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## FMC Corp. Q2 2008 Earnings Call

### Question-and-Answer Session

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[Operator Instructions]. Your first question comes from Frank Mitsch from BB&T Capital Markets. Your line is open, sir.

#### **Frank Mitsch - BB&T Capital Markets**

Good morning and nice results, fellows. There was a news breaking last week out of the EPA suggesting that they were going to ban carbofuran on domestic food as well as on imported food. Can you step through what impacts you believe this would have on your business?

#### **William G. Walter - Chairman, President and Chief Executive Officer**

Yes, Frank first thanks for the compliment on the quarter. We thought it was an outstanding one. For those on the call not as familiar as Frank is with the announcement the EPA put out last week, let me just briefly try to describe it for you. Carbofuran has been in a process of re-registration with the EPA now for three or four years. Two years ago, they announced the intent to revoke the registrations on Carbofuran.

We have been working with EPA over that period of time trying to convince them of the fallacy of their science and therefore their conclusions, and believe that we have been successful in doing that. Last Thursday, the EPA took a surprise move and rather than trying to address Carbofuran under FIFRA, they decided to begin addressing Carbofuran based under the food quality protection act. Now having said that let me now try to answer Frank's question.

We don't expect any impact on Carbofuran sales in 2008 as a result of their recent announcement. In fact we are optimistic that there will be no impact even longer term. The process with the EPA is going to take several months to resolve and the EPA has offered us the opportunity to request a hearing to review their underlying science, which we believe is faulty. While it's too early to tell should we not prevail in that discussion, impact even in 2009 is... will be little if any.

One last act on this issue, the EPA, while they proposed revoke all tolerances, their proposal also acknowledges that some tolerances are acceptable. And it's also clear from their announcement that the tolerances for the five key crops in the U.S. are very close to meeting their standard for risk. And we'll have the opportunity to propose further refinements to the risk assessment that will show to them that furan should be continued in commerce and does not present any health risk to the public.

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