint industry program which is aimed to solve the technical and economic deepwater challenges operators currently face.

Surface Technologies—With the decline in crude oil prices, we expected a decline in rig counts and decreased North American land activity in 2015 to negatively affect all of our Surface Technologies businesses in North America. However, customer spending reductions, coupled with increased pricing pressure, had a greater impact in our Surface Technologies businesses than in past downturns. This market environment led us to take significant actions to reduce headcount in our North American businesses in 2015. During 2015, we largely completed the reorganization within our Surface Technologies segment. This reorganization was directly aligned with our integration efforts over the last

year to bring our North American surface wellhead and completion services businesses together to create our surface integrated services businesses to strengthen our market presence and bring increased value to our customers by providing an integrated offering. Although we do not expect the North American market to recover in 2016, we expect our actions to improve our position in the North American market and reduce costs in 2016. Our international surface wellhead business delivered solid operational results in 2015 due to its strong backlog, however, pricing pressure also extended to the international markets in the latter half of 2015. This pricing pressure had a slight negative effect on our 2015 international surface wellhead inbound; however we believe international activity levels to remain resilient in 2016. Given the uncertainties regarding crude oil prices and its effect on customer spending, we believe the need for further business restructuring is likely in 2016.

CONSOLIDATED RESULTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2015, 2014 AND 2013

	Year Ended December 31,			Change			
(In millions, except percentages)	2015	2014	2013	2015 vs. 2014		2014 vs. 2013	
Revenue	$6,362.7	$7,942.6	$7,126.2	$(1,579.9)	(20)%	$816.4	11%
Costs and expenses:							
Cost of sales	4,894.8	5,994.9	5,571.4	(1,100.1)	(18)	423.5	8
Selling, general and administrative expense	628.3	750.6					