

UNIVERSITY OF ROCHESTER

William E. Simon Graduate School of Business Administration

Finance 423
Corporate Financial Policy & Control

Professor G. William Schwert
Spring 1997

FMC's Recapitalization: Due May 28, 1997

You work for Goldman Sachs, the investment banker advising FMC. Today is April 22, 1986, and you are scheduled to meet with management representatives from FMC within the next week to discuss their proposed recapitalization plan. The plan was first announced on February 21 (1986) and it has been met with some opposition from shareholders, including proposed class action shareholders' litigation in Delaware court, a 13D filing by Ivan Boesky, and rumors of potential hostile activity by Drexel Burnham Lambert.

Your assignment is to prepare a written report for management recommending a strategy for FMC. In particular, consider the following alternatives and make a recommendation:

- (a) Should FMC proceed with the proposed offer under the currently proposed terms?
- (b) Should FMC amend the terms of the recapitalization plan to make it more attractive to its shareholders?
- (c) Should FMC abandon its plan completely?
- (d) Should FMC consider a full blown LBO (i.e., offer to buy all of the shares of the outside equity holders)?

You should support your analysis taking into account the information on accounting performance, stock price performance, and the information that is publicly available as of April 22, 1986, (e.g., information from *Dow Jones News Retrieval*). Finally, you should be prepared to defend your position in class on May 28 (when your report is due).

Appendix: Information on FMC from Dow Jones News Retrieval

HL * FMC CORP 4TH QTR NET CONT OPS \$1.87 A SHARE VS. \$1.81
DD 02/11/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP NET FROM CONTINUING OPERATIONS \$49.4 MILLION VS \$60.8
MILLION.
IN THE LATEST QUARTER A LOSS FROM DISCONTINUED OPERATIONS
OF \$175.7 MILLION MADE FINAL LOSS \$126.3 MILLION.
TX IN THE YEAR AGO QUARTER A LOSS FROM DISCONTINUED
OPERATIONS OF \$4.3 MILLION MADE FINAL NET \$56.5 MILLION OR
\$1.67 A SHR.
REVENUE \$868.8 MILLION VS \$891.2 MILLION.
FMC SAID ITS LATEST FOURTH QUARTER NET INCLUDED A RESERVE
OF \$167 MILLION FOR THE ESTIMATED LOSS ON DIVESTITURE OF
SELECTED BUSINESSES.
DESPITE THE NEGATIVE EFFECT ON RESULTS FOR THE QUARTER
THE DIVESTITURE IS EXPECTED TO RESULT IN POSITIVE CASH FLOW
THE COMPANY SAID.
THE BUSINESSES INCLUDED IN THE DIVESTITURE RESERVE WERE
PRIMARILY IN THE SPECIALIZED MACHINERY SEGMENT. THE
DISPOSITION OF THOSE BUSINESSES WHICH LOST ABOUT \$20 MILLION
AFTER TAX IN EACH OF THE LAST TWO YEARS IS IN THE PROCESS OF
BEING NEGOTIATED.
4TH QTR NET FROM CONTINUING OPERATIONS PER SHARE FULLY
DILUTED \$1.79 VS \$1.70.
YEAR AGO QUARTER FINAL NET PER SHARE FULLY DILUTED EQUAL
TO \$1.57.
YEAR NET FROM CONTINUING OPERATIONS \$225.9 MILLION OR
\$7.52 A SHR VS \$188.4 MILLION OR \$5.62.
IN THE LATEST YEAR A LOSS FROM DISCONTINUED OPERATIONS OF
\$187.9 MILLION MADE FINAL NET \$38 MILLION OR \$1.21 A SHR.
IN THE PRIOR YEAR A LOSS FROM DISCONTINUED OPERATIONS OF
\$19.6 MILLION MADE FINAL NET \$168.8 MILLION OR \$5.02 A SHR.
REVENUE \$3 429 800 000 VS \$3 320 800 000.
NET FROM CONTINUING OPERATIONS PER SHARE FULLY DILUTED
\$7.17 VS \$5.27.
FINAL NET PER SHARE FULLY DILUTED \$1.22 VS \$4.72. 1 15 PM

HL * MOODY'S CONFIRMS RATINGS ON FMC CORP. DEBT, PAPER
DD 02/12/85
SO DOW JONES NEWS WIRE (DJ)
LP NEW YORK -DJ- MOODY'S INVESTORS SERVICE SAID IT HAS
* REVIEWED AND LEFT UNCHANGED THE DEBT RATINGS OF FMC CORP.
FOLLOWING THE COMPANY'S ANNOUNCED FOURTH QUARTER NET LOSS DUE
TO A \$167 MILLION RESERVE THAT HAS BEEN SET UP TO COVER THE
DISPOSAL OF DISCONTINUED OPERATIONS.
MOODY'S SAID IT 'CONSIDERS FMC'S PLAN TO DIVEST ITS
SPECIALIZED MACHINERY BUSINESSES, WHICH HAVE LOST MONEY FOR
THE PAST FOUR YEARS, AS A POSITIVE STEP.'
TX THE RATINGS REVIEWED AND CONFIRMED INCLUDE FMC'S SINGLE-A2
SENIOR DEBT, SINGLE-A3 SUBORDINATED DEBT AND ITS PRIME-1
RATING FOR COMMERCIAL PAPER.
* FMC FINANCE CORP.'S PRIME-1 RATING FOR COMMERCIAL PAPER
WAS ALSO CONFIRMED. 3 23 PM

HL FMC TO CLOSE TWO CONSTRUCTION EQUIPMENT MANUFACTURING PLANTS
DD 02/21/85
SO DOW JONES NEWS WIRE (DJ)
LP * CHGO -DJ- FMC CORP. SAID IT PLANS TO CLOSE TWO OF ITS
CONSTRUCTION EQUIPMENT MANUFACTURING FACILITIES IN CEDAR
RAPIDS IOWA AND WOODSTOCK ONTARIO.

THE COMPANY SAID THE CLOSINGS ARE EXPECTED TO BE COMPLETED
BY MID-YEAR. FMC ALSO OPERATES CONSTRUCTION EQUIPMENT PLANTS
IN LEXINGTON AND BOWLING GREEN KY. AND IN MILAN ITALY AND
IT SAID IT INTENDS TO CONTINUE TO SUPPLY ALL OF ITS PRODUCTS
FROM ITS REMAINING FACILITIES.

TX IN ANNOUNCING THE CLOSINGS FMC SAID THE CRANE AND
EXCAVATOR INDUSTRY HAS HAD 'SERIOUS' EXCESS MANUFACTURING
CAPACITY FOR MORE THAN TWO YEARS. IT CITED A PROLONGED
ABSENCE OF DEMAND FOR PRODUCTS MANUFACTURED AT THE TWO PLANTS
BEING CLOSED AND SAID THERE WAS NO PROSPECT THAT THE
SITUATION WOULD CHANGE IN THE NEAR TERM.

THE CEDAR RAPIDS PLANT EMPLOYS 450 PEOPLE. AND THE
WOODSTOCK FACILITY EMPLOYS 40 PEOPLE FMC SAID. 4 25 PM

HL FMC TO CLOSE TWO PLANTS -2-
DD 02/21/85
SO DOW JONES NEWS WIRE (DJ)

LP * CHGO -DJ- FMC CORP. WHICH SAID IT PLANS TO CLOSE TWO OF
ITS CONSTRUCTION EQUIPMENT MANUFACTURING FACILITIES IN CEDAR
RAPIDS IOWA AND WOODSTOCK ONTARIO SAID IT IS IN
NEGOTIATIONS WITH SEVERAL PARTIES CONSIDERING THE PURCHASE OF
PARTS OF FMC'S CONSTRUCTION EQUIPMENT BUSINESS.

HOWEVER FMC SAID NONE OF THE POTENTIAL BUYERS IS
INTERESTED IN ACQUIRING THE CEDAR RAPIDS OR WOODSTOCK PLANTS. 5 06 PM

HL * OLIN CORP IN PACT TO BUY SOME FMC CORP CHEMICAL OPERATIONS
DD 03/04/85
SO DOW JONES NEWS WIRE (DJ)

LP * STAMFORD CONN -DJ- OLIN CORP. AND FMC CORP. SAID THEY
ENTERED INTO AN AGREEMENT IN PRINCIPLE FOR OLIN TO BUY THE
U.S. CHLOR-ALKALI AND RELATED WATER-TREATED CHEMICAL
* OPERATIONS OF FMC CORP.

AN OLIN SPOKESMAN SAID THE RELATED WATER-TREATED CHEMICAL
OPERATIONS ESSENTIALLY ARE FMC'S SWIMMING POOL CHEMICAL
OPERATIONS SPECIFICALLY CHLOROISOCYANURATE AND ITS SUN BRAND
NAME. OLIN CURRENTLY MARKETS THE CHEMICAL UNDER THE PACE
BRAND NAME.

TX TERMS WEREN'T DISCLOSED BUT THE COMPANIES SAID THE
PURCHASE IS EXPECTED TO BE COMPLETED BY THE END OF MAY.

OLIN AND FMC SAID THAT ALSO INCLUDED IN THE TRANSACTION
ARE FMC'S CHLORINE CAUSTIC SODA AND CHLORINATED BLEACH
BUSINESSES WITH MANUFACTURING FACILITIES AT SOUTH CHARLESTON
W. VA. AND LIVONIA MICH. AND FMC'S INTEREST IN CHLOR-CHEM
LTD. OF WIDNES ENGLAND.

AN OLIN SPOKESMAN DESCRIBED THE PROPOSED PURCHASE AS PART
OF OLIN'S PREVIOUSLY ANNOUNCED INTENTION TO EXPAND ITS LINE
OF PRODUCTS AND SERVICES FOR WATER TREATMENT. 10 43 AM

HL * OLIN CORP. - FMC CORP. -2-
DD 03/04/85
SO DOW JONES NEWS WIRE (DJ)
LP * STAMFORD CONN -DJ- AS REPORTED FMC CORP. WHICH AGREED
IN PRINCIPLE TO SELL ITS U.S. CHLOR-ALKALI AND RELATED
WATER-TREATED CHEMICAL OPERATIONS TO OLIN CORP. SAID LAST
MONTH THAT IT PROVIDED A RESERVE OF ABOUT \$167 MILLION IN THE
FOURTH QUARTER OF 1984 FOR THE ESTIMATED LOSS ON DIVESTITURE
OF SELECTED BUSINESSES.
* FMC CORP. SAID THE SALE OF ITS CHLOR-ALKALI AND RELATED
CHEMICAL OPERATIONS IS A COMPONENT OF THAT RESERVE. 11 52 AM

HL * FMC CORP SELLS MARINE AND RAIL EQUIPMENT UNIT
DD 03/04/85
SO DOW JONES NEWS WIRE (DJ)
LP * CHGO -DJ- FMC CORP. SAID IT SOLD ITS MARINE AND RAIL
EQUIPMENT DIVISION TO GUNDERSON INC. PORTLAND ORE.
EFFECTIVE FEB. 28.
TERMS WEREN'T DISCLOSED.
TX FMC SAID THE DIVISION MAKES RAIL FREIGHT CARS AND MARINE
BARGES.
AS REPORTED FMC SAID IT TOOK A RESERVE OF \$167 MILLION IN
THE 1984 FOURTH QUARTER FOR THE ESTIMATED LOSS ON DIVESTITURE
OF SELECTED BUSINESSES PRIMARILY IN THE SPECIALIZED
MACHINERY SEGMENT OF ITS OPERATIONS. THE SALE OF THE MARINE
AND RAIL EQUIPMENT DIVISION IS COVERED BY THAT RESERVE THE
COMPANY SAID. 1 27 PM

HL * FMC CORP. ACQUIRES 11% OF TEKKNOWLEDGE FOR \$3.5 MILLION
DD 03/12/85
SO DOW JONES NEWS WIRE (DJ)
LP * CHGO -DJ- FMC CORP. SAID IT IS INVESTING \$3.5 MILLION TO
ACQUIRE 11 PC OF TEKKNOWLEDGE INC. A PALO ALTO CALIF. FIRM
SPECIALIZING IN ARTIFICIAL INTELLIGENCE PRODUCTS AND
SERVICES.
* FMC CORP. SAID IT AND TEKKNOWLEDGE WILL ENGAGE IN A VARIETY
OF MUTUALLY BENEFICIAL TECHNICAL ACTIVITIES IN THE ARTIFICIAL
INTELLIGENCE AREA. IT ADDED THAT THE COMPANIES WILL
COOPERATE ON SELECTED DEFENSE CONTRACTS AND AS PART OF THE
INVESTMENT AGREEMENT FMC WILL OBTAIN A POSITION ON
TEKKNOWLEDGE'S BOARD. 1 31 PM

HL FMC SAYS IT MAY START MAKING METHYL ISOCYANATE
DD 04/03/85
SO WALL STREET JOURNAL (WJ)
LP * FMC CORP., ONE OF THE LARGEST BUYERS OF METHYL ISOCYANATE
MADE BY UNION CARBIDE CORP., SAID IT MAY START MAKING THE
TOXIC CHEMICAL ITSELF.
FMC USES METHYL ISOCYANATE, THE CHEMICAL THAT KILLED AN
ESTIMATED 2,000 PEOPLE DEC. 3 AFTER LEAKING FROM A UNION
CARBIDE PLANT IN BHOPAL, INDIA, IN THE PRODUCTION OF ITS
FURADAN PESTICIDE. SINCE UNION CARBIDE, CURRENTLY THE ONLY
U.S. MAKER OF THE CHEMICAL, STOPPED MAKING METHYL ISOCYANATE
AT ITS INSTITUTE, W.VA., PLANT IN THE WAKE OF THE BHOPAL
DISASTER, FMC HAS BEEN REVIEWING SEVERAL OPTIONS ON FUTURE

FURADAN PRODUCTION, A SPOKESMAN FOR FMC SAID.

TX AMONG THE OPTIONS BEING CONSIDERED, THE SPOKESMAN SAID, WAS FOR FMC TO START MAKING ITS OWN METHYL ISOCYANATE. THE OTHER TWO OPTIONS, HE SAID, ARE TO EITHER BUILD A PESTICIDE PLANT NEAR UNION CARBIDE'S WEST VIRGINIA PLANT, ELIMINATING THE NEED TO SHIP THE CHEMICAL, OR TO RESUME SHIPMENTS FROM UNION CARBIDE.

THE SPOKESMAN SAID FMC LIKELY WILL MAKE A DECISION BY THE END OF THE MONTH. HE WOULDN'T SPECULATE EITHER ABOUT WHICH OPTION THE COMPANY MOST LIKELY WOULD CHOOSE OR WHERE FMC WOULD MAKE METHYL ISOCYANATE IF THE COMPANY DECIDES TO MAKE THE CHEMICAL ITSELF.

A SPOKESMAN FOR UNION CARBIDE SAID THE COMPANY WILL RESUME METHYL ISOCYANATE PRODUCTION WITHIN TWO WEEKS, BUT WON'T STORE LARGE INVENTORIES OF THE CHEMICAL. INSTEAD, HE SAID, UNION CARBIDE WILL SUPPLY CUSTOMERS ON AN "AS-NEEDED" BASIS.

THE UNION CARBIDE SPOKESMAN SAID THAT OF THE THREE OPTIONS, UNION CARBIDE WOULD PREFER THAT FMC BUILD A PESTICIDE PLANT IN WEST VIRGINIA SO THAT IT COULD KEEP FMC AS A CUSTOMER WHILE ELIMINATING THE NEED TO SHIP THE CHEMICAL TO FMC'S MIDDLEPORT, N.Y. PLANT.

DU PONT CO., WHICH HAD BEEN ANOTHER MAJOR BUYER OF UNION CARBIDE'S METHYL ISOCYANATE, IS SPENDING BETWEEN \$10 MILLION AND \$11 MILLION TO START MAKING THE CHEMICAL AT ITS LA PORTE, TEXAS, PLANT, NEAR HOUSTON. THE CHEMICAL WILL BE USED AT LA PORTE TO MANUFACTURE DU PONT'S HIGHLY PROFITABLE PESTICIDE LANNATE.

DU PONT'S METHYL ISOCYANATE FACILITY IS EXPECTED TO BE COMPLETED JUNE 1.

SEPARATELY, FMC SAID IT HAS SUBSTANTIALLY COMPLETED ITS FIVE-YEAR-OLD RESTRUCTURING PROGRAM, WHICH INCLUDED SELLING SEVERAL BUSINESSES IT FELT HAD LIMITED GROWTH POTENTIAL.

THE COMPANY SAID IT COMPLETED THE SALE OF ITS MARINE AND RAIL DIVISION. IT ADDED THAT IT EXPECTS TO COMPLETE THE SALE OF ITS U.S. CHLORINE AND CAUSTIC SODA MANUFACTURING PLANTS AND RELATED BUSINESSES TO OLIN CORP. BY THE END OF NEXT MONTH. FMC ALSO SAID IT IS IN THE PROCESS OF CLOSING TWO CONSTRUCTION-EQUIPMENT MANUFACTURING FACILITIES AND IS NEGOTIATING WITH SEVERAL POTENTIAL BUYERS FOR THE REMAINDER OF THAT BUSINESS.

THOSE TRANSACTIONS ARE THE PRIMARY PART PROVIDED FOR IN A \$167 MILLION RESERVE SET ASIDE IN THE 1984 FOURTH QUARTER TO COVER LOSSES ON THE PLANNED SALE OF BUSINESSES AND "SUBSTANTIALLY REPRESENT THE CONCLUSION OF THE RESTRUCTURING PROGRAM ANNOUNCED IN 1980," A SPOKESMAN SAID.

HL * FMC CORP. FILES FOR PERMIT TO BUILD W. VA PESTICIDE PLANT
DD 04/11/85

SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)

LP * CHGO -DJ- FMC CORP. SAID IT FILED A PERMIT APPLICATION WITH THE WEST VIRGINIA AIR POLLUTION CONTROL COMMISSION FOR THE CONSTRUCTION AND OPERATION OF A PLANT IN INSTITUTE WEST VA. TO HANDLE A KEY STEP IN THE MANUFACTURE OF THE COMPANY'S FURADAN INSECTICIDE, NEMATICIDE. THE COMPANY SAID THE NEW PLANT WHICH WILL BE BUILT IN THE IMMEDIATE PROXIMITY OF

UNION CARBIDE'S INSTITUTE METHYL ISOCYANATE FACILITY IS SCHEDULED FOR START-UP ON OCT. 1 AND WILL PROVIDE LONG-TERM ASSURANCE OF A SUPPLY OF FURADAN TO FMC CUSTOMERS WORLDWIDE.
THE COMPANY SAID THE CONSTRUCTION WILL BEGIN IMMEDIATELY FOLLOWING PERMIT APPROVAL.

TX THE COMPANY ADDED THAT THE NEW PLANT WILL HAVE ABOUT 40 EMPLOYEES.
THE PESTICIDE PLANT WILL USE METHYL ISOCYANATE IN ITS OPERATIONS. 4 11 PM

HL * FMC CORP 1ST QTR NET \$1.69 A SHR VS NET CONT OPER \$1.41
DD 04/17/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP NET \$44 MILLION VS NET FROM CONTINUING OPERATIONS \$47.7 MILLION.
IN THE YEAR AGO A LOSS FROM DISCONTINUED OPERATIONS OF \$4.9 MILLION REDUCED FINAL NET TO \$42.8 MILLION OR \$1.26.
TX REVENUE \$768.3 MILLION VS \$905.6 MILLION.
SALES \$755.8 MILLION VS \$882.7 MILLION.
AVERAGE SHARES 25.8 MILLION VS 33.6 MILLION.
FULLY DILUTED SHARE NET \$1.64 VS \$1.34.
YEAR AGO QUARTER FIGURES WERE RESTATED FOR DISCONTINUED OPERATIONS. 3 11 PM

HL * FMC CORP, GE, KAISER CO. GET DEFENSE CONTRACTS
DD 04/22/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * WASHN -DJ- FMC CORP. RECEIVED A \$101.9 MILLION NAVY CONTRACT TO PRODUCE AMPHIBIOUS ASSAULT VEHICLES.
HENRY J. KAISER CO. RECEIVED A \$23.8 MILLION AIR FORCE CONTRACT FOR ENGINEERING WORK ON SUPERHARDENING OF BALLISTIC MISSILE SILOS.
TX BOEING MILITARY AIRPLANE CO. A UNIT OF BOEING CO. RECEIVED A \$3.9 MILLION AIR FORCE CONTRACT FOR B-52 AIRCRAFT FLIGHT CONTROL SYSTEM ENGINEERING WORK. 4 00 PM

HL DIVIDEND DECLARATIONS: ERB, FMC, FOE, GILBA
DD 04/29/85
SO WALL STREET JOURNAL (WJ)
LP ERBAMONT N.V. -- REG QTR 7.5C DIV PAY MAY 30 REC MAY 15.
* FMC CORP. -- REG QTR 55C DIV PAY JUNE 30 REC JUNE 14.
TX FERRO CORP. -- REG QTR 30C DIV PAY JUNE 10 REC MAY 15.
GILBERT ASSOCIATES CL A -- REG QTR 42.5C DIV PAY JUNE 10 REC MAY 15.

HL FMC AND OLIN MODIFY PACT ON FMC CHLORINE-CAUSTIC SEGMENT
DD 06/03/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * SOUTH CHARLESTON W. VA. -DJ- FMC CORP. SAID ITS PREVIOUSLY REPORTED AGREEMENT IN PRINCIPLE WITH OLIN CORP. TO BUY FMC'S U.S. CHLORINE-CAUSTIC AND RELATED BUSINESSES HAS BEEN CHANGED TO EXCLUDE THE SALE OF FMC'S U.S. CHLORINE AND CAUSTIC SODA BUSINESSES.
THE COMPANY SAID IT WOULD BE FORCED TO CLOSE ITS CHLORINE-CAUSTIC SODA FACILITY AT SOUTH CHARLESTON.

TX FMC SAID IT ANTICIPATES AN ORDERLY SHUTDOWN OF ITS CHLORINE-CAUSTIC SODA FACILITY AT SOUTH CHARLESTON TO BE COMPLETED BY THE END OF 1985.

THE COMPANY SAID IT WOULD IMMEDIATELY BEGIN PHASING DOWN OPERATIONS AND WITHDRAWING FROM U.S. SALES OF CHLORINE-CAUSTIC SODA SUBJECT TO CONTRACTUAL OBLIGATIONS WITH CUSTOMERS.

FMC SAID IT RECORDED A RESERVE IN THE FOURTH QUARTER OF 1984 FOR THE DISPOSITION OF THESE AND OTHER BUSINESSES AND THAT THE RESERVE IS ADEQUATE TO COVER THE EXPECTED COST OF THE SOUTH CHARLESTON SHUTDOWN.

FMC SAID IT NOW EXPECTS TO COMPLETE BY THE END OF JUNE THE SALE TO OLIN OF THE RELATED BUSINESSES INCLUDING ITS CHLORINATED BLEACH MANUFACTURING FACILITIES AT SOUTH CHARLESTON THE SUN SWIMMING POOL CHEMICALS BRAND NAME REPACKAGING FACILITIES AT LIVONIA MICH. AND FMC'S 50% INTEREST IN CHLOR-CHEM LTD. OF WIDNES ENGLAND.

AN FMC SPOKESMAN SAID THE CHLORINE-CAUSTIC PLANT SALE WAS CANCELED AFTER OLIN DETERMINED THAT IT APPARENTLY COULDN'T TURN A PROFIT AT THE FACILITY.

WILLIAM A. MCMINN VICE PRESIDENT AND GENERAL MANAGER OF FMC'S INDUSTRIAL CHEMICALS GROUP. SAID THE COMPANY HAD TRIED TO INTEREST OTHER POTENTIAL BUYERS IN ITS CHLORINE-CAUSTIC BUSINESS BUT HADN'T BEEN SUCCESSFUL.

MCMINN SAID MANAGEMENT HAS PRESENTED A SPECIAL SEVERANCE PACKAGE TO THE UNION AT THE FACILITY WHICH HAS BEEN OPERATING SINCE 1915 AND EMPLOYS 450 PEOPLE. 1 04 PM

HL FMC, LITTON UNIT, GRUMMAN AND OTHERS GET DEFENSE CONTRACTS
DD 06/19/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * WASHINGTON -DJ- FMC CORP. ORDINANCE DIVISION ENGINEERING
* A UNIT OF FMC CORP. RECEIVED AN \$87.8 MILLION ARMY CONTRACT FOR ARMORED PERSONNEL VEHICLES.

LITTON SYSTEMS INC. RECEIVED A \$25.8 MILLION NAVY CONTRACT FOR SHIPBOARD NAVIGATIONAL EQUIPMENT AND FOR OVERHAUL OF A SUBMARINE TENDER.

TX GRUMMAN AEROSPACE CORP. A DIVISION OF GRUMMAN CORP. RECEIVED AN \$8.5 MILLION NAVY CONTRACT FOR EA-6B AIRCRAFT COMPONENTS.

ZAPATA GULF MARINE CORP. RECEIVED AN \$8.2 MILLION NAVY CONTRACT FOR TUGBOAT CHARTER.

HOLT-REFAKIS EQUIPMENT CO. RECEIVED A \$7.2 MILLION DEFENSE LOGISTICS AGENCY CONTRACT FOR TRACTOR REPAIR PARTS.

WINFIELD MANUFACTURING CO. RECEIVED A \$5.2 MILLION DEFENSE LOGISTICS AGENCY CONTRACT FOR CHEMICAL PROTECTIVE SUITS.

ENTERPRISE ELECTRONICS CORP. RECEIVED A \$5.1 MILLION AIR FORCE CONTRACT FOR WEATHER RADARS.

SRI INTERNATIONAL RECEIVED A \$4.9 MILLION AIR FORCE CONTRACT FOR COMPUTER SERVICES.

INTERNATIONAL BUSINESS MACHINES CORP. RECEIVED A \$3.4 MILLION NAVY CONTRACT FOR ELECTRONIC TEST SETS. 4:01 PM

HL * REG FMC CORP. DIV - 55C QTR PAY SEPT. 30 REC SEPT. 13.
DD 06/28/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP 1:37 PM

HL SCHNEIDER SERVICES GETS \$345 MILLION AIR FORCE ORDER
DD 07/03/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP WASHINGTON -DJ- SCHNEIDER SERVICES INC. RECEIVED A \$345
MILLION AIR FORCE CONTRACT FOR MISSION SUPPORT AT THE ARNOLD
ENGINEERING DEVELOPMENT CENTER IN TULLAHOMA TENN.
* FMC CORP. RECEIVED A \$315.3 MILLION ARMY CONTRACT FOR
ARMORED VEHICLES.

TX CALSPAN CORP. A UNIT OF ARVIN INDUSTRIES INC. RECEIVED A
\$245.1 MILLION AIR FORCE CONTRACT FOR FLIGHT DYNAMICS TESTING
AT THE ARNOLD ENGINEERING DEVELOPMENT CENTER.
SVERDRUP TECHNOLOGY INC. RECEIVED A \$227.5 MILLION AIR
FORCE CONTRACT FOR PROPULSION TESTING AT THE ARNOLD
ENGINEERING DEVELOPMENT CENTER.
GOULD INC. RECEIVED AN \$80 MILLION NAVY CONTRACT FOR
TORPEDOS.
UNIDYNAMICS-ST. LOUIS INC. A UNIT OF UNIDYNAMICS CORP.
RECEIVED A \$44.9 MILLION NAVY CONTRACT TO PRODUCE SONARS.
EARTH TECHNOLOGY CORP. RECEIVED A \$42.1 MILLION AIR FORCE
CONTRACT FOR ANALYSIS OF ICBM SITES.
GENERAL DYNAMICS CORP. RECEIVED A \$9.9 MILLION NAVY
CONTRACT FOR TOMAHAWK CRUISE MISSILE OPERATIONAL TEST LAUNCH
SUPPORT.
ALABAMA DRYDOCK & SHIPBUILDING INC. A UNIT OF ADDSCO
INDUSTRIES INC. RECEIVED A \$9.4 MILLION NAVY CONTRACT TO
OVERHAUL AN AMMUNITION SHIP.
WESTERN GEAR CORP. RECEIVED AN \$8.9 MILLION NAVY CONTRACT
FOR FA-18 AIRCRAFT GEARBOX SPARE PARTS.
EMERSON ELECTRIC CO. GOT AN \$8.1 MILLION ARMY CONTRACT
FOR MISSILE-LAUNCHING COMBAT VEHICLES.
RAYTHEON CO. RECEIVED A \$7.2 MILLION NAVY CONTRACT FOR
SPARROW MISSILE GUIDANCE EQUIPMENT.
TEXAS INSTRUMENTS INC. RECEIVED A \$6.4 MILLION NAVY
CONTRACT FOR AIRCRAFT RADAR COMPONENTS.
ADDISON SHOE CO. GOT A \$5.7 MILLION DEFENSE LOGISTICS
AGENCY CONTRACT FOR SAFETY BOOTS.
GENERAL ELECTRIC CO. GOT A \$5.6 MILLION ARMY CONTRACT FOR
THE TURRET DRIVE SYSTEM FOR THE BRADLEY FIGHTING VEHICLE.
GENERAL MOTORS CORP. RECEIVED A \$4.2 MILLION NAVY CONTRACT
FOR T56 AIRCRAFT ENGINES.
INTERSTATE ELECTRONICS CORP. A UNIT OF FIGGIE
INTERNATIONAL HOLDINGS INC. GOT A \$3.9 MILLION AIR FORCE
CONTRACT FOR C5-A AIRCRAFT OSCILLOSCOPES.
MOTOROLA INC. WON A \$3.6 MILLION NAVY CONTRACT FOR
SHIPBOARD SATELLITE RECEIVERS.
ITEK CORP. GOT A \$3.1 MILLION AIR FORCE CONTRACT TO MODIFY
RADAR WARNING RECEIVERS. 4:03 PM

HL * FMC CORP. 2ND QTR NET \$2.09 A SHARE VS. NET CONT OPER \$1.96
DD 07/16/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP NET INCOME FROM CONTINUING OPERATIONS \$54.5 MILLION VS
\$66.1 MILLION.
TX IN THE YEAR-AGO QUARTER A LOSS FROM DISCONTINUED
OPERATIONS OF \$1.7 MILLION MADE FINAL NET \$64.4 MILLION OR
\$1.91.
REVENUE \$881.3 MILLION VS \$858.6 MILLION.
6 MOS NET \$98.5 MILLION OR \$3.78 A SHR VS NET FROM
CONTINUING OPERATIONS \$113.8 MILLION OR \$3.37.
IN THE YEAR-AGO SIX MONTHS A LOSS FROM DISCONTINUED
OPERATIONS OF \$6.6 MILLION MADE FINAL NET \$107.2 MILLION OR
\$3.17 A SHR.
REVENUE \$1 637 100 000 VS \$1 741 300 000.
THE COMPANY SAID 'IF BUSINESS CONDITIONS DO NOT
DETERIORATE WE SHOULD BE ABLE TO EXCEED OUR RETURN ON EQUITY
GOAL OF 18% IN 1985.'
THE COMPANY SAID IT CONTINUES TO BE CONCERNED ABOUT THE
SLOWNESS IN THE INDUSTRIAL ECONOMY THE STRENGTH OF THE U.S.
DOLLAR AS IT AFFECTS ITS EXPORT SALES AND THE SIZE OF THE
FEDERAL DEFICIT. 3:25 PM

HL GULF RESOURCES COMPLETES SALE OF TWO UNITS FOR \$150 MILLION
DD 07/19/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP HOUSTON -DJ- GULF RESOURCES & CHEMICAL CORP. SAID IT
COMPLETED ITS PREVIOUSLY ANNOUNCED SALE OF ITS LITHIUM CORP.
* OF AMERICA UNIT AND ITS BS&B ENGINEERING CO. UNIT TO FMC
CORP. FOR ABOUT \$150 MILLION.
AS REPORTED THE SALE WILL RESULT IN A GAIN OF ABOUT \$90
MILLION IN ITS THIRD QUARTER. 1:38 PM

HL * FTC CHALLENGES OLIN CORP.'S ACQUISITION OF FMC CORP ASSETS
DD 07/23/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP WASHINGTON -DJ- THE FEDERAL TRADE COMMISSION CHARGED THAT
* OLIN CORP.'S \$49.5 MILLION ACQUISITION OF CERTAIN FMC CORP.
ASSETS COULD LESSEN COMPETITION IN THE PRODUCTION AND SALE OF
SWIMMING POOL CHEMICALS.
OLIN HAS AGREED TO BUY FMC'S CHLORINATED DRY-BLEACH
ASSETS INCLUDING ITS PRODUCTION FACILITIES IN SOUTH
CHARLESTON W.VA. ITS PACKAGING FACILITIES IN LIVONIA
MICH. AND FMC'S PATENTS TECHNOLOGIES AND SUN TRADE NAME.
TX OLIN WILL ALSO ACQUIRE FMC'S 50 PC INTEREST IN CHLOR-CHEM
A BRITISH COMPANY THAT SELLS SWIMMING POOL CHEMICALS.
UNDER AN INTERIM AGREEMENT BETWEEN OLIN AND THE FTC OLIN
AND AND FMC MAY COMPLETE THE ACQUISITION PROVIDED OLIN
MAINTAINS FMC'S ASSETS PENDING A RULING ON THE
ANTI-COMPETITIVE COMPLAINT AND TERMINATES A PRODUCTION
CONTRACT IT HAS WITH MONSANTO CO.
THE AGREEMENT ALLOWS THE COMMISSION TO FINISH ITS
PROCEEDINGS ON THE ADMINISTRATIVE COMPLAINT WHILE PRESERVING
THE ASSETS IN CASE IT SHOULD ORDER THEM TO BE DIVESTED.
THE FTC WILL FILE A COMPLAINT WHEN THE AGENCY BELIEVES THE

LAW HAS BEEN VIOLATED BUT SUCH ACTION ONLY MARKS THE BEGINNING OF A PROCEEDING IN WHICH THE ALLEGATIONS WILL BE RULED ON AFTER A FORMAL HEARING.

NO HEARING DATE FOR THE COMPLAINT WAS SET. 11:18 AM

HL CHEMICAL INDUSTRY LOSING SUPPORT IN WEST VIRGINIA
DD 08/15/85
SO WALL STREET JOURNAL (WJ)
LP

CHARLESTON, W.VA. -- STUNNED BY A SECOND CHEMICAL LEAK FROM UNION CARBIDE CORP. FACILITIES, RESIDENTS OF WHAT'S KNOWN LOCALLY AS "CHEMICAL VALLEY" APPEAR TO BE LOSING FAITH IN THE INDUSTRY THAT IS THEIR MAJOR EMPLOYER.

FOUR OF THOSE RESIDENTS WERE HOSPITALIZED LATE TUESDAY FOR EYE IRRITATIONS AND NAUSEA CAUSED BY A SPILL OF ABOUT 1,000 GALLONS OF CHEMICALS FROM UNION CARBIDE'S SOUTH CHARLESTON PLANT. THE INCIDENT WAS RELATIVELY MINOR, BUT IT FOLLOWED SUNDAY'S MAJOR LEAK AT THE COMPANY'S OTHER PLANT AT INSTITUTE, W.VA., JUST FIVE MILES AWAY. THE ACCIDENT SUNDAY SENT 134 PEOPLE TO AREA HOSPITALS, WHERE SOME STILL ARE BEING TREATED.

TX THE BACK-TO-BACK INCIDENTS HAVE COMBINED TO ERODE LONGSTANDING CONFIDENCE IN THE SAFETY OF THE CHEMICAL FACILITIES THAT LINE THE KANAWHA VALLEY HERE. AFTER UNION CARBIDE'S TRAGEDY IN BHOPAL, INDIA, LAST DECEMBER, WHICH KILLED ABOUT 2,000 PEOPLE, RESIDENTS HERE "RUSHED TO SUPPORT UNION CARBIDE," SAYS PERRY BRYANT, HEAD OF A LOCAL CONSUMER-ACTION GROUP. "NOW THEY ARE SAYING SOMETHING WENT WRONG. UNION CARBIDE'S ASSURANCES THAT WE'D HAVE PLENTY OF TIME TO EVACUATE WEREN'T CONFIRMED ON SUNDAY."

WITH EACH SUCCESSIVE MISHAP, THAT ANXIETY HEIGHTENS.
* WEDNESDAY, ONE WORKER AT FMC CORP.'S CHEMICAL PLANT HERE WAS HOSPITALIZED AND THE COMPANY AT FIRST SUSPECTED A CHLORINE-GAS LEAK.

MOST FRIGHTENING IS THE PROSPECT OF THE GINGERING EFFECTS OF CHEMICAL LEAKS. CHEMICAL EXPERTS SAID YESTERDAY THE PESTICIDE INGREDIENT RELEASED SUNDAY PROBABLY SETTLED ON THE GROUND AND COULD POSE A THREAT OF LINGERING CONTAMINATION. AUTHORITIES URGED RESIDENTS TO AVOID EATING PRODUCE FROM THEIR GARDENS UNTIL EXPERTS ANALYZE PLANTS AND SOIL. UNION CARBIDE OFFICIALS WEDNESDAY COULDN'T EXPLAIN WHAT CAUSED THE TUESDAY NIGHT INCIDENT, ALTHOUGH IT WAS TRIGGERED BY PRESSURE BUILDING IN A TANK STORING THE CHEMICALS, USED FOR BRAKE FLUIDS.

OFFICIALS SAID, HOWEVER, THAT UNION CARBIDE'S RESPONSE TO THE LATEST LEAK WAS QUICKER THAN IT WAS SUNDAY, WHEN NOTIFICATION DELAYS CAUSED MOST RESIDENTS TO LEARN OF THE LEAK OF TOXIC ALDICARB OXIME, USED TO PRODUCE PESTICIDES, WHEN THEY ARE FELLED BY IT.

"THEY'RE BENDING OVER BACKWARDS TO BE HELPFUL NOW," SAID AN OFFICIAL OF THE CHARLESTON OFFICE OF EMERGENCY SERVICES. HE SAID CITY OFFICIALS WERE ALLOWED TUESDAY NIGHT, FOR THE FIRST TIME, INTO THE SOUTH CHARLESTON PLANT TO HELP COORDINATE COMMUNITY-RESPONSE PLANS.

HL * OLIN CORP. COMPLETES ACQUISITION OF FMC CORP. UNIT
DD 08/19/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP STAMFORD CONN. -DJ- OLIN CORP. SAID IT HAS COMPLETED
THE PURCHASE OF THE POOL CHEMICAL AND RELATED OPERATIONS OF
* FMC CORP.
AS PREVIOUSLY ANNOUNCED THE TRANSACTION INCLUDES FMC'S
MANUFACTURING FACILITIES AT SOUTH CHARLESTON W.VA. AND
LIVONIA MICH. THE SUN -R- POOL CHEMICALS BRAND NAME AND
FMC'S 50% INTEREST IN CHLOR-CHEM LTD. OF WIDNES.
TX IN ACCORDANCE WITH AN AGREEMENT WITH THE FEDERAL TRADE
COMMISSION WHICH HAS CHALLENGED THE ACQUISITION THE FMC
OPERATIONS WILL BE MAINTAINED IN A CONDITION THAT WOULD
FACILITATE A DIVERSTITURE SHOULD A RULING ULTIMATELY BE MADE
THAT OLIN WILL NOT BE ALLOWED TO RETAIN THE OPERATIONS. 8:28 AM

HL * FMC CORP. UNIT IN CHEMICALS VENTURE WITH JAPANESE FIRM
DD 09/12/85
SO DOW JONES NEWS WIRE (DJ)
LP GASTONIA N.C. -DJ- LITHIUM CORP. OF AMERICA A UNIT OF
* FMC CORP. ANNOUNCED A JOINT VENTURE AGREEMENT WITH HONJO
CHEMICAL CO. FOR THE MANUFACTURE OF LITHIUM CHEMICALS IN
JAPAN.
HONJO CHEMICAL BASED IN JAPAN HAS HAD A JOINT
ARRANGEMENT WITH LITHIUM CORP. OF AMERICA SINCE 1960 FOR
THE MARKETING OF LITHIUM CHEMICALS TO JAPANESE MARKETS.
LITHIUM CORP. OF AMERICA SAID THE NEW AGREEMENT EXPANDS THE
RELATIONSHIP BETWEEN THE PARTIES TO INCLUDE THE CONSTRUCTION
AND ADMINISTRATION OF CHEMICAL MANUFACTURING FACILITIES IN
JAPAN.
TX THE COMPANY SAID MANUFACTURING FACILITIES FOR THE JOINT
VENTURE ARE SCHEDULED TO BE IN PLACE BY THE SECOND QUARTER OF
1986. THE FIRST PRODUCT WILL BE N-BUTYL-LITHIUM AN INITIATOR
IN POLYMER MANUFACTURE AND A METALLATING AGENT IN ORGANIC
SYNTHESIS BUT ADDITIONAL LITHIUM PRODUCTS WILL BE
MANUFACTURED AT THESE FACILITIES AS SERVICE TO THE JAPANESE
MARKETS EXPANDS. 2:55 PM

HL FMC TO END PRODUCTION AT PLANT IN COLMAR, PA.
DD 09/24/85
SO WALL STREET JOURNAL (WJ)
LP * CHICAGO -- FMC CORP. SAID IT WILL PHASE OUT PRODUCTION OF
MATERIAL HANDLING SYSTEMS AT ITS COLMAR, PA., PLANT, WHICH
EMPLOYS ABOUT 200 WORKERS.
THE MAKER OF MACHINERY AND CHEMICALS WILL OFFER JOBS
ELSEWHERE IN THE COMPANY TO A LIMITED NUMBER OF THE AFFECTED
WORKERS. THE REMAINING EMPLOYEES WILL BE LAID OFF.
TX OVER THE NEXT 12 MONTHS, ALL MANUFACTURING AT COLMAR WILL
BE TRANSFERRED TO OTHER FACILITIES. THE MOVE IS AIMED AT
STRENGTHENING THE COMPANY'S ABILITY TO PROVIDE COMPETITIVELY
PRICED PRODUCTS BY CONCENTRATING MANUFACTURING AT FEWER, MORE
MODERN PLANTS.

HL * FMC CORP. BUYS SPANISH AIRLINE EQUIPMENT CONCERN
DD 10/08/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * CHICAGO -DJ- FMC CORP. SAID IT BOUGHT EQUISA A MADRID
SPAIN-BASED MAKER OF AIRLINE GROUND SUPPORT EQUIPMENT.
TERMS WERE NOT DISCLOSED.
TX FMC SAID EQUISA WHICH HAS MORE THAN 100 EMPLOYEES HAS
BEEN RENAMED FMC AIRLINE EQUIPMENT EUROPE S.A. AND IS NOW
PART OF ITS AIRLINE EQUIPMENT DIVISION. 3:33 PM

HL EPA MOVES TO RULE ON THREE SUBSTANCES, REVIEWS PESTICIDE
DD 10/09/85
SO WALL STREET JOURNAL (WJ)
LP WASHINGTON -- THE ENVIRONMENTAL PROTECTION AGENCY TOOK
STEPS TOWARD REGULATING THREE SUBSTANCES THAT HAVE BEEN
LINKED TO CANCER, AND BEGAN REVIEWING GRANULAR CARBOFURAN, A
LEADING CORN PESTICIDE THAT IS POISONING BIRDS.

EPA ADMINISTRATOR LEE THOMAS SIGNED A NOTICE THAT THE
AGENCY PLANS TO REGULATE SEVERAL SOURCES OF METHYLENE
CHLORIDE, A WIDELY USED CHEMICAL THAT THE AGENCY CALLS A
POSSIBLE CAUSE OF HUMAN CANCER. THE AGENCY ALSO ANNOUNCED ITS
INTENT TO LIST THE ELEMENT CADMIUM AND THE CHEMICAL ETHYLENE
DICHLORIDE AS HAZARDOUS AIR POLLUTANTS, WHICH WOULD REQUIRE
IT TO REGULATE THEIR EMISSIONS.

TX METHYLENE CHLORIDE IS USED AS A DEGREASER, AEROSOL
PROPELLANT AND SOLVENT IN PAINT REMOVERS AND HOUSEHOLD
CLEANERS. IT MADE UP THE BULK OF AN AUG. 11 EMISSION FROM A
UNION CARBIDE CORP. PLANT AT INSTITUTE, W.VA.

THE EPA SAID THAT PRODUCERS OF METHYLENE CHLORIDE INCLUDE
DIAMOND SHAMROCK CORP., DOW CHEMICAL CO., LCP CHEMICAL &
PLASTICS INC. AND VULCAN MATERIALS CO.

A DIAMOND SHAMROCK SPOKESMAN SAID THE COMPANY COULDN'T
COMMENT UNTIL THEY REVIEW THE EPA NOTICE.

THE EPA CLASSIFIES ETHYLENE DICHLORIDE AND CADMIUM AS
PROBABLE CARCINOGENS. PRODUCTION OF ETHYLENE DICHLORIDE
TOTALED ABOUT SIX MILLION METRIC TONS LAST YEAR, AMONG THE
HIGHEST VOLUMES OF ANY U.S. INDUSTRIAL CHEMICAL, THE AGENCY
SAID. IT IS USED AS A CHEMICAL FEEDSTOCK, AS AN ADDITIVE IN
LEADED GASOLINE, AND IN MAKING DRUGS AND IN A VARIETY OF
OTHER PROCESSES.

CADMIUM IS A NATURAL ELEMENT THAT IS LARGELY EMITTED FROM
COAL-FIRED AND OIL-FIRED BOILERS.

* CARBOFURAN, A PESTICIDE THAT KILLS A WIDE VARIETY OF
PESTS, IS PRIMARILY PRODUCED AND SOLD BY FMC CORP., THE EPA
SAID. THE AGENCY ESTIMATED THAT ABOUT 10 MILLION POUNDS OF
THE PESTICIDE ARE USED ANNUALLY TO KILL PESTS ON PLANTS.

THE EPA SAID IT HAS BEGUN A "SPECIAL REVIEW" OF GRANULAR
FORMULATIONS OF CARBOFURAN. IF THE REVIEW FINDS THAT RISKS
FROM THE PRODUCT CAN'T BE REDUCED TO REASONABLE LEVELS, THE
EPA MAY RESTRICT OR BAN USE OF THE PESTICIDE.

HL * FMC CORP. 3RD QTR NET \$2.27 A SHARE VS CONT OP \$2.28
DD 10/16/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP NET \$59 MILLION VS NET FROM CONTINUING OPERATIONS \$62.7
MILLION.
IN YEAR-AGO QTR LOSS FROM DISCONTINUED OPERATIONS OF \$5.6
MILLION MADE FINAL NET \$57.1 MILLION OR \$2.07.

TX SALES \$767.8 MILLION VS \$747.8 MILLION.
LATEST QUARTER FULLY DILUTED SHARE NET WAS \$2.20 A SHR. IN
YEAR AGO QUARTER FULLY DILUTED NET FROM CONTINUING OPERATIONS
WAS \$2.17 AND FINAL NET \$1.97.
9 MONTHS NET \$157.5 MILLION OR \$6.05 A SHR VS NET FROM
CONTINUING OPERATIONS \$176.5 MILLION OR \$5.65.
YEAR-AGO NINE MONTHS IS BEFORE A LOSS FROM DISCONTINUED
OPERATIONS OF \$12.2 MILLION WHICH REDUCED FINAL NET TO \$164.3
MILLION OR \$5.24.
SALES \$2 404 900 000 VS \$2 489 100 000.
AVERAGE SHARES 25.9 MILLION VS 31 MILLION.
FULLY DILUTED SHARE NET \$5.88 VS \$5.38 FROM CONTINUING
OPERATIONS AND \$4.99 ON FINAL NET. 1:48 PM

HL DIVIDEND DECLARATIONS: CMZ, EPI, ENNI, FMC
DD 11/07/85
SO WALL STREET JOURNAL (WJ)
LP CINCINNATI MILACRON INC. REG QTR DIV 18C PAY DEC. 12 REC
NOV. 22.
EAGLE-PICHER INDUSTRIES INC. REG QTR DIV 26C PAY DEC. 10
REC NOV. 22.

TX ENERGYNORTH INC. REG QTR DIV 30C PAY DEC. 16 REC DEC. 2.
* FMC CORP. REG QTR DIV 55C PAY DEC. 31 REC DEC. 13.

HL FMC TO RESTRUCTURE PENSION PLANS; BIG CASH GAIN SEEN
DD 11/07/85
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * CHICAGO -DJ- FMC CORP. SAID IT PLANS TO RESTRUCTURE ITS
SALARIED AND NON-UNION HOURLY RETIREMENT PLANS EFFECTIVE NOV.
30.
THE COMPANY SAID THE RESTRUCTURING WILL ALLOW IT TO
RECOVER \$250 MILLION TO \$400 MILLION BEFORE TAX.

TX THE COMPANY SAID THE TIMING OF THE RECOVERY AND THE FINAL
AMOUNT OF ASSETS RECOVERED WILL DEPEND ON THE PENSION BENEFIT
GUARANTY CORP. DEPARTMENT OF LABOR AND IRS APPROVALS.
THE COMPANY SAID THE ASSETS OF THE PLAN HAVE RISEN TO AN
AMOUNT SUBSTANTIALLY MORE THAN IS NEEDED TO PAY FOR PRESENTLY
ACCRUED BENEFITS.
THE COMPANY SAID THE ACTION WILL HAVE NO EFFECT ON THE
BENEFITS OF INDIVIDUALS CURRENTLY RETIRED UNDER THE PLAN OR
THOSE EMPLOYEES OR FORMER EMPLOYEES WHO WILL RECEIVE
RETIREMENT BENEFITS IN THE FUTURE.
THE COMPANY SAID THAT ALTHOUGH THE ASSETS ARE EXPECTED TO
BE RECOVERED IN 1986 FUTURE EARNINGS WILL BE INCREASED ONLY
BY THE AMORTIZATION OF THE GAIN OVER AT LEAST TEN YEARS FROM
THAT RECOVERY.
THE COMPANY SAID FUTURE RETIREMENT EXPENSES MAY BE
REQUIRED WHICH WILL OFFSET THIS AMOUNT.

THE COMPANY SAID IT HASN'T ANY CURRENT PLANS FOR THE CASH IT WILL RECOVER THROUGH THE RESTRUCTURING.

A COMPANY SPOKESMAN SAID THAT FMC IS INTERESTED IN ACQUISITIONS THAT WOULD EXPAND ITS DEFENSE EQUIPMENT, INDUSTRIAL CHEMICALS AND AGRICULTURAL CHEMICALS GROUPS, BUT THAT THERE AREN'T ANY SPECIFIC ACQUISITIONS PENDING.

ANALYSTS SAID FMC MAY USE THE CASH TO BEEF UP ITS CASH COFFERS, WHICH WERE DEPLETED BY LARGE EXPENDITURES OVER THE PAST YEAR. IN 1984, FMC REPURCHASED ABOUT 8.3 MILLION, OR 25%, OF ITS SHARES OUTSTANDING FOR \$450 MILLION. EARLIER THIS YEAR, IT SPENT \$150 MILLION TO BUY LITHIUM CORP. OF AMERICA.

FMC'S PENSION INVESTMENTS HAVE EARNED AN AVERAGE RETURN OF ABOUT 16% OVER THE PAST 10 YEARS, KEEPING IT AT OR NEAR THE TOP IN PERFORMANCE RANKINGS OF CORPORATE PENSION FUNDS FOR THE DECADE. FMC USES OUTSIDE ADVISERS AND INVESTMENT FUNDS FOR ITS INVESTMENTS, WHICH ARE TYPICALLY EQUITY INVESTMENTS, THE SPOKESMAN SAID.

9:46 AM

HL BOEING UNITS GET \$304.8 MILLION IN DEFENSE JOBS

DD 12/30/85

SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)

LP WASHINGTON -DJ- UNITS OF BOEING CO. RECEIVED AIR FORCE CONTRACTS TOTALING \$304.8 MILLION FOR MAINTENANCE OF E-3A AND KE-3A AIRCRAFT FOR SAUDI ARABIA AND SPARE PARTS FOR B-1B AIRCRAFT.

UNITS OF GENERAL ELECTRIC CO. RECEIVED CONTRACTS TOTALING \$182.5 MILLION FOR F-110 AIRCRAFT ENGINES FOR THE AIR FORCE AND THE NAVY AND MX RE-ENTRY VEHICLE PARTS FOR THE AIR FORCE.

TX * FMC CORP. RECEIVED A \$135.4 MILLION NAVY CONTRACT FOR MISSILE LAUNCHING SYSTEMS FOR TWO CRUISERS AND TWO DESTROYERS. UNITS OF MARTIN MARIETTA CORP. RECEIVED CONTRACTS TOTALING \$104.5 MILLION FOR MISSILE LAUNCHING SYSTEMS FOR A DESTROYER AND A CRUISER FOR THE NAVY AND OPERATION OF A MUNITIONS PLANT AT MILAN TENN. FOR THE ARMY.

4:01 PM

HL PENTAGON CRITIC SILENCED FOR QUESTIONING BRADLEY VEHICLE

DD 12/31/85

SO WALL STREET JOURNAL (WJ)

LP WASHINGTON -- DEFENSE SECRETARY CASPAR WEINBERGER OFTEN FENDS OFF CRITICS OF THE MILITARY'S WEAPONS-BUYING SYSTEM BY STATING THAT IT'S USUALLY DEFENSE DEPARTMENT OFFICIALS WHO DISCOVER THAT SOMETHING HAS GONE AWRY.

TRUE ENOUGH, BUT THE IN-HOUSE CRITICS SOMETIMES RECEIVE LESS THAN A HERO'S WELCOME BACK AT THE PENTAGON. AIR FORCE COL. JAMES BURTON, A DEFENSE DEPARTMENT WEAPONS ANALYST AND CRITIC OF PENTAGON WEAPONS TESTING, IS CURRENTLY UNDER PRESSURE FOR HIS REPEATED QUESTIONING OF THE ARMY'S BRADLEY FIGHTING VEHICLE AND THE WAY IT HAS BEEN TESTED. SOME MEMBERS OF CONGRESS HAVE SUGGESTED THAT THE COLONEL HAS BEEN MUZZLED, EVEN HARASSED, BY THE PENTAGON BRASS.

TX THE LATEST CHAPTER IN THE SMOLDERING DISPUTE OVER THIS \$13 BILLION WEAPONS SYSTEM INVOLVES AN UNFLATTERING REPORT BURTON GAVE HIS BOSSES DEC. 17 ON HOW THE ALUMINUM-ARMORED PERSONNEL CARRIER PERFORMED IN THE LATEST ROUND OF ARMY TESTS. THE PENTAGON HAD JUST GIVEN CONGRESS ITS OWN MUCH

ROSIER REPORT ON THE BRADLEY TESTS, AND TOP DEPARTMENT OFFICIALS HAVE SAID THIS SHOULD SUFFICE. NOW, REP. SAMUEL STRATTON (D., N.Y.) AND SEVERAL OTHER LAWMAKERS ARE DEMANDING COL. BURTON'S WRITE-UP AS WELL.

THEY MAY NOT GET IT. SOME PENTAGON OFFICIALS EVEN SAY THE BURTON REPORT DOESN'T EXIST.

A COVER LETTER ACCOMPANYING LEAKED COPIES OF BURTON'S REPORT DESCRIBES THE DOCUMENT AS A "FINISHED PRODUCT" COMPLETED AFTER RECEIVING COMMENTS FROM THE ARMY AND THE OFFICE OF THE SECRETARY OF DEFENSE. COL. BURTON ALSO SAYS IN THE COVER LETTER, "I BEGAN THIS EFFORT WHEN IT APPEARED THAT THE ARMY'S REPORT WAS GOING TO BE INCOMPLETE AND UNACCEPTABLE."

THE BURTON CASE IS ONLY THE LATEST IN WHICH THE PENTAGON HAS APPEARED TO BE SILENCING ITS INTERNAL DISSENTERS. FRANKLIN C. SPINNEY, A PENTAGON ANALYST WHOSE WEAPONS-COST STUDIES ANTAGONIZED HIS BOSSES, HAS BEEN BARRED AT TIMES FROM TESTIFYING BEFORE CONGRESS OR EVEN BRIEFING SENIOR MILITARY OFFICERS ON HIS FINDINGS. THE PENTAGON HAS ALSO IN THE PAST LABELED SOME OF SPINNEY'S ELABORATE COMPUTER STUDIES UNFINISHED OR RAW. AN EARLIER DISSENTER, A. ERNEST FITZGERALD, RECENTLY RECEIVED A NEGATIVE PERFORMANCE RATING FROM HIS SUPERIORS, LEADING AT LEAST ONE MEMBER OF CONGRESS TO QUESTION THE MOVE.

BURTON'S MAJOR COMPLAINT IS THAT THE ARMY DOESN'T SUBJECT THE BRADLEY TO REALISTIC COMBAT CONDITIONS WHEN IT CONDUCTS TESTS.

IN SEPTEMBER 1984, BURTON WAS NOTIFIED THAT HIS JOB WAS BEING TERMINATED AS A RESULT OF A DEPARTMENT-WIDE STAFF CUTBACK. AT THE TIME BURTON SAID IN A MEMORANDUM THAT THE GENERAL WHO INFORMED HIM OF THE TERMINATION EXPLAINED THAT IT WAS SIMPLY "THE LUCK OF THE DRAW." HOWEVER, COL. BURTON SAID THIS SAME GENERAL HAD CRITICIZED HIM FOR "RUNNING TOO FREELY." IN THE END, THE TERMINATION PLANS WERE DROPPED FOLLOWING LETTERS OF PROTEST FROM CAPITOL HILL.

LAST MARCH, SHORTLY BEFORE A NEW ROUND OF BRADLEY TESTS WAS TO BEGIN, BURTON WAS NOTIFIED THAT HE WAS BEING TRANSFERRED TO A POST IN ALASKA. BURTON'S BOOSTERS ON CAPITOL HILL AGAIN FIRED OFF LETTERS TO THE PENTAGON AND THE ALASKA TRANSFER DIDN'T OCCUR.

NOW, IT SEEMS, BURTON IS AGAIN AT LOGGERHEADS WITH THE ARMY AND HIS BOSSES OVER THE LATEST SET OF TESTS ON THE
* BRADLEY, WHOSE PRIME CONTRACTOR IS FMC CORP. ALTHOUGH
BURTON'S REPORT HASN'T BEEN OFFICIALLY SUBMITTED TO CONGRESS,
AND MAY NEVER BE, A FEW COPIES HAVE LEAKED OUT.

HL * DU PONT IN JOINT EFFORT ON JUICE PROCESSING WITH FMC CORP
DD 01/06/86

SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)

LP WILMINGTON DEL. -DJ- DU PONT CO. SAID IT AGREED TO

* UNDERTAKE A JOINT EFFORT WITH FMC CORP. TO DEVELOP A MEMBRANE
PROCESS FOR PRODUCING FRUIT JUICES.

IT SAID INITIAL EFFORTS WILL BE DIRECTED AT CONCENTRATED
ORANGE JUICE.

TX DU PONT SAID PILOT STUDIES BY THE TWO COMPANIES AT FMC'S

CITRUS MACHINERY DIVISION IN LAKELAND FLA. INDICATE A
MEMBRANE PROCESS USING PRESSURE CAN DELIVER AN IMPROVED JUICE
PRODUCT AT LOWER MANUFACTURING COSTS THAN CONVENTIONAL
THERMAL-EVAPORATIVE PROCESSES. 10:59 AM

HL * FMC CORP 4TH QTR NET \$1.49 A SHR VS NET CONT OP \$1.87
DD 01/23/86
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * FMC CORP. 4TH QTR NET \$39.1 MILLION OR \$1.49 A SHR VS NET
FROM CONTINUING OPERATIONS \$49.4 MILLION OR \$1.87.
IN THE YEAR-AGO 4TH QTR A LOSS FROM DISCONTINUED
OPERATIONS OF \$175.7 MILLION MADE FINAL LOSS \$126.3 MILLION.
TX REVENUE \$878.5 MILLION VS \$868.8 MILLION.
YEAR NET \$196.6 MILLION OR \$7.54 VS NET FROM CONTINUING
OPERATIONS \$225.9 MILLION OR \$7.52.
IN THE YEAR-AGO PERIOD A LOSS FROM DISCONTINUED
OPERATIONS OF \$187.9 MILLION MADE FINAL NET \$38 MILLION OR
\$1.21.
REVENUE \$3 328 500 000 VS \$3 429 800 000.
FULLY DILUTED SHR NET \$7.34 VS 47.17.
AVERAGE SHARES 25.9 MILLION VS 29.8 MILLION.
THE COMPANY SAID NON-RECURRING CHARGES ASSOCIATED WITH THE
CLOSURE OF PETROLEUM EQUIPMENT PRODUCTION FACILITIES AND THE
RETIREMENT OF OTHER ASSETS WERE THE MAIN FACTORS AFFECTING
1985 EARNINGS.
FMC SAID THE NON-RECURRING CHARGES AND DILUTION FROM THE
ACQUISITION OF LITHIUM CORP. OF AMERICA CONTRIBUTED TO THE
REDUCTION IN NET INCOME FOR THE LATEST FOURTH QUARTER. THE
COMPANY ALSO SAID LOWER MACHINERY INVENTORY LEVELS CREATED
LIFO INVENTORY PROFITS FOR THE LATEST QUARTER OF \$5 MILLION. 1:06 PM

HL FMC SAYS BOARD MEETING TO CONSIDER RECAPITALIZATION PLAN
DD 02/21/86
SO DOW JONES NEWS WIRE (DJ)
LP * CHICAGO -DJ- FMC CORP. SAID ITS BOARD IS MEETING TO
CONSIDER A PLAN OF RECAPITALIZATION UNDER WHICH FMC WOULD
CONTINUE TO BE A PUBLIC COMPANY.
FMC SAID THERE HAS BEEN NO DISCUSSION WITH THIRD PARTIES
REGARDING ACQUISITIONS AND THAT NO SUCH DISCUSSIONS ARE
PLANNED. THE BOARD ALSO IS CONSIDERING A PREFERRED
STOCK RIGHTS PLAN, SIMILAR TO THOSE RECENTLY ADOPTED BY
OTHER COMPANIES.
TX FMC SAID IT EXPECTS TO MAKE AN ANNOUNCEMENT ABOUT THE
BOARD'S ACTIONS, IF ANY, BEFORE 9:30 A.M. EST MONDAY. 10:25 AM

HL DIVIDEND DECLARATIONS: D, DCI, FMC, FFHC
DD 02/24/86
SO WALL STREET JOURNAL (WJ)
LP DOMINION RESOURCES INC. (VIRGINIA) - 71C REG QTR PAY
MARCH 20 REC MARCH 3.
DONALDSON CO. - 16.5C REG QTR PAY MARCH 17 REC MARCH 4.
TX * FMC CORP. - 55C REG QTR PAY MARCH 31 REC MARCH 7.
FIRST FINANCIAL CORP. - 10C REG QTR PAY MARCH 31 REC MARCH 17.

HL * FMC CORP. BOARD APPROVES RECAPITALIZATION PLAN

DD 02/24/86

SO WALL STREET JOURNAL (WJ)

LP * CHICAGO -DJ- THE BOARD OF FMC CORP. SAID IT HAS APPROVED A RECAPITALIZATION OF THE COMPANY SUBJECT TO THE ARRANGEMENT OF SATISFACTORY FINANCING AND OTHER CUSTOMARY CONDITIONS.

UNDER THE PLAN PUBLIC STOCKHOLDERS WILL RECEIVE \$70 IN CASH AND ONE NEW COMMON SHARE OF THE RECAPITALIZED COMPANY. FMC WILL RAISE \$1.3 BILLION IN BANK DEBT AND \$400 MILLION IN SUBORDINATED DEBT TO FINANCE THE PLAN.

TX MANAGEMENT EXPECTS STOCKHOLDER APPROVAL AT THE ANNUAL MEETING NOW SCHEDULED FOR MAY 29.

ROBERT H. MALOTT CHAIRMAN AND CHIEF EXECUTIVE SAID 'FMC'S STRONG FINANCIAL POSITION AND PROVEN TRACK RECORD OF SUSTAINED CASH GENERATION SUPPORT RECAPITALIZATION OF THE COMPANY. 'INCREASING OUR FINANCIAL LEVERAGE UNDER THE PROPOSED PLAN CREATES AN OPPORTUNITY FOR STOCKHOLDERS TO EARN HIGHER RETURNS AND FOR EMPLOYEES TO GAIN A GREATER OWNERSHIP INTEREST IN THE COMPANY.'

GOLDMAN SACHS & CO. IS ASSISTING FMC IN STRUCTURING THE RECAPITALIZATION AND ARRANGING THE SUBORDINATED DEBT FINANCING. MORGAN GUARANTY TRUST OF NEW YORK HAS BEEN APPOINTED AGENT AND WILL FORM A SYNDICATE TO PROVIDE THE BANK FINANCING FOR THE PLAN FMC SAID.

CONCURRENTLY FMC WILL RETIRE TWO MILLION COMMON SHARES HELD BY ITS SALARIED PENSION PLAN UPON GOVERNMENT APPROVAL TO RESTRUCTURE THE PENSION FUND AND RETURN EXCESS CASH TO THE COMPANY. THE RECAPITALIZATION PLAN HOWEVER IS NOT CONTINGENT ON PENSION REVERSION.

THE CASH DISTRIBUTION TO PUBLIC STOCKHOLDERS SHOULD BE SUBJECT TO CAPITAL GAINS TAX TREATMENT. EACH MANAGEMENT-OWNED SHARE AND EMPLOYEE-OWNED SHARE IN COMPANY PAYSOP ACCOUNTS WILL CONVERT INTO 5 2/3 NEW SHARES IN LIEU OF THE CASH PAYMENT OF \$70 PLUS ONE SHARE FOR EACH OLD SHARE.

EACH EMPLOYEE THRIFT PLAN SHARE WILL BE EXCHANGED FOR \$25 IN CASH PLUS FOUR NEW SHARES. THIS EXCHANGE WILL RESULT IN THE PERCENTAGE REDUCTION IN OWNERSHIP FOR OTHER STOCKHOLDERS NECESSARY FOR THEIR CAPITAL GAINS TREATMENT FMC SAID AND IT INCREASES EMPLOYEE AND MANAGEMENT OWNERSHIP INTEREST IN THE COMPANY.

IN ADDITION CURRENTLY OUTSTANDING DEFERRED STOCK STOCK OPTIONS AND CONVERTIBLES CONTRIBUTE TO A TOTAL OF ABOUT 36 MILLION FULLY DILUTED SHARES AFTER RECAPITALIZATION.

AS PART OF THE RECAPITALIZATION, THE COMPANY SAID IT EXPECTS TO REDEEM ITS OUTSTANDING CONVERTIBLE DEBT AND PREFERRED STOCK. ABOUT \$250 MILLION OF FMC'S EXISTING DEBT WILL REMAIN OUTSTANDING AFTER THE REFINANCING. THIS DEBT CONSISTS PRIMARILY OF INDUSTRIAL REVENUE BONDS AND PUBLIC DEBENTURES.

BROADTAPE 8:15 AM FEB. 24

HL * FMC CORP. - RECAPITALIZATION -2-

DD 02/24/86

SO WALL STREET JOURNAL (WJ)

LP * NEW YORK -DJ- FMC CORP., WHICH SAID ITS BOARD APPROVED A RECAPITALIZATION PLAN FOR THE COMPANY, SAID THE BOARD ALSO DECLARED A DIVIDEND OF ONE PREFERRED SHARE PURCHASE RIGHT FOR EACH COMMON SHARE OUTSTANDING ON MARCH 7, 1986, AND EACH COMMON SHARE ISSUABLE THEREAFTER. THE RIGHTS EXPIRE ON MARCH 7, 1996. THE RIGHTS DISTRIBUTION IS NOT TAXABLE TO STOCKHOLDERS.

EACH RIGHT ALLOWS STOCKHOLDERS TO PURCHASE 1/100 OF A SHARE OF A NEW SERIES OF JUNIOR PARTICIPATING PREFERRED STOCK FOR A PRICE OF \$150.

TX RIGHTS BECOME EXERCISABLE IF SOMEONE (OTHER THAN A COMPANY-SPONSORED EMPLOYEE BENEFIT PLAN) ACQUIRES 20% OR MORE OF FMC'S COMMON STOCK, OR THERE IS ANNOUNCEMENT OF AN INTENTION TO MAKE A TENDER OFFER OR AN EXCHANGE OFFER FOR 30% OR MORE OF THE COMPANY.

FMC MAY REDEEM THE RIGHTS FOR 5 CENTS A RIGHT AT ANY TIME BEFORE THE EARLIER OF EXERCISE OF THE RIGHT OR A 20% POSITION IN FMC COMMON STOCK HAS BEEN ACQUIRED.

IF FMC IS ACQUIRED, EACH RIGHT ENTITLES ITS HOLDER TO PURCHASE, AT ITS EXERCISE PRICE OF \$150, COMMON SHARES OF THE ACQUIRING COMPANY HAVING A VALUE OF \$300.

AS ANNOUNCED FRIDAY, FMC'S BOARD DECLARED THE REGULAR QUARTERLY DIVIDENDS ON BOTH COMMON AND PREFERRED STOCK OF 55 CENTS AND 56 1/4 CENTS, RESPECTIVELY, BOTH PAYABLE MARCH 31 TO HOLDERS OF RECORD MARCH 7. FMC SAID THAT IF ITS RECAPITALIZATION IS SUCCESSFUL, IT IS UNLIKELY THAT DIVIDENDS WILL BE PAID TO EQUITY HOLDERS OF THE NEW SHARES IN THE FORESEEABLE FUTURE. BROADTAPE 8:38 AM FEB. 24

HL * MOODY'S REVIEWS FMC CORP. DEBT FOR POSSIBLE DOWNGRADE

DD 02/24/86

SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)

LP * NEW YORK -DJ- MOODY'S INVESTORS SERVICE INC. SAID IT IS REVIEWING THE DEBT OF FMC CORP. FOR POSSIBLE DOWNGRADES IN CONNECTION WITH ITS PROPOSED RECAPITALIZATION.

MOODY'S SAID, 'UNDER REVIEW ARE FMC'S SENIOR DEBENTURES AND TAX-EXEMPT ISSUES RATED SINGLE-A-2; ITS CONVERTIBLE SUBORDINATED DEBENTURES, RATED SINGLE-A-3; AND THE PRIME-1 RATING FOR COMMERCIAL PAPER OF FMC CORP. AND ITS CAPTIVE FINANCE SUBSIDIARY, FMC FINANCE CORP.'

TX IT SAID 'THE COMPANY PLANS TO INCREASE ITS DEBT TO AROUND \$2 BILLION, NEARLY SIX TIMES CURRENT LEVELS, WHILE REDUCING ITS PUBLIC OWNERSHIP OF COMMON STOCK TO ABOUT 60 PC.'

IN ITS REVIEW, MOODY'S SAID 'IT WILL CONSIDER THE FACT THAT FMC'S CASH FLOW IS LIKELY TO DECLINE AS MAJOR DEFENSE CONTRACTS WIND DOWN OVER THE NEXT FEW YEARS.'

'IF APPROVED, THE RECAPITALIZATION PLAN COULD KEEP THE COMPANY'S LEVERAGE VERY HIGH FOR SOME TIME; THIS COULD LEAD TO SUBSTANTIAL RATINGS DOWNGRADES FROM CURRENT LEVELS,' THE RATING AGENCY ADDED. 3:50 PM

HL * S&P PLACES FMC CORP. ON CREDITWATCH, NEGATIVE
DD 02/25/86
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP NEW YORK -DJ- STANDARD & POOR'S CORP. SAID IT PLACED ON
* ITS CREDITWATCH SURVEILLANCE LIST FMC CORP.'S SINGLE-A
LONG-TERM SENIOR RATING, SINGLE-A-MINUS SUBORDINATED AND
PREFERRED STOCK RATINGS, AND A1 COMMERCIAL PAPER RATING OF
* FMC AND FMC FINANCE CORP. WITH NEGATIVE IMPLICATIONS,
AFFECTING ABOUT \$150 MILLION IN OUTSTANDING SECURITIES.
S&P SAID ITS ACTIONS 'REFLECT THE HEIGHTENED FINANCIAL
RISK RESULTING FROM FMC'S RECAPITALIZATION PLAN.
TX 'IF THE TRANSACTION GOES THROUGH AS PLANNED, THE LONG-TERM
RATINGS WILL FALL WELL BELOW INVESTMENT GRADE AND THE
COMMERCIAL PAPER RATINGS WILL BE RATED SINGLE-C,' S&P SAID.
'TO FINANCE THE RECAPITALIZATION, FMC PLANS TO RAISE \$1.3
BILLION IN BANK DEBT AND TO ISSUE ANOTHER \$400 MILLION IN
SUBORDINATED DEBT. WITH THE ADDITIONAL DEBT, LEVERAGE WILL
SOAR FROM 25% AT YEAR END TO NEARLY 140%.
'THE PERCENTAGE OF PUBLICLY HELD SHARES DECREASES TO 60%
WHILE THE INTERNAL HOLDERS' STAKE CLIMBS TO 40%,' S&P SAID.
'OUTSIDE HOLDERS WILL RECEIVE A \$70 PER SHARE CASH
DISTRIBUTION.
'THE PLAN IS SUBJECT TO SHAREHOLDERS' APPROVAL ON MAY 29,'
THE RATING AGENCY ADDED. 11:32 AM

HL * FMC CORP. HOLDER SUES OVER PROPOSED RECAPITALIZATION
DD 03/14/86
SO DOW JONES NEWS WIRE (DJ)
LP * CHICAGO -DJ- FMC CORP. SAID A SHAREHOLDER FILED SUIT IN
CHANCERY COURT IN DELAWARE, CHALLENGING THE FAIRNESS OF THE
COMPANY'S RECENTLY PROPOSED RECAPITALIZATION PLAN.
THE COMPANY SAID THE SUIT, FILED BY JONATHAN ABBEY, WHO
THE COMPANY SAYS OWNS 20 SHARES, "IS WITHOUT MERIT."
TX FMC ALSO SAID THE SUIT SEEKS TO BE RECOGNIZED AS A CLASS
ACTION ON BEHALF OF OTHER SHAREHOLDERS.
THE PROPOSED RECAPITALIZATION INVOLVES THE ISSUANCE OF
ADDITIONAL SHARES, WHICH WOULD SHRINK PUBLIC OWNERSHIP TO
ABOUT A 60 PC STAKE FROM 80 PC AND WOULD INCREASE THE
HOLDINGS OF EMPLOYEES, INCLUDING MANAGEMENT, TO ABOUT 40 PC
FROM 20 PC.
THE COMPANY CURRENTLY HAS ABOUT 26.8 MILLION COMMON SHARES
OUTSTANDING. 1:26 PM

HL FMC MULLS 1ST QTR CHARGES THAT MAY TOTAL \$15 MILLION
DD 04/02/86
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * CHICAGO -DJ- FMC CORP. SAID THAT AS A RESULT OF THE SHARP
DECLINE IN OIL PRICES, IT MAY WRITE DOWN THE CARRYING VALUE
OF CERTAIN ASSETS OF ITS PETROLEUM EQUIPMENT BUSINESS AND MAY
INCUR OTHER RESTRUCTURING CHARGES.
THE CHARGES, IF MADE, COULD AFFECT FIRST-QUARTER NET BY
ABOUT \$15 MILLION, OR 60C A SHARE, FMC SAID.
TX IN THE YEAR-AGO FIRST QUARTER, FMC HAD NET OF \$44 MILLION,
OR \$1.69, ON SALES OF \$755.8 MILLION. 11:33 AM

HL * FMC MULLS 1ST QTR CHARGES THAT MAY TOTAL \$15 MILLION
DD 04/02/86
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * CHICAGO -DJ- FMC CORP. SAID IT FILED WITH THE SEC TO OFFER
\$400 MILLION OF SUBORDINATED DEBENTURES DUE 2001.
PROCEEDS WILL BE USED IN PART TO FINANCE THE PROPOSED
RECAPITALIZATION OF THE COMPANY, INCLUDING THE RETIREMENT AND
REPAYMENT OF CERTAIN DEBT, FMC SAID.
TX GOLDMAN, SACHS & CO. IS THE COMPANY'S AGENT IN THE
DEBENTURE OFFERING. 11:41 AM

HL * BOESKY GROUP BUYS 7.5% STAKE IN FMC CORP.
DD 04/08/86
SO DOW JONES NEWS WIRE (DJ)
LP WASHINGTON -DJ- NEW YORK INVESTOR IVAN BOESKY AND A GROUP
OF COMPANIES HE CONTROLS SAID THEY BOUGHT A 7.5 PC STAKE IN
* FMC CORP.'S COMMON SHARES OUTSTANDING.
IN AN SEC FILING, THE GROUP SAID IT HOLDS 1,922,000 FMC
COMMON SHARES, ALL PURCHASED FROM MARCH 12 THROUGH APRIL 4 AT
PRICES FROM \$87.25 TO \$93 A SHARE.
TX ACCORDING TO THE FILING, THE GROUP BOUGHT ITS FMC SHARES
"IN CONNECTION WITH MERGER ARBITRAGE AND OTHER INVESTMENT
ACTIVITIES." 10:44 AM

HL * FMC CORP. SETS REDEMPTION OF DEBT, EQUITY ISSUES
DD 04/11/86
SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)
LP * CHICAGO -DJ- FMC CORP. SAID IT IS CALLING FOR REDEMPTION
ON MAY 20 ALL OF ITS CONVERTIBLE DEBT AND EQUITY SECURITIES
INCLUDING ALL OUTSTANDING SHARES OF ITS \$2.25 CUMULATIVE
CONVERTIBLE PREFERRED STOCK, AND ALL OF ITS 4 1-4% AND 4
-7-8% CONVERTIBLE SUBORDINATED DEBENTURES.
THE SECURITIES ARE VALUED AT ABOUT \$27 MILLION.
TX THE REDEMPTION PRICE OF EACH SHARE OF PREFERRED IS \$50.30
WHICH INCLUDES ACCRUED AND UNPAID DIVIDENDS FROM APRIL 1 TO
MAY 20.
FMC SAID IT EXPECTS HOLDERS OF ITS CONVERTIBLE SECURITIES
TO CONVERT THEIR SECURITIES INTO COMMON STOCK RATHER THAN LET
THEM BE REDEEMED BECAUSE THE CONVERSION VALUES FAR EXCEED
THE REDEMPTION PRICE.
THE REDEMPTION PRICE FOR EACH \$1,000 FACE AMOUNT OF THE
CONVERTIBLE DEBENTURES WILL BE \$1,019.06 FOR THE 4 1-4%
DEBENTURES, INCLUDING INTEREST FROM JAN. 15 TO MAY 20, AND
\$1,018.82 FOR THE 4 7-8% DEBENTURES, INCLUDING INTEREST FROM
JAN. 1 TO MAY 20.
FMC SAID HOLDERS OF THE PREFERRED STOCK MAY CONVERT EACH
SHARE INTO 1.25 SHARES OF COMMON WHILE EACH \$1,000 PRINCIPAL
AMOUNT OF THE 4 1-4% AND 4 7-8% DEBENTURES ARE CONVERTIBLE
INTO 24.096 AND 32.15 SHARES OF COMMON RESPECTIVELY.
THE RIGHT TO CONVERT THE PREFERRED SHARES WILL END MAY 16.
THE 4 1-4% AND THE 4 7-8% DEBENTURES MAY BE CONVERTED AT ANY
TIME UNTIL MAY 5 AND MAY 20 RESPECTIVELY.
AS OF APRIL 4, THERE WERE 421,537 SHARES OF PREFERRED
STOCK, \$5,386,000 PRINCIPAL AMOUNT OF 4 1-4% DEBENTURES AND
\$324,000 PRINCIPAL AMOUNT OF 4 7-8% DEBENTURES OUTSTANDING. 2:14 PM

HL * FMC CORP CALLS CONV SECURITIES -2-

DD 04/11/86

SO DOW JONES NEWS WIRE (DJ)

LP * CHICAGO -DJ- FMC CORP., WHICH SAID IT IS CALLING FOR REDEMPTION ON MAY 20 ALL OF ITS CONVERTIBLE DEBT AND EQUITY SECURITIES, SAID IT EXPECTS HOLDERS OF ITS CONVERTIBLE SECURITIES TO CONVERT THEIR SECURITIES INTO COMMON STOCK RATHER THAN LET THEM BE REDEEMED BECAUSE THE CONVERSION VALUES FAR EXCEED THE REDEMPTION PRICE. THE REDEMPTION PRICE FOR EACH \$1,000 FACE AMOUNT OF THE CONVERTIBLE DEBENTURES WILL BE \$1,019.06 FOR THE 4 1-4% DEBENTURES, INCLUDING INTEREST FROM JAN. 15 TO MAY 20, AND \$1,018.82 FOR THE 4 7-8% DEBENTURES, INCLUDING INTEREST FROM JAN. 1 TO MAY 20.

FMC SAID HOLDERS OF THE PREFERRED STOCK MAY CONVERT EACH SHARE INTO 1.25 SHARES OF COMMON WHILE EACH \$1,000 PRINCIPAL AMOUNT OF THE 4 1-4% AND 4 7-8% DEBENTURES ARE CONVERTIBLE INTO 24.096 AND 32.15 SHARES OF COMMON RESPECTIVELY.

TX THE RIGHT TO CONVERT THE PREFERRED SHARES WILL END MAY 16. THE 4 1-4% AND THE 4 7-8% DEBENTURES MAY BE CONVERTED AT ANY TIME UNTIL MAY 5 AND MAY 20 RESPECTIVELY.

AS OF APRIL 4, THERE WERE 421,537 SHARES OF PREFERRED STOCK, \$5,386,000 PRINCIPAL AMOUNT OF 4 1-4% DEBENTURES AND \$324,000 PRINCIPAL AMOUNT OF 4 7-8% DEBENTURES OUTSTANDING. 2:21 PM

HL DREXEL BURNHAM FIGHTS RIVALS OVER JUNK-BOND-FINANCED DEALS

DD 04/21/86

SO WALL STREET JOURNAL (WJ)

LP DREXEL BURNHAM LAMBERT INC. HAS BEEN GIVING SOME SUBSTANCE LATELY TO WHAT ITS WALL STREET COMPETITORS HAVE BEEN SAYING FOR YEARS: THE FIRM STRIKES BACK AT THOSE WHO INVADE ITS TURF.

DREXEL, WHICH PIONEERED THE JUNK-BOND-FINANCED MERGER, IS PROVIDING THE FINANCIAL MUSCLE BEHIND TWO RECENT ATTEMPTS TO BREAK UP LEVERAGED BUYOUTS FOR WHICH GOLDMAN, SACHS & CO. IS PROVIDING JUNK BOND FINANCING. AND RUMOR HAS IT THAT'S ONLY THE BEGINNING.

TX THE STORY GOING AROUND WALL STREET IS THAT AT THE FIRM'S HIGH-YIELD BOND CONFERENCE EARLIER THIS MONTH, DREXEL OFFICIALS DECIDED TO GO ON THE ATTACK. WITH OTHER FIRMS INCREASINGLY TURNING TO THE JUNK BOND MARKET TO FINANCE THEIR LEVERAGED BUYOUTS, THE STORY GOES, DREXEL PLANS TO HOLD ON TO WHAT IT CONSIDERS ITS MARKET BY INSTIGATING AND FINANCING HIGHER BIDS FOR ALL ITS COMPETITORS' DEALS.

DREXEL PRESIDENT FREDERICK H. JOSEPH DENIES THE STORY, WHICH IN ANY CASE MAY SAY MORE ABOUT THE PARANOIA OF DREXEL'S RIVALS THAN ABOUT DREXEL ITSELF. BUT HE ACKNOWLEDGES THAT DREXEL WILL TOP ITS COMPETITORS' DEALS WHEN IT MAKES SENSE. AND, IN FACT, IN RECENT WEEKS DREXEL HAS PROMISED FUNDING FOR BIDS FOR BOTH WARNACO INC. AND NATIONAL GYPSUM CO. -- BOTH GOLDMAN CLIENTS -- THROWING A CRIMP INTO BOTH MANAGERMENTS' PLANS.

ADDED TO THAT ARE WIDESPREAD RUMORS THAT THE FIRM IS PLANNING BIDS FOR REVCO D.S. INC., WHICH HAS A \$1.16 BILLION

* BUYOUT IN THE WORKS, AND FMC CORP., WHICH PLANS TO RAISE \$400 MILLION IN THE JUNK BOND MARKET TO HELP FINANCE ITS PLAN TO SHRINK PUBLIC OWNERSHIP.

WHATEVER DREXEL'S PLANS, THE CURRENT FINANCIAL CLIMATE CLEARLY FAVORS SUCH ATTEMPTS. INTEREST RATES HAVE DROPPED SINCE THE DEALS NOW IN THE MARKET WERE NEGOTIATED. BY TAKING ADVANTAGE OF LOWER FINANCING COSTS, DREXEL AND ITS ALLIES COULD OFFER A HIGHER PRICE WITHOUT INCREASING THE TARGET COMPANY'S ULTIMATE DEBT COSTS.

THE ADVANTAGE THEN WOULD BE WITH THE AGGRESSOR, NOTES ONE INVESTMENT BANKER. "IF YOU'VE ALREADY CUT A DEAL," HE SAYS, "IT'S HARD TO BE QUITE AS TOUGH IN NEGOTIATING" WHEN TRYING TO FIGHT AGAINST A HIGHER OFFER.

IT'S EASY TO SEE WHY DREXEL IS FIGHTING BACK. JUNK BOND FINANCING OF MERGERS AND BUYOUTS IS ONE OF THE MOST LUCRATIVE BUSINESSES ON WALL STREET, BRINGING IN FEES THAT GENERALLY SURPASS EVEN THE PRINCELY REWARDS OF ARRANGING THE DEALS. ON BEATRICE FOODS CO.'S RECENT LEVERAGED BUYOUT, FOR INSTANCE, KOHLBERG KRAVIS ROBERTS & CO., THE ARRANGER, GOT THE PREVIOUSLY UNHEARD-OF FEE OF \$45 MILLION. DREXEL, WHICH HANDLED THE BULK OF THE FINANCING, RECEIVED ALMOST \$70 MILLION.

PROFITS ASIDE, NO FIRM THAT CLAIMS MAJOR STATUS IN THE MERGER BUSINESS CAN AFFORD NOT TO COMPETE WITH DREXEL. JUNK BOND FINANCING HAS BECOME AN INEXTRICABLE PART OF THE MERGER, ACQUISITION AND BUYOUT SCENE. FOR FINANCING DEALS LARGER THAN ABOUT \$500 MILLION, "THERE ARE NO ALTERNATIVES," SAYS ALFRED C. ECKERT III, HEAD OF GOLDMAN'S LEVERAGED BUYOUT GROUP.

ALTHOUGH ITS MARKET SHARE HAS DROPPED, DREXEL STILL CONTROLS THE BULK OF THE JUNK BOND BUSINESS, MANAGING 56% OF LAST YEAR'S VOLUME. THE FIRM HAS BEEN MAKING AN EFFORT TO IMPROVE THE INVESTMENT BANKING END OF ITS MERGER BUSINESS, SO THAT IT CAN SERVE AS ADVISER AS WELL AS PROVIDE FINANCING -- AND COLLECT TWO SETS OF FEES.

HL * FMC CORP. 1ST QTR NET 76 CENTS A SHARE VS \$1.69

DD 04/22/86

SO WALL STREET JOURNAL AND DOW JONES NEWS WIRE (DW)

LP * FMC CORP. 1ST QTR NET \$20,100,000 OR 76C A SHR VS \$44,000,000 OR \$1.69.

FULLY DILUTED SHARE NET 75C VS. \$1.64.

TX REVENUE \$763,000,000 VS \$768,300,000.

1:35 PM