



NEWS RELEASE

## Terex Announces Second Quarter 2015 Results

7/29/2015

WESTPORT, Conn.--(BUSINESS WIRE)--Jul. 29, 2015-- Terex Corporation (NYSE:TEX) today announced income from continuing operations of \$85.2 million, or \$0.78 per share for the second quarter of 2015, as compared to income from continuing operations of \$87.8 million, or \$0.76 per share for the second quarter of 2014. Net sales were \$1,828.5 million in the second quarter of 2015, a decrease of \$226.6 million, or 11.0%, when compared with \$2,055.1 million in the second quarter of 2014. Excluding the impact of currency, net sales declined approximately 2.0%. Income from operations was \$148.3 million in the second quarter of 2015, a decrease of \$12.6 million when compared to income from operations of \$160.9 million in the second quarter of 2014.

"The second quarter was a solid quarter in terms of financial performance," commented Ron DeFeo, Terex Chairman and Chief Executive Officer. "Our AWP segment operating margin returned to the mid-teens as anticipated, benefiting from increased productivity and seasonally strong sales. We are encouraged by our AWP backlog which is higher than the prior year level and expect improved performance for this segment in the second half of 2015 as compared to the second half of 2014. We are seeing pricing pressure in the marketplace, but to date that has been mostly offset by reductions in material input cost."

Mr. DeFeo continued, "Our Materials Processing business had a good quarter, expanding operating margins despite lower sales. MHPS results were slightly below our expectations for the quarter, but a strong second half performance is still anticipated. Our Cranes segment performed generally in line with our expectations, but with a weaker product mix. The overall market for cranes remains challenging and we are not anticipating any near term improvements. The Construction segment was slightly profitable, with pressure on operating results continuing to come from the European and Indian compact construction and material scrap handling businesses."

Outlook: Mr. DeFeo added "Although we had a solid second quarter performance, given where we are in the year

and the challenging environment we are operating in, we now believe we will be in the low end of our previously announced earnings and revenue guidance for the full year 2015. As a result, our guidance is now for earnings per share for 2015 of between \$1.90 and \$2.10, excluding restructuring and other unusual items, on net sales of between \$6.1 billion and \$6.4 billion."

Capital Structure: "Capital allocation activities within the quarter proceeded as planned," commented Kevin Bradley, Terex Senior Vice President and Chief Financial Officer. "We improved our balance sheet and borrowing efficiency with the retirement of our convertible senior subordinated notes and the re-pricing of our European term loan. We also generated \$76.3 million in free cash flow in the quarter."

The Company's liquidity at June 30, 2015 decreased by \$22 million compared to March 31, 2015 and totaled approximately \$818 million, which was comprised of cash balances of \$333 million and borrowing availability under the Company's revolving credit facilities of \$485 million. The decrease in liquidity was primarily the result of the repayment of the convertible notes and a small, "bolt on" acquisition for our Material Processing business, offset by free cash flow generated from operations and positive cash contribution from Terex Financial Services.

Return on Invested Capital (ROIC) was 9.9% at June 30, 2015 compared to 10.6% at June 30, 2014.

Taxes: The effective tax rate for the second quarter of 2015 was 27.7% as compared to an effective tax rate of 31.2% for the second quarter of 2014. The lower effective rate for the three months ended June 30, 2015 was primarily due to the geographic mix of earnings.

Backlog: Backlog for orders deliverable during the next twelve months was \$1,835 million at June 30, 2015, a decrease of 14.3% from March 31, 2015 and a decrease of 16.6% from June 30, 2014. Excluding the impact of foreign exchange rate changes, backlog at June 30, 2015 decreased 7.0% from June 30, 2014 primarily driven by our decreases in our MHPS and Cranes backlog.

All results are for continuing operations. All per share amounts are on a fully diluted basis. A comprehensive review of the quarterly financial performance is contained in the presentation that will accompany the Company's earnings conference call.

In this press release, Terex refers to various GAAP (U.S. generally accepted accounting principles) and non-GAAP financial measures. These non-GAAP measures may not be comparable to similarly titled measures being disclosed by other companies. Terex believes that this non-GAAP information is useful to understanding its operating results and the ongoing performance of its underlying businesses. Certain financial measures are shown in italics the first time referenced and are described in the text or the Glossary at the end of this press release.

## Conference call

The Company has scheduled a one hour conference call to review the financial results on Thursday, July 30, 2015 at 8:00 a.m. ET. Ronald M. DeFeo, Chairman and CEO, will host the call. A simultaneous webcast of this call will be available on the Company's website, [www.terex.com](http://www.terex.com). To listen to the call, select "Investor Relations" in the "About Terex" section on the home page and then click on the webcast microphone link. Participants are encouraged to access the call 10 minutes prior to the starting time. The call will also be archived on the Company's website under "Audio Archives" in the "Investor Relations" section of the website.

## Forward-Looking Statements

This press release contains forward-looking information regarding future events or the Company's future financial performance based on the current expectations of Terex Corporation. In addition, when included in this press release, the words "may," "expects," "intends," "anticipates," "plans," "projects," "estimates" and the negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. The Company has based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance.

Because forward-looking statements involve risks and uncertainties, actual results could differ materially. Such risks and uncertainties, many of which are beyond the control of Terex, include among others: Our business is cyclical and weak general economic conditions affect the sales of our products and financial results; our ability to successfully integrate acquired businesses; the need to comply with restrictive covenants contained in our debt agreements; our ability to generate sufficient cash flow to service our debt obligations and operate our business; our ability to access the capital markets to raise funds and provide liquidity; our business is sensitive to government spending; our business is very competitive and is affected by our cost structure, pricing, product initiatives and other actions taken by competitors; our retention of key management personnel; the financial condition of suppliers and customers, and their continued access to capital; our providing financing and credit support for some of our customers; we may experience losses in excess of recorded reserves; impairment in the carrying value of goodwill and other indefinite-lived intangible assets; our ability to obtain parts and components from suppliers on a timely basis at competitive prices; our business is global and subject to changes in exchange rates between currencies, regional economic conditions and trade restrictions; our operations are subject to a number of potential risks that arise from operating a multinational business, including compliance with changing regulatory environments, the Foreign Corrupt Practices Act and other similar laws and political instability; a material disruption to one of our significant facilities; possible work stoppages and other labor matters; compliance with changing laws and regulations, particularly environmental and tax laws and regulations; litigation, product liability claims,

intellectual property claims, class action lawsuits and other liabilities; our ability to comply with an injunction and related obligations imposed by the United States Securities and Exchange Commission (“SEC”); disruption or breach in our information technology systems; and other factors, risks and uncertainties that are more specifically set forth in our public filings with the SEC.

Actual events or the actual future results of Terex may differ materially from any forward-looking statement due to these and other risks, uncertainties and significant factors. The forward-looking statements speak only as of the date of this release. Terex expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement included in this release to reflect any changes in expectations with regard thereto or any changes in events, conditions, or circumstances on which any such statement is based.

Terex Corporation is a lifting and material handling solutions company reporting in five business segments: Aerial Work Platforms, Construction, Cranes, Material Handling & Port Solutions and Materials Processing. Terex manufactures a broad range of equipment for use in various industries, including the construction, infrastructure, manufacturing, shipping, transportation, refining, energy, utility, quarrying and mining industries. Terex offers financial products and services to assist in the acquisition of Terex equipment through Terex Financial Services. Terex uses its website ([www.terex.com](http://www.terex.com)) and its Facebook page ([www.facebook.com/TerexCorporation](http://www.facebook.com/TerexCorporation)) to make information available to its investors and the market.

## TEREX CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENT OF INCOME (unaudited)

(in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net sales	\$ 1,828.5	\$ 2,055.1	\$ 3,324.1	\$ 3,709.7
Cost of goods sold	(1,444.3 )	(1,631.3 )	(2,663.3 )	(2,952.5 )
Gross profit	384.2	423.8	660.8	757.2
Selling, general and administrative expenses	(235.9 )	(262.9 )	(468.3 )	(521.3 )
Income (loss) from operations	148.3	160.9	192.5	235.9
Other income (expense)				
Interest income	1.0	1.2	2.0	2.5
Interest expense	(27.0 )	(31.7 )	(55.2 )	(62.1 )
Other income (expense) – net	(3.0 )	(2.0 )	(9.9 )	(4.9 )
Income (loss) from continuing operations before income taxes	119.3	128.4	129.4	171.4
(Provision for) benefit from income taxes	(33.0 )	(40.0 )	(44.6 )	(51.5 )
Income (loss) from continuing operations	86.3	88.4	84.8	119.9
Income (loss) from discontinued operations – net of tax	—	0.5	—	1.4
Gain (loss) on disposition of discontinued operations- net of tax	(0.4 )	51.5	2.7	53.0
Net income (loss)	85.9	140.4	87.5	174.3
Net loss (income) attributable to noncontrolling interest	(1.1 )	(0.6 )	(1.7 )	0.5
Net income (loss) attributable to Terex Corporation	\$ 84.8	\$ 139.8	\$ 85.8	\$ 174.8
Amounts attributable to Terex Corporation common stockholders:				
Income (loss) from continuing operations	\$ 85.2	\$ 87.8	\$ 83.1	\$ 120.4
Income (loss) from discontinued operations – net of tax	—	0.5	—	1.4
Gain (loss) on disposition of discontinued operations – net of tax	(0.4 )	51.5	2.7	53.0
Net income (loss) attributable to Terex Corporation	\$ 84.8	\$ 139.8	\$ 85.8	\$ 174.8

Basic Earnings (Loss) per Share Attributable to Terex Corporation Common Stockholders:				
Income (loss) from continuing operations	\$ 0.80	\$ 0.80	\$ 0.78	\$ 1.09
Income (loss) from discontinued operations – net of tax	—	—	—	0.01
Gain (loss) on disposition of discontinued operations – net of tax	—	0.47	0.03	0.48
Net income (loss) attributable to Terex Corporation	\$ 0.80	\$ 1.27	\$ 0.81	\$ 1.58
Diluted Earnings (Loss) per Share Attributable to Terex Corporation Common Stockholders:				
Income (loss) from continuing operations	\$ 0.78	\$ 0.76	\$ 0.76	\$ 1.03
Income (loss) from discontinued operations – net of tax	—	—	—	0.01
Gain (loss) on disposition of discontinued operations – net of tax	—	0.45	0.02	0.46
Net income (loss) attributable to Terex Corporation	\$ 0.78	\$ 1.21	\$ 0.78	\$ 1.50
Weighted average number of shares outstanding in per share calculation				
Basic	106.2	110.3	106.2	110.5
Diluted	109.0	115.8	109.9	116.4

## TEREX CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)

(in millions, except par value)

	June 30, 2015	December 31, 2014
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 332.7	\$ 478.2
Trade receivables (net of allowance of \$26.9 and \$30.5 at June 30, 2015 and December 31, 2014, respectively)	1,252.5	1,086.4
Inventories	1,564.2	1,460.9
Prepaid assets	260.1	248.0
Other current assets	74.8	82.7
Total current assets	3,484.3	3,356.2
Non-current assets		
Property, plant and equipment – net	680.6	690.3
Goodwill	1,073.7	1,131.0
Intangible assets – net	293.6	325.4
Other assets	474.7	425.1
Total assets	\$ 6,006.9	\$ 5,928.0
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Notes payable and current portion of long-term debt	\$ 72.6	\$ 152.5
Trade accounts payable	814.4	736.1
Accrued compensation and benefits	208.0	204.0
Accrued warranties and product liability	67.8	74.2
Customer advances	196.4	197.4
Other current liabilities	311.0	278.9
Total current liabilities	1,670.2	1,643.1
Non-current liabilities		
Long-term debt, less current portion	1,834.0	1,636.3
Retirement plans	402.7	432.5
Other non-current liabilities	150.4	177.0
Total liabilities	4,057.3	3,888.9
Commitments and contingencies		
Stockholders' equity		
Common stock, \$.01 par value – authorized 300.0 shares; issued 128.8 and 124.6 shares at June 30, 2015 and December 31, 2014, respectively	1.3	1.2
Additional paid-in capital	1,256.6	1,251.5
Retained earnings	2,057.6	1,984.9
Accumulated other comprehensive income (loss)	(548.7 )	(429.8 )
Less cost of shares of common stock in treasury – 21.1 and 19.2 shares at June 30, 2015 and December 31, 2014, respectively	(851.8 )	(801.9 )
Total Terex Corporation stockholders' equity	1,915.0	2,005.9
Noncontrolling interest	34.6	33.2
Total stockholders' equity	1,949.6	2,039.1
Total liabilities and stockholders' equity	\$ 6,006.9	\$ 5,928.0

TEREX CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(unaudited)

(in millions)

	Six Months Ended June 30,	
	2015	2014
Operating Activities		
Net income	\$ 87.5	\$ 174.3
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	68.9	80.0
Changes in operating assets and liabilities (net of effects of acquisitions and divestitures):		
Trade receivables	(196.9 )	(183.6 )
Inventories	(125.2 )	(162.4 )
Trade accounts payable	98.2	108.2
Customer advances	(0.9 )	33.7
Other, net	(16.4 )	(25.7 )
Net cash (used in) provided by operating activities	(84.8 )	24.5
Investing Activities		
Capital expenditures	(48.7 )	(37.3 )
Other investing activities, net	(58.5 )	157.4
Net cash (used in) provided by investing activities	(107.2 )	120.1
Financing Activities		
Net cash provided by (used in) financing activities	68.6	(189.1 )
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(22.1 )	0.7
Net Decrease in Cash and Cash Equivalents	(145.5 )	(43.8 )
Cash and Cash Equivalents at Beginning of Period	478.2	408.1
Cash and Cash Equivalents at End of Period	\$ 332.7	\$ 364.3

TEREX CORPORATION AND SUBSIDIARIES  
SEGMENT RESULTS DISCLOSURE  
(unaudited)

(in millions)

	Second Quarter 2015			2014			Year-to-Date 2015			2014		
		% of Net Sales			% of Net Sales			% of Net Sales		% of Net Sales		
<b>Consolidated</b>												
Net sales	\$ 1,828.5		\$ 2,055.1			\$ 3,324.1			\$ 3,709.7			
Gross profit	384.2	21.0 %	423.8	20.6 %	660.8	19.9 %	757.2	20.4 %				
SG&A	235.9	12.9 %	262.9	12.8 %	468.3	14.1 %	521.3	14.1 %				
Income from operations	\$ 148.3	8.1 %	\$ 160.9	7.8 %	\$ 192.5	5.8 %	\$ 235.9	6.4 %				
<b>AWP</b>												
Net sales	\$ 677.1		\$ 717.9			\$ 1,184.3			\$ 1,302.8			
Gross profit	158.9	23.5 %	164.2	22.9 %	252.0	21.3 %	297.3	22.8 %				
SG&A	55.0	8.1 %	50.7	7.1 %	104.8	8.8 %	101.6	7.8 %				
Income from operations	\$ 103.9	15.3 %	\$ 113.5	15.8 %	\$ 147.2	12.4 %	\$ 195.7	15.0 %				
<b>Construction</b>												

Net sales	\$ 183.7			\$ 227.2		\$ 337.6		\$ 422.9	
Gross profit	22.1	12.0 %		26.5	11.7 %	38.7	11.5 %	45.6	10.8 %
SG&A	21.4	11.6 %		22.5	9.9 %	42.5	12.6 %	46.6	11.0 %
Income (loss) from operations	\$ 0.7	0.4 %		\$ 4.0	1.8 %	\$ (3.8)	(1.1 %)	\$ (1.0)	(0.2 %)
<b>Cranes</b>									
Net sales	\$ 463.8			\$ 503.5		\$ 850.7		\$ 897.1	
Gross profit	78.6	16.9 %		89.9	17.9 %	140.1	16.5 %	149.9	16.7 %
SG&A	56.0	12.1 %		60.2	12.0 %	113.9	13.4 %	120.4	13.4 %
Income from operations	\$ 22.6	4.9 %		\$ 29.7	5.9 %	\$ 26.2	3.1 %	\$ 29.5	3.3 %
<b>MHPS</b>									
Net sales	\$ 367.2			\$ 431.4		\$ 689.1		\$ 799.6	
Gross profit	78.5	21.4 %		97.2	22.5 %	150.9	21.9 %	181.8	22.7 %
SG&A	77.2	21.0 %		94.5	21.9 %	153.9	22.3 %	185.4	23.2 %
Income (loss) from operations	\$ 1.3	0.4 %		\$ 2.7	0.6 %	\$ (3.0)	(0.4 %)	\$ (3.6)	(0.5 %)
<b>MP</b>									
Net sales	\$ 167.8			\$ 183.1		\$ 313.5		\$ 333.1	
Gross profit	43.5	25.9 %		43.7	23.9 %	76.3	24.3 %	75.9	22.8 %
SG&A	21.5	12.8 %		20.9	11.4 %	43.6	13.9 %	42.2	12.7 %
Income from operations	\$ 22.0	13.1 %		\$ 22.8	12.5 %	\$ 32.7	10.4 %	\$ 33.7	10.1 %
<b>Corp &amp; Eliminations</b>									
Net sales	\$ (31.1)	)		\$ (8.0)	)	\$ (51.1)	)	\$ (45.8)	)
Gross profit	2.6	(8.4 %)		2.3	(28.8 %)	2.8	(5.5 %)	6.7	(14.6 %)
SG&A	4.8	(15.4 %)		14.1	(176.3 %)	9.6	(18.8 %)	25.1	(54.8 %)
Loss from operations	\$ (2.2)	) 7.1 %		\$ (11.8)	) 147.5 %	\$ (6.8)	) 13.3 %	\$ (18.4)	) 40.2 %

## GLOSSARY

In an effort to provide investors with additional information regarding the Company's results, Terex refers to various GAAP (U.S. generally accepted accounting principles) and non-GAAP financial measures which management believes provides useful information to investors. These non-GAAP measures may not be comparable to similarly titled measures being disclosed by other companies. In addition, the Company believes that non-GAAP financial measures should be considered in addition to, and not in lieu of, GAAP financial measures. Terex believes that this non-GAAP information is useful to understanding its operating results and the ongoing performance of its underlying businesses. Management of Terex uses both GAAP and non-GAAP financial measures to establish internal budgets and targets and to evaluate the Company's financial performance against such budgets and targets.

The amounts described below are unaudited, are reported in millions of U.S. dollars (except per share data and percentages), and are as of or for the period ended June 30, 2015, unless otherwise indicated.

As changes in foreign currency exchange rates have a non-operating impact on the translation of our financial results, we believe excluding the effect of these changes assists in the assessment of our business results between periods. We calculate the translation effect of foreign currency exchange rate changes by translating the current period results at the rates that the comparable prior periods were translated to isolate the foreign exchange component of the fluctuation from the operational component.

**Backlog** is defined as firm orders that are expected to be filled within one year. The disclosure of backlog aids in

the analysis of the Company's customers' demand for product, as well as the ability of the Company to meet that demand. The backlog of the various Terex businesses is not necessarily indicative of sales to be recognized in a specified future period.

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	Jun 30, 2015	Mar 31, 2015	% change		Jun 30, 2014	% change	
Consolidated Backlog	\$ 1,835.0	\$ 2,141.0	(14.3)	)%	\$ 2,199.2	(16.6)	)%
AWP	\$ 436.3	\$ 699.0	(37.6)	)%	\$ 418.4	4.3	%
Construction	\$ 164.0	\$ 204.0	(19.6)	)%	\$ 187.8	(12.7)	)%
Cranes	\$ 540.2	\$ 563.4	(4.1)	)%	\$ 661.4	(18.3)	)%
MHPS	\$ 630.8	\$ 595.8	5.9	%	\$ 864.8	(27.1)	)%
MP	\$ 63.7	\$ 78.8	(19.2)	)%	\$ 66.8	(4.6)	)%

**Debt** is calculated using the Condensed Consolidated Balance Sheet amounts for Notes payable and current portion of long-term debt plus Long-term debt, less current portion. **Net Debt** is calculated as Debt less Cash and cash equivalents. These measures aid in the evaluation of the Company's financial condition.

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	June 30, 2015	December 31, 2014
Long term debt, less current portion	\$ 1,834.0	\$ 1,636.3
Notes payable and current portion of long-term debt	72.6	152.5
Debt	1,906.6	1,788.8
Less: Cash and cash equivalents	(332.7)	(478.2)
Net Debt	\$ 1,573.9	\$ 1,310.6

**EBITDA** is defined as earnings, before interest, taxes, depreciation and amortization. The Company calculates this by adding the amount of depreciation and amortization expenses that have been deducted from income from operations back into income from operations to arrive at EBITDA. Depreciation and amortization amounts reported in the Consolidated Statement of Cash Flows include amortization of debt issuance costs that are recorded in Other income (expense) - net and, therefore, are not included in EBITDA. Terex believes that disclosure of EBITDA will be helpful to those reviewing its performance, as EBITDA provides information on Terex's ability to meet debt service, capital expenditure and working capital requirements, and is also an indicator of profitability.

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	Three Months Ended June 30, 2015	2014	Six Months Ended June 30, 2015	2014
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Income (loss) from operations	\$ 148.3	\$ 160.9	\$ 192.5	\$ 235.9
Depreciation	28.6	28.7	53.9	55.8
Amortization	7.4	12.0	15.0	23.8
Bank fee amortization not included in Income (loss) from operations	(1.3 )	(2.1 )	(2.6 )	(4.2 )
EBITDA	\$ 183.0	\$ 199.5	\$ 258.8	\$ 311.3

**Free cash flow** is defined as Net cash provided by (used in) operating activities, plus (minus) increases (decreases) in Terex Financial Services (“TFS”) finance receivable assets, plus (minus) decreases (increases) in cash balances held for settlement on securitized assets, less Capital expenditures. The definition reflects the Company’s entry into a securitization facility in the second quarter of 2015.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net cash provided by (used in) operating activities	\$ 25.9	\$ (0.7 )	\$ (84.8 )	\$ 24.5
Plus: Increase in TFS Assets	79.7	21.9	121.5	41.5
Less: Increase in cash for securitization settlement	(6.8 )	—	(6.8 )	—
Less: Capital expenditures	(22.5 )	(18.3 )	(48.7 )	(37.3 )
Free Cash Flow	\$ 76.3	\$ 2.9	\$ (18.8 )	\$ 28.7

**Return on Invested Capital (“ROIC”)** is determined by dividing the sum of Net Operating Profit After Tax (“NOPAT”)(as defined below) for each of the previous four quarters by the average of the sum of Total Terex Corporation stockholders’ equity plus Debt (as defined above) less Cash and cash equivalents for the previous five quarters. NOPAT for each quarter is calculated by multiplying Income (loss) from operations by a figure equal to one minus the effective tax rate of the Company. The Company believes that returns on capital deployed in Terex Financial Services (“TFS”) does not represent its primary operations and, therefore, TFS finance receivable assets and results from operations have been excluded from the calculation below. The effective tax rate is equal to the (Provision for) benefit from income taxes divided by Income (loss) from continuing operations before income taxes for the respective quarter. The Company calculates ROIC using the last four quarters’ NOPAT as this represents the most recent 12-month period at any given point of determination. In order for the denominator of the ROIC ratio to properly match the operational period reflected in the numerator, the Company includes the average of five quarters’ ending balance sheet amounts so that the denominator includes the average of the opening through ending balances (on a quarterly basis) thereby providing, over the same time period as the numerator, four quarters of average invested capital.

Terex management and the Board of Directors use ROIC as one of the primary measures to assess operational performance and in connection with certain compensation programs. Terex utilizes ROIC as a unifying metric because management believes that it measures how effectively the Company invests its capital and provides a

better measure to compare the Company to peer companies to assist in assessing how it drives operational improvement. ROIC measures return on the amount of capital invested in the Company's primary businesses, excluding TFS, as opposed to another metric such as return on Terex Corporation stockholders' equity that only incorporates book equity, and is thus a more accurate and descriptive measure of the Company's performance. Terex also believes that adding Debt less Cash and cash equivalents to Total Terex Corporation stockholders' equity provides a better comparison across similar businesses regarding total capitalization, and those ROIC highlights the level of value creation as a percentage of capital invested.

See reconciliation of adjusted amounts below on table following ROIC table. Amounts are as of and for the three months ended for the periods referenced in the table below.

	Jun '15	Mar '15	Dec '14	Sep '14	Jun '14
Provision for (benefit from) income taxes	\$33.0	\$11.6	\$(41.5)	\$27.7	
Divided by: Income (loss) before income taxes	119.3	10.1	39.4	86.4	
Effective tax rate	27.7 %	114.9 %	(105.3 %)	32.1 %	
Income (loss) from operations as adjusted	\$147.2	\$46.5	\$72.3	\$119.7	
Multiplied by: 1 minus Effective tax rate	72.3 %	(14.9 %)	205.3 %	67.9 %	
Adjusted net operating income (loss) after tax	\$106.4	\$(6.9)	\$148.4	\$81.3	
Debt (as defined above)	\$1,906.6	\$1,872.9	\$1,788.8	\$1,851.9	\$1,922.5
Less: Cash and cash equivalents	(332.7)	(351.3)	(478.2)	(344.5)	(364.3)
Debt less Cash and cash equivalents	\$1,573.9	\$1,521.6	\$1,310.6	\$1,507.4	\$1,558.2
Total Terex Corporation stockholders' equity as adjusted	\$1,630.8	\$1,543.3	\$1,843.2	\$2,010.5	\$2,138.5
Debt less Cash and cash equivalents plus Total Terex Corporation stockholders' equity as adjusted	\$3,204.7	\$3,064.9	\$3,153.8	\$3,517.9	\$3,696.7
June 30, 2015 ROIC	9.9 %				
Adjusted net operating income (loss) after tax (last 4 quarters)	\$329.2				
Average Debt less Cash and cash equivalents plus Total Terex Corporation stockholders' equity as adjusted (5 quarters)	\$3,327.6				
Reconciliation of income (loss) from operations:	Jun '15	Mar '15	Dec '14	Sep '14	
Income (loss) from operations as reported	\$148.3	\$44.2	\$70.4	\$116.8	
(Income) loss from operations for TFS	(1.1)	2.3	1.9	2.9	
Income (loss) from operations as adjusted	\$147.2	\$46.5	\$72.3	\$119.7	
Reconciliation of Terex Corporation stockholders' equity:					
Terex Corporation stockholders' equity as reported	\$1,915.0	\$1,747.8	\$2,005.9	\$2,217.7	\$2,331.6
TFS assets	(284.2)	(204.5)	(162.7)	(207.2)	(193.1)
Terex Corporation stockholders' equity as adjusted	\$1,630.8	\$1,543.3	\$1,843.2	\$2,010.5	\$2,138.5

**Trailing Three Month Annualized Net Sales** is calculated using the net sales for the quarter multiplied by four.

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	Three Months Ended	
	June 30, 2015	2014
Second Quarter Net Sales	\$ 1,828.5	\$ 2,055.1
	x 4	x 4
Trailing Three Month Annualized Net Sales	\$ 7,314.0	\$ 8,220.4

**Working Capital** is calculated using the Consolidated Balance Sheet amounts for Trade receivables (net of allowance) plus Inventories less Trade accounts payable and customer advances. The Company views excessive working capital as an inefficient use of resources, and seeks to minimize the level of investment without adversely impacting the ongoing operations of the business. For the periods below, working capital was:

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	June 30, 2015	December 31, 2014	June 30, 2014
Inventories	\$ 1,564.2	\$ 1,460.9	\$ 1,779.0
Trade Receivables	1,252.5	1,086.4	1,368.4
Less: Trade Accounts Payable	(814.4)	) (736.1	) (800.8
Less: Customer Advances	(196.4)	) (197.4	) (334.5
Total Working Capital	\$ 1,805.9	\$ 1,613.8	\$ 2,012.1

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Source: Terex Corporation

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