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FMC TECHNOLOGIES INC
Form 11-K
June 27, 2002

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the fiscal year endedDecember 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from..... to.....

Commission file number.....1-16489

A. FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN
(Full title of the Plan)

B. FMC TECHNOLOGIES, INC.
200 East Randolph Drive, Chicago, Illinois 60601
(Name and Address of Issuer)

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, FMC Technologies, Inc., as Plan Administrator, has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

FMC TECHNOLOGIES, INC. SAVINGS AND
INVESTMENT PLAN

By /s/ Jeffrey W. Carr

Jeffrey W. Carr
Vice President, General Counsel and Secretary

Date: June 27, 2002

FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN

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Independent Auditors' Report

The Employee Welfare Benefits Plan
Committee of FMC Technologies, Inc.:

We have audited the accompanying statement of net assets available for benefits of the FMC Technologies, Inc. Savings and Investment Plan (the "Plan") as of December 31, 2001, and the related statement of changes in net assets available for benefits for the period September 28, 2001 to December 31, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2001, and the changes in net assets available for benefits for the period September 28, 2001 to December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule has been subjected to the auditing procedures applied in

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the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Chicago, Illinois
June 26, 2002

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN
Statement of Net Assets Available for Benefits
December 31, 2001
(In thousands)

Assets:	
Investments, at fair value	\$ 262,098
Receivables:	
Participants' loans	10,367
Net assets available for benefits	\$ 272,465

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

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN
Statement of Changes in Net Assets Available for Benefits
For the Period September 28, 2001 to December 31, 2001
(In thousands)

Additions:

Net appreciation in fair value of investments	\$ 25,998
Interest and dividend income	2,986
Net investment income	28,984
Contributions - employees	3,541
Contributions - employer	1,702
Total additions	34,227
Deductions:	
Distributions to participants	4,985
Administrative expenses	39
Total deductions	5,024

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Net additions prior to transfers and other changes	29,203
Net transferred from FMC Corporation Plans (Notes 1 and 6)	243,262

Net additions	272,465
Net assets available for benefits, beginning of period	-

Net assets available for benefits, end of period	\$ 272,465
	=====

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

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN

Notes to Financial Statements

December 31, 2001

(1) Description of the Plan

The following description of the FMC Technologies, Inc. Savings and Investment Plan (the "Plan") provides only general information. Participants should refer to the Plan text for a more complete description of the Plan's provisions.

The Plan was adopted effective September 28, 2001 in conjunction with the spin off from the FMC Corporation Savings and Investment Plan and the FMC Corporation Savings and Investment Plan for Bargaining Unit Employees (collectively, the "FMC Corporation Plans").

(a) General

The Plan is a qualified salary-reduction plan under Section 401(k) of the Internal Revenue Code, which covers substantially all full-time employees of FMC Technologies, Inc. (the "Company") (other than employees who generally reside or work outside of the United States). Such employees are eligible to participate in the Plan immediately upon commencement of their employment with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended ("ERISA"). The Plan is administered by the FMC Technologies, Inc. Employee Welfare Benefits Plan Committee.

(b) Contributions

Participants may elect to have their annual compensation reduced by up to \$10,500 (\$11,000 beginning in 2002), subject to adjustments to reflect changes in the cost of living, but not by more than 20% of their total compensation in the aggregate. The aggregate amount of such reductions is contributed to the Plan trust on a pretax basis. Participants may also elect to make after-tax contributions, either as an alternative to pretax contributions, or in addition to the maximum pretax contributions of \$10,500 (\$11,000 beginning in 2002) (but not more than 20% of their total compensation in the aggregate). The Company makes matching contributions for all the active participants, except for

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certain bargaining employees, ranging from 40% to 100% of the portion of those contributions not in excess of 5% of each participant's compensation, regardless of the \$10,500 (\$11,000 beginning in 2002) limit on pretax contributions. At December 31, 2001, 4,466 current and former employees participated in the Plan.

(c) Trust and Record Keeping

The Company and Fidelity Management Trust Company (the "Trustee") established a trust (the "Trust") for investment purposes as part of the Plan. The Trustee is also the Plan's record keeper.

(d) Investment options

Upon enrollment in the Plan, a participant may direct his or her contributions in 1% increments with at least 2% directed to each investment option selected. Investment options include the following:

- 1) FMC Stock Fund - Funds are invested in common stock of FMC Corporation. Effective December 31, 2001, this Fund is no longer available as an investment option for future investments.
- 2) MIP II Blend Fund - Funds are invested in investment contracts offered by insurance companies and other approved financial institutions. The selection of these contracts and administration of this fund is directed by the fund's investment manager. For the year ended December 31, 2001, the effective annual yield was approximately 8.02%.
- 3) Clipper Fund - Funds are invested in common stocks, which are considered undervalued by the fund manager, and in long-term bonds.

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN

Notes to Financial Statements

December 31, 2001

- 4) Mutual Qualified Fund (Z) - Funds are invested primarily in common and preferred stocks, which are considered, undervalued by the fund manager.
- 5) Sequoia Fund - Fund investments are concentrated in a relatively small number of mostly U. S. - headquartered companies with long-term growth potential.
- 6) Fidelity Puritan Fund - Funds are invested in high-yielding U.S. and foreign securities, including those in emerging markets.
- 7) Fidelity Magellan Fund - Funds are primarily invested in common stocks of domestic and foreign companies.
- 8) Fidelity Blue Chip Growth Fund - Funds are invested primarily in common stocks of well-known and established companies.
- 9) Fidelity Low-Priced Stock Fund - Funds are heavily invested in

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undervalued stocks or out-of-favor stocks.

- 10) Fidelity Diversified International Fund - Funds are invested primarily in stocks of companies located outside the U. S. that are included in the Morgan Stanley EAFE Index.
- 11) Fidelity Retirement Government Money Market Portfolio - Funds are invested in short-term obligations of the U. S. Government or its agencies.
- 12) Fidelity U. S. Equity Index Pool Fund - Funds are invested primarily in common stocks of the 500 companies that comprise the S&P 500.
- 13) PIMCO Total Return Fund - Funds are invested primarily in U. S. government, corporate, mortgage and foreign bonds.
- 14) MAS Mid Cap Growth Portfolio - Funds are invested primarily in equities of small to mid-sized companies that are growing rapidly and are expected to grow and perform well.
- 15) Fidelity Capital & Income Fund - Funds are invested in equity and debt securities, including defaulted securities, with emphasis on lower-quality debt securities.
- 16) Fidelity Freedom Funds - a series of asset allocation funds: Freedom Income Fund, Freedom 2000 Fund, Freedom 2010 Fund, Freedom 2020 Fund and Freedom 2030 Fund. Freedom 2040 Fund was added during the year. These target date funds are designed for investors who want a simple approach to investing for retirement by investing in a collection of other Fidelity mutual funds by targeting their retirement dates. The Freedom Income Fund, designed for those already in retirement, emphasizes bond and money market mutual funds.
- 17) FMCTI Stock Fund - Funds are invested in the common stock of the Company.

Prior to December 31, 2001, all Company contributions to the Plan were invested in the FMC Stock Fund for credit to the respective accounts of the employees participating in the Plan. On December 31, 2001, the FMCTI Stock Fund was created as a result of the distribution of the Company's stock by FMC Corporation (Note 7). All future Company contributions to the Plan will be invested by the Trustee in the FMCTI Stock Fund and will be credited to the respective accounts of the employees participating in the

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN

Notes to Financial Statements

December 31, 2001

Plan. While investments may generally be transferred between funds, amounts contributed by the Company to the FMCTI Stock Fund are not eligible for fund transfer.

(e) Vesting

Participants are immediately vested in their elective contributions plus

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actual earnings thereon. Vesting in the Company's contributions and related earnings is based on years of service. A participant is 100 percent vested after five years of service.

(f) Payment of Benefits

Upon termination of service or attainment of age 59-1/2, any participant may elect to immediately receive a lump sum distribution equal to the vested interest of his or her account. Participants whose accounts are valued at an amount equal to or greater than \$5,000 may, upon termination, elect to defer their lump sum distribution or receive annual installments. If a participant is not fully vested in the Company's contributions to his or her account on the date of termination of his or her employment, the non-vested portion is forfeited. Such forfeitures are used to pay certain administrative expenses of the Plan and to reduce future Company contributions to the Plan.

(g) Expenses

Certain administrative expenses of the Plan are paid by the Trustee out of the assets of the Plan and constitute a charge upon the respective investment funds or upon the individual participants' accounts. Certain other Plan sponsor expenses may be paid by the forfeitures balance.

(h) Withdrawals and Loans

The Plan allows participants to make hardship cash withdrawals (subject to income taxation and IRS penalties) of some or all of their vested account balances. Eligible participants may also receive money from the Plan in the form of loans. The minimum that may be borrowed is \$1,000. The maximum that may be borrowed is the lesser of \$50,000, as adjusted, or 50 percent of the participant's vested account balance. Loans, which are secured by the participant's vested account balance, must be repaid over not more than 60 months with interest at a reasonable rate as determined by the Company.

(i) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Plan and ERISA. In the event of plan termination, participants will become 100 percent vested in their account balances.

(j) Forfeited Accounts

Forfeited accounts may be used to pay certain Plan administration expenses. Any remaining balances in the forfeitures accounts may be used to reduce future employer contributions.

(2) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

(a) Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting.

(b) Investment Transactions and Income Recognition

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Security transactions are recorded in the financial statements on a settlement-date basis, which does not

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN

Notes to Financial Statements

December 31, 2001

differ materially from a trade-date basis. Dividends are recorded as earned on the record date. Interest is recorded as earned on the accrual basis.

(c) Valuation of Investments

Quoted or estimated market prices are used to value investments except for certain contracts with banks and insurance companies which guarantee repayment of principal with interest at a fixed or fixed minimum rate for a specified period of time. These contracts are valued at contract value, which approximates market value.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates, but the plan administrator does not believe such differences will materially affect the Plan's financial position or results of operations.

(e) Payment of Benefits

Benefits are recorded when paid.

(3) Investments

Investments at fair value, which represent 5% or more of the Plan's assets available for benefits, are separately identified below:

	December 31, 2001 (in thousands)
FMC Stock Fund	\$64,987
FMCTI Stock Fund	55,793
MIP II Blend Fund	52,226
Clipper Fund	14,940
Sequoia Fund	14,791
Fidelity Blue Chip Growth Fund	14,087

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN

Notes to Financial Statements

December 31, 2001

During 2001, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) as follows:

	Period ended December 31, 2001
(in thousands)	
FMC Stock Fund	\$19,908
Clipper Fund	543
Mutual Qualified Fund (Z)	46
Sequoia Fund	901
Fidelity Puritan Fund	236
Fidelity Magellan Fund	384
Fidelity Blue Chip Growth Fund	1,634
Fidelity Low-Priced Stock Fund	567
Fidelity Diversified International Fund	334
Fidelity U. S. Equity Index Pool Fund	1,077
MAS Mid Cap Growth Portfolio	346
PIMCO Total Return Fund	(74)
Fidelity Capital & Income Fund	3
Fidelity Freedom Income Fund	1
Fidelity Freedom 2000 Fund	1
Fidelity Freedom 2010 Fund	22
Fidelity Freedom 2020 Fund	36
Fidelity Freedom 2030 Fund	31
Fidelity Freedom 2040 Fund	2

	\$25,998

(4) Non-Participant Directed Investments

Non-participant directed investments are composed of forfeited non-vested balances that have not been allocated to participant accounts. These accounts, totaling \$54,000 at December 31, 2001 are invested in the MIP II Blend Fund.

Changes in the non-participant directed investments during 2001 were:

	(in thousands)

Non-participant directed investments (beginning balance)	\$ -
Non-vested forfeited accounts transferred from the FMC Corporation Plans (Note 6)	25
Non-vested forfeited accounts	29
Interest income	2
Forfeitures used to reduce company contributions	-
Forfeitures used for plan expenses	(2)

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For participants with an interest in the FMC Stock Fund, the Company stock dividend was invested in the FMCTI Stock Fund.

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2001

Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest collateral, par, or maturity value
FMC Stock Fund (FMC Corporation Common Stock) *	FMC Corporation Stock approximately 2,082,246 shares
FMCTI Stock Fund (FMC Technologies, Inc. Common Stock) *	FMC Technologies, Inc. Stock approximately 3,391,643 shares
MIP II Blend Fund * - participant directed	Portfolio includes investment contracts offered by major insurance companies and other approved institutions
MIP II Blend Fund * - non-participant directed	Portfolio includes investment contracts offered by major insurance companies and other approved institutions
Clipper Fund	Stock Long-term Growth Fund
Mutual Qualified Fund (Z)	Stock Long-term Growth Fund
Sequoia Fund	Stock Long-term Growth Fund
Fidelity Puritan Fund *	Stock and Bond Fund
Fidelity Magellan Fund *	Stock Long-term Growth Fund
Fidelity Blue Chip Growth Fund *	Large Companies Stock Fund
Fidelity Low-Priced Stock Fund *	Growth Mutual Fund
Fidelity Diversified International Fund *	Growth Mutual Fund of Foreign Companies

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FMC TECHNOLOGIES, INC. SAVINGS AND INVESTMENT PLAN
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year) (Continued)
 December 31, 2001

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Identity of issuer, borrower, lessor or similar party	Description of investment including maturity date, rate of interest collateral, par, or maturity value
Fidelity Retirement Government Money Market Portfolio *	Money Market Mutual Fund
Fidelity U.S. Equity Index Pool Fund *	Stock Index Fund
PIMCO Total Return Fund	Income Mutual Fund
MAS Mid Cap Growth Portfolio	Stock Long-term Growth Fund
Fidelity Capital & Income Fund *	Equity Income & Growth Fund
Fidelity Freedom Funds *: <ul style="list-style-type: none"> Freedom Income Fund Freedom 2000 Fund Freedom 2010 Fund Freedom 2020 Fund Freedom 2030 Fund Freedom 2040 Fund 	Asset allocation series funds, primarily invest in other Fidelity mutual funds which provide moderate asset allocation with a target retirement date. Invest in stock, bonds and money market mutual funds
Participants' loans receivable	Varying rates of interest 6.46% - 7.20%

Total assets held for investment purposes

* - party-in-interest.

See accompanying independent auditors' report.

EXHIBIT INDEX

NUMBER IN EXHIBIT TABLE	DESCRIPTION
23.1	Independent Auditors' Consent (KPMG LLP)