MISONIX INC
Form 8-K
December 05, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 5, 2013 (December 3, 2013)

MISONIX, INC.

(Exact name of registrant as specified in its charter)

New York	1-10986	11-2148932
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1938 New Highway, Farmingdale, NY	11735
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (631) 694-9555

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.07 Submission of Matters to a Vote of Security Holders.

On December 3, 2013, MISONIX, INC. (the "Company") held its Annual Meeting of Shareholders. At that meeting, shareholders (i) re-elected six of the seven incumbent directors (Howard Alliger having notified the Company in late October of his intention to retire and not stand for election to the Board of Directors) to serve until the next annual meeting of shareholders and until their respective successors have been elected and qualified, (ii) approved, on an advisory basis, the compensation of the Company's Named Executive Officers (as defined in the Rules and Regulations promulgated under the Securities Exchange Act of 1934, as amended), (iii) approved, on an advisory basis, holding the advisory vote on the compensation of the Company's Named Executive Officers every year and (iv) ratified the selection of Grant Thornton LLP as the Company's independent registered public accounting firm.

The following table sets forth the final results of the total shares voted on the election of directors:

		VOTES	
	For	Withheld	Broker Non-Votes
Michael A. McManus, Jr.	2,122,911	746,477	3,191,608
T. Guy Minetti	2,837,768	31,620	3,191,608
Thomas F. O'Neill	2,147,591	721,797	3,191,608
John W. Gildea	2,837,233	32,155	3,191,608
Charles Miner, III, MD	2,838,268	31,120	3,191,608
Stavros G. Vizirgianakis	2,115,768	753,620	3,191,608

The following table sets forth the final results of the total shares voted, on an advisory basis, on the approval of the compensation of the Company's Named Executive Officers:

	VOTES		
For	Against	Abstain	Broker Non-Votes
2,771,784	87,884	9,720	3,191,608

The following table sets forth the final results of the total shares voted, on an advisory basis, on the frequency of future advisory votes on the compensation of the Company's Named Executive Officers:

VOTES

One Year	Two Years	Three Years	Abstain	Broker Non-Votes
1,669,231	81,866	1,068,841	49,450	3,191,608

The following table sets forth the final results of the total shares voted on the selection of Grant Thornton LLP:

VOTES

For	Withheld	Abstain	Broker Non-Votes
6,007,727	31,484	21,785	N/A

Based upon the results set forth above, the Board Directors has determined that advisory votes on the compensation of Named Executive Officers of the Company will be submitted to shareholders every year.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 5, 2013	MISONIX, INC.		
	By:	/s/ Richard Zaremba Richard Zaremba Senior Vice President and Chief Financial Officer	

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173.5

Land Use Rights
57

17.5

(2.0

)

15.5

18.0

(1.8
)

16.2

Other
8

48.7

(39.4
)

9.3

44.6

(38.2
)

6.4

Total definite-lived intangible assets

$
350.7

$
(165.4
)

$
185.3

$
373.3

$
(156.8
)

$
216.5

Indefinite-lived intangible assets:

Tradenames

$
100.6

$
108.9

Total indefinite-lived intangible assets

$
100.6

$
108.9

(in millions)	Three Months Ended September 30, 2015	2014	Nine Months Ended September 30, 2015	2014
Aggregate Amortization Expense	$6.1	$9.3	$18.4	28.8

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Estimated aggregate intangible asset amortization expense (in millions) for each of the five years below is:

2015	$26.0
2016	$24.2
2017	$19.8
2018	$15.3
2019	$14.9

NOTE K – DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, the Company enters into two types of derivatives to hedge its interest rate exposure and foreign currency exposure: hedges of fair value exposures and hedges of cash flow exposures. Fair value exposures relate to recognized assets or liabilities and firm commitments, while cash flow exposures relate to the variability of future cash flows associated with recognized assets or liabilities or forecasted transactions.

The Company operates internationally, with manufacturing and sales facilities in various locations around the world, and uses certain financial instruments to manage its foreign currency, interest rate and fair value exposures. To qualify a derivative as a hedge at inception and throughout the hedge period, the Company formally documents the nature and relationships between hedging instruments and hedged items, as well as its risk-management objectives and strategies for undertaking various hedge transactions, and the method of assessing hedge effectiveness. Additionally, for hedges of forecasted transactions, the significant characteristics and expected terms of a forecasted transaction must be specifically identified, and it must be probable that each forecasted transaction will occur. If it is deemed probable that the forecasted transaction will not occur, then the gain or loss would be recognized in current earnings. Financial instruments qualifying for hedge accounting must maintain a specified level of effectiveness between the hedging instrument and the item being hedged, both at inception and throughout the hedged period. The Company does not engage in trading or other speculative use of financial instruments.

The Company has used and may use forward contracts and options to mitigate its exposure to changes in foreign currency exchange rates on third party and intercompany forecasted transactions. The primary currencies to which the Company is exposed are the Euro, British Pound and Australian Dollar. The effective portion of unrealized gains and losses associated with forward contracts and the intrinsic value of option contracts are deferred as a component of Accumulated other comprehensive income (“AOCI”) until the underlying hedged transactions are reported in the Company’s Condensed Consolidated Statement of Comprehensive Income. The Company has used and may use interest rate swaps to mitigate its exposure to changes in interest rates related to existing issuances of variable rate debt and changes in the fair value of fixed rate debt. Primary exposure includes movements in the London Interbank Offer Rate (“LIBOR”) and Commercial Paper rates. The change in fair value of derivatives designated as cash flow hedges are deferred in AOCI and are recognized in earnings as hedged transactions occur. The changes in fair value associated with contracts deemed ineffective are recognized in earnings immediately.

In the Condensed Consolidated Statement of Comprehensive Income, the Company records hedging activity related to debt instruments and hedging activity related to foreign currency and interest rate swaps in the accounts for which the hedged items are recorded. On the Condensed Consolidated Statement of Cash Flows, the Company records cash flows from hedging activities in the same manner as it records the underlying item being hedged.

The Company is party to currency exchange forward contracts that generally mature within one year to manage its exposure to changing currency exchange rates. At September 30, 2015, the Company had $235.9 million notional amount of currency exchange forward contracts outstanding that were initially designated as hedge contracts, most of which mature on or before September 30, 2016. The fair market value of these contracts at September 30, 2015 was a net gain of $2.8 million. At September 30, 2015, $213.5 million notional amount ($2.7 million of fair value gains) of these forward contracts have been designated as, and are effective as, cash flow hedges of forecasted and specifically identified transactions. During 2015 and 2014, the Company recorded the change in fair value for these cash flow hedges to AOCI and reclassified to earnings a portion of the deferred gain or loss from AOCI as the hedged transactions occurred and were recognized in earnings.

The Company records foreign exchange contracts at fair value on a recurring basis. The foreign exchange contracts designated as hedging instruments are categorized under Level 2 of the ASC 820 hierarchy and are recorded at September 30, 2015 and December 31, 2014 as a net asset of $2.8 million and net liability of $0.4 million, respectively. See Note B – “Basis of Presentation,” for an explanation of the ASC 820 hierarchy. The fair values of these foreign exchange forward contracts are derived using quoted forward foreign exchange prices to interpolate values of outstanding trades at the reporting date based on their maturities.

The Company uses forward foreign exchange contracts to mitigate its exposure to changes in foreign currency exchange rates on third party and intercompany forecasted transactions and balance sheet exposures. Certain of these contracts have not been designated as hedging instruments. The majority of gains and losses recognized from foreign exchange contracts not designated as hedging instruments were offset by changes in the underlying hedged items, resulting in no material net impact on earnings. Changes in the fair value of these derivative financial instruments are recognized as gains or losses in Cost of goods sold or Other income (expense) – net in the Condensed Consolidated Statement of Comprehensive Income.

Concurrent with the sale of a majority stake in A.S.V., Inc. to Manitex International, Inc. (“Manitex”), the Company invested in a subordinated convertible promissory note from Manitex, which included an embedded derivative, the conversion feature. At the date of issuance, the embedded derivative was measured at fair value. The derivative is marked-to-market each period with changes in fair value recorded in Other income (expense) - net in the Condensed Consolidated Statement of Comprehensive Income.

The Company enters into certain interest rate swap agreements to offset the variability of cash flows due to changes in the floating rate of borrowings under its Securitization Facility. See Note M – “Long-Term Obligations,” for additional information on the Securitization Facility. The interest rate swaps are designated as cash flow hedges of the changes in the cash flows of interest rate payments on debt associated with changes in floating interest rates. Changes in the fair value of these derivative financial instruments are recognized as gains or losses in Cost of goods sold in the Condensed Consolidated Statement of Comprehensive Income. The Company records these contracts at fair value on a recurring basis. At September 30, 2015, the Company had $180.9 million notional amount of interest rate swap contracts outstanding that were initially designated as hedge contracts and scheduled to mature in September, 2022. The interest rate swap contracts designated as hedging instruments are categorized under Level 2 of the ASC 820 hierarchy and are recorded at September 30, 2015 as a net liability of $0.9 million. The fair value of these contracts are derived using quoted interest rate swap prices at the reporting date based on their maturities.

The following table provides the location and fair value amounts of derivative instruments designated as hedging instruments that are reported in the Condensed Consolidated Balance Sheet (in millions):

Asset Derivatives	Balance Sheet Account	September 30, 2015	December 31, 2014
Foreign exchange contracts	Other current assets	$4.2	$10.1
Interest rate swap	Other assets	0.2	—
Total asset derivatives		4.4	10.1
Liability Derivatives			
Foreign exchange contracts	Other current liabilities	(1.4)	(10.5)
Interest rate swap	Other current liabilities	(1.1)	—
Total liability derivatives		(2.5)	(10.5)
Total Derivatives		$1.9	$(0.4)

The following table provides the location and fair value amounts of derivative instruments not designated as hedging instruments that are reported in the Condensed Consolidated Balance Sheet (in millions):

Asset Derivatives	Balance Sheet Account	September 30, 2015	December 31, 2014
Foreign exchange contracts	Other current assets	$0.5	$2.2
Debt conversion feature	Other assets	0.9	3.0
Total asset derivatives		1.4	5.2
Liability Derivatives			
Foreign exchange contracts	Other current liabilities	(2.6)	(1.0)
Total liability derivatives		(2.6)	(1.0)

Total Derivatives	$(1.2)	$4.2

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The following tables provide the effect of derivative instruments that are designated as hedges in the Condensed Consolidated Statement of Comprehensive Income and AOCI (in millions):

Gain (Loss) Recognized in AOCI on Derivatives:	Three Months Ended September 30,		Nine Months Ended September 30,	
Cash Flow Derivatives	2015	2014	2015	2014
Foreign exchange contracts	$1.8	$(0.3)	$3.0	$(2.5)
Interest rate swap	(0.3)	—	(0.4)	—
Total	$1.5	$(0.3)	$2.6	$(2.5)

Gain (Loss) Reclassified from AOCI into Income (Effective):	Three Months Ended September 30,		Nine Months Ended September 30,	
Account	2015	2014	2015	2014
Cost of goods sold	$1.7	$0.1	$8.0	$2.2
Other income (expense) – net	0.5	(0.4)	(4.8)	2.1
Total	$2.2	$(0.3)	$3.2	$4.3

Gain (Loss) Recognized in Income on Derivatives (Ineffective):	Three Months Ended September 30,		Nine Months Ended September 30,	
Account	2015	2014	2015	2014
Other income (expense) – net	$(0.2)	$0.5	$4.7	$(2.3)

The following table provides the effect of derivative instruments that are not designated as hedges in the Condensed Consolidated Statement of Comprehensive Income (in millions):

Gain (Loss) Recognized in Income on Derivatives not designated as hedges:	Three Months Ended September 30,		Nine Months Ended September 30,	
Account	2015	2014	2015	2014
Other income (expense) – net	$(2.8)	$1.6	$(6.0)	$0.2

Counterparties to the Company's currency exchange forward contracts and interest rate swap agreements are major financial institutions with credit ratings of investment grade or better and no collateral is required. There are no significant risk concentrations. Management continues to monitor counterparty risk and believes the risk of incurring losses on derivative contracts related to credit risk is unlikely and any losses would be immaterial.

Unrealized net gains (losses), net of tax, included in AOCI are as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Balance at beginning of period	$0.4	$0.5	$(0.7)	$2.7
Additional gains (losses) – net	3.5	(0.1)	6.5	0.3
Amounts reclassified to earnings	(2.0)	(0.2)	(3.9)	(2.8)
Balance at end of period	$1.9	$0.2	$1.9	$0.2

Within the unrealized net gains (losses) included in AOCI as of September 30, 2015, it is estimated that $1.7 million of gains are expected to be reclassified into earnings in the next twelve months.

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NOTE L – RESTRUCTURING AND OTHER CHARGES

The Company continually evaluates its cost structure to be appropriately positioned to respond to changing market conditions. From time to time the Company may initiate certain restructuring programs to better utilize its workforce and optimize facility utilization to match the demand for its products.

During the third quarter of 2014, the Company established a restructuring program in the MHPS segment to close one of its manufacturing facilities in Germany and relocate production. The expected benefit of this move is concentration of certain production processes in a single location enabling the segment to realize synergies and optimize its expense structure. The program is expected to cost $15.0 million, result in the reduction of 84 team members at that location and be completed in 2015.

During the fourth quarter of 2014, the Company established a restructuring program in the MHPS segment primarily focused on operations in Germany. The program included the consolidation of several material handling sales and service locations, and realignment of the management structure for port solutions. The program is expected to cost $20.4 million, result in the reduction of 115 team members and is expected to be completed in 2016, except for certain payments mandated by governmental agencies.

During the third quarter of 2015, the Company established a restructuring program in the MP segment to close one of its manufacturing facilities in the U.S., consolidate production with other U.S. sites and exit the hand-fed chipper line of products. By consolidating operations, the Company will optimize use of resources, eliminate areas of duplication and operate more efficiently and effectively. The program is expected to cost $0.9 million, result in the reduction of 43 team members and be completed in 2015.

During the third quarter of 2015, the Company established a restructuring program across multiple operating segments to centralize transaction processing and accounting functions into shared service centers. The program is expected to cost $1.5 million, result in the reduction of 69 team members and be completed in 2016. The segment breakdown of this program cost is as follows: Cranes ($0.9 million), MHPS ($0.5 million), and MP ($0.1 million).

The following table provides information for all restructuring activities by segment of the amount of expense incurred during the nine months ended September 30, 2015, the cumulative amount of expenses incurred since inception of the programs through September 30, 2015 and the total amount expected to be incurred (in millions):

	Amount incurred during the nine months ended September 30, 2015	Cumulative amount incurred through September 30, 2015	Total amount expected to be incurred
Cranes	0.8	0.8	0.9
MHPS	(0.1)	35.4	35.9
MP	1.0	1.0	1.0
Total	$1.7	$37.2	$37.8

The following table provides information by type of restructuring activity with respect to the amount of expense incurred during the nine months ended September 30, 2015, the cumulative amount of expenses incurred since inception of the programs and the total amount expected to be incurred (in millions):

Employee Termination Costs	Facility Exit Costs	Asset Disposal and Other Costs	Total
$0.5	$0.1	$1.1	$1.7

Amount incurred in the nine months ended September 30, 2015				
Cumulative amount incurred through September 30, 2015	$32.3	$0.1	$4.8	$37.2
Total amount expected to be incurred	$32.9	$0.1	$4.8	$37.8

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The following table provides a roll forward of the restructuring reserve by type of restructuring activity for the nine months ended September 30, 2015 (in millions):

	Employee Termination Costs	Facility Exit Costs	Total
Restructuring reserve at December 31, 2014	$40.1	$—	$40.1
Restructuring charges, net	0.1	0.1	0.2
Cash expenditures	(3.4)	—	(3.4)
Foreign exchange	(3.1)	—	(3.1)
Restructuring reserve at September 30, 2015	$33.7	$0.1	$33.8

NOTE M – LONG-TERM OBLIGATIONS

2014 Credit Agreement

On August 13, 2014 the Company entered into a new credit agreement (the “2014 Credit Agreement”), with the lenders party thereto and Credit Suisse AG, as administrative agent and collateral agent. In connection with the 2014 Credit Agreement, the Company terminated its existing amended and restated credit agreement, dated as of August 5, 2011, as amended (the “2011 Credit Agreement”), among the Company and certain of its subsidiaries, the lenders thereunder and Credit Suisse AG, as administrative agent and collateral agent, and related agreements and documents.

The 2014 Credit Agreement provides the Company with a senior secured revolving line of credit of up to $600 million that is available through August 13, 2019, a $230.0 million senior secured term loan and a €200.0 million senior secured term loan, which both mature on August 13, 2021. The 2014 Credit Agreement allows unlimited incremental commitments, which may be extended at the option of the existing or new lenders and can be in the form of revolving credit commitments, term loan commitments, or a combination of both as long as the Company satisfies a senior secured debt financial ratio contained in the 2014 Credit Agreement.

The 2014 Credit Agreement requires the Company to comply with a number of covenants. The covenants limit, in certain circumstances, the Company’s ability to take a variety of actions, including but not limited to: incur indebtedness; create or maintain liens on its property or assets; make investments, loans and advances; repurchase shares of its Common Stock; engage in acquisitions, mergers, consolidations and asset sales; redeem debt; and pay dividends and distributions. If the Company’s borrowings under its revolving line of credit are greater than 30% of the total revolving credit commitments, the 2014 Credit Agreement requires the Company to comply with certain financial tests, as defined in the 2014 Credit Agreement. If applicable, the minimum required levels of the interest coverage ratio would be 2.5 to 1.0 and the maximum permitted levels of the senior secured leverage ratio would be 2.75 to 1.0. The 2014 Credit Agreement also contains customary default provisions. The 2014 Credit Agreement also has various non-financial covenants, both requiring the Company to refrain from taking certain future actions (as described above) and requiring the Company to take certain actions, such as keeping its corporate existence in good standing, maintaining insurance, and providing its bank lending group with financial information on a timely basis.

In connection with the termination of the 2011 Credit Agreement, the Company recorded charges of $2.6 million for the accelerated amortization of debt acquisition costs and original issue discount as a loss on early extinguishment of debt for the three and nine months ended September 30, 2014.

On May 29, 2015, the Company entered into an Incremental Assumption Agreement and Amendment No. 1 to the 2014 Credit Agreement which lowered the interest rate on the Company’s €200.0 million Euro denominated term loan from Euro Interbank Offered Rate (“EURIBOR”) plus 3.25% with a 0.75% EURIBOR floor to EURIBOR plus 2.75% with a 0.75% EURIBOR floor.

As of September 30, 2015 and December 31, 2014, the Company had $446.5 million and $467.9 million, respectively, in U.S. dollar and Euro denominated term loans outstanding under the 2014 Credit Agreement. The weighted average interest rate on the term loans at September 30, 2015 and December 31, 2014 was 3.50% and 3.76%, respectively. The Company had $72.3 million in U.S. dollar denominated revolving credit amounts outstanding as of September 30, 2015. The Company had no outstanding U.S. dollar and Euro denominated revolving credit amounts at December 31, 2014. The weighted average interest rate on the revolving credit amounts at September 30, 2015 was 2.68%.

The 2014 Credit Agreement incorporates facilities for issuance of letters of credit up to $400 million. Letters of credit issued under the 2014 Credit Agreement letter of credit facility decrease availability under the $600 million revolving line of credit. As of September 30, 2015 and December 31, 2014, the Company had no letters of credit issued under the 2014 Credit Agreement. The 2014 Credit Agreement also permits the Company to have additional letter of credit facilities up to $300 million, and letters of credit issued under such additional facilities do not decrease availability under the revolving line of credit. The Company had letters of credit issued under the additional letter of credit facilities of the 2014 Credit Agreement that totaled $20.7 million and $30.4 million as of September 30, 2015 and December 31, 2014, respectively.

The Company also has bilateral arrangements to issue letters of credit with various other financial institutions. These additional letters of credit do not reduce the Company's availability under the 2014 Credit Agreement. The Company had letters of credit issued under these additional arrangements of $196.8 million and $261.5 million as of September 30, 2015 and December 31, 2014, respectively.

In total, as of September 30, 2015 and December 31, 2014, the Company had letters of credit outstanding of $217.5 million and $291.9 million, respectively. The letters of credit generally serve as collateral for certain liabilities included in the Condensed Consolidated Balance Sheet. Certain letters of credit serve as collateral guaranteeing the Company's performance under contracts.

The Company and certain of its subsidiaries agreed to take certain actions to secure borrowings under the 2014 Credit Agreement. As a result, the Company and certain of its subsidiaries entered into a Guarantee and Collateral Agreement with Credit Suisse, as collateral agent for the lenders, granting security to the lenders for amounts borrowed under the 2014 Credit Agreement. The Company is required to (a) pledge as collateral the capital stock of the Company's material domestic subsidiaries and 65% of the capital stock of certain of the Company's material foreign subsidiaries, and (b) provide a first priority security interest in, and mortgages on, substantially all of the Company's domestic assets.

6-1/2% Senior Notes

On March 27, 2012, the Company sold and issued $300 million aggregate principal amount of Senior Notes Due 2020 ("6-1/2% Notes") at par. The proceeds from these notes were used for general corporate purposes. The 6-1/2% Notes are redeemable by the Company beginning in April, 2016 at an initial redemption price of 103.25% of principal amount. The 6-1/2% Notes are jointly and severally guaranteed by certain of the Company's domestic subsidiaries (see Note Q – "Consolidating Financial Statements").

On September 8, 2015, the Company, after obtaining the requisite consents, amended the indenture governing the 6-1/2% Notes. The principal changes contained in the amendment are that the Merger will not constitute a "Change of Control" under the indenture, and to permit Konecranes to insert one or more holding companies below or above Konecranes without triggering a "Change of Control" if such holding companies do not affect Terex's ultimate beneficial ownership. Additionally, the reporting covenant under the indenture was amended to permit Konecranes, instead of Terex, following the Merger to make necessary periodic reports. In connection with the receipt and effectiveness of the consents, Terex will owe a total of $3.2 million upon closing of the Merger. (see Note A - "Business Combination Agreement and Plan of Merger").

6% Senior Notes

On November 26, 2012, the Company sold and issued $850 million aggregate principal amount of Senior Notes due 2021 ("6% Notes") at par. The proceeds from this offering plus other cash was used to redeem all $800 million principal amount of the outstanding 8% Senior Subordinated Notes. The 6% Notes are redeemable by the Company beginning in November, 2016 at an initial redemption price of 103.0% of principal amount. The 6% Notes are jointly and severally guaranteed by certain of the Company's domestic subsidiaries (see Note Q – "Consolidating Financial Statements").

On September 8, 2015, the Company, after obtaining the requisite consents, amended the indenture governing the 6% Notes. The principal changes contained in the amendment are that the Merger will not constitute a "Change of Control" under the indenture, and to permit Konecranes to insert one or more holding companies below or above Konecranes without triggering a "Change of Control" if such holding companies do not affect Terex's ultimate beneficial ownership. Additionally, the reporting covenant under the indenture was amended to permit Konecranes, instead of Terex, following the Merger to make necessary periodic reports. In connection with the receipt and effectiveness of the consents, Terex will owe a total of $15.5 million upon closing of the Merger. (see Note A - "Business Combination Agreement and Plan of Merger").

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4% Convertible Senior Subordinated Notes

On June 3, 2009, the Company sold and issued $172.5 million aggregate principal amount of 4% Convertible Notes. At issuance, the Company was required to separately account for the liability and equity components of the 4% Convertible Notes in a manner that reflected the Company's nonconvertible debt borrowing rate at the date of issuance for interest cost to be recognized in subsequent periods. The Company allocated $54.3 million of the $172.5 million principal amount of the 4% Convertible Notes to the equity component, which represented a discount to the debt and was amortized into interest expense using the effective interest method through settlement. The Company recorded a related deferred tax liability of $19.4 million on the equity component. During 2012 the Company purchased approximately 25% of the outstanding 4% Convertible Notes. The balance of the 4% Convertible Notes was $128.8 million at settlement on June 1, 2015. The Company recognized interest expense of $5.7 million on the 4% Convertible Notes for the nine months ended September 30, 2015. Interest expense on the 4% Convertible Notes throughout its term included 4% annually of cash interest on the maturity balance of $128.8 million plus non-cash interest expense accreted to the debt balance as described.

On June 1, 2015 the Company paid cash of $131.1 million (including accrued interest of $2.3 million) and issued 3.4 million shares of its $.01 par value common stock to settle the 4% Convertible Notes.

2015 Securitization Facility

On May 28, 2015, the Company, through certain of its subsidiaries, entered into a Loan and Security Agreement (the "Securitization Facility") with lenders party thereto. The borrower under the Securitization Facility is a bankruptcy remote subsidiary of the Company (the "Borrower").

Under the Securitization Facility, the Borrower may, from time to time, request the conduit lender thereunder to make loans to the Borrower. Such loans will be secured by and payable from collateral of the Borrower (primarily equipment loans and leases to Terex customers originated by TFS and transferred to the Borrower). Any such loan may be made by the conduit lender in its sole discretion and if not made by the conduit lender, shall be made by the committed lender under the Securitization Facility. The facility limit for such loans is $350 million. The scheduled termination date for the Securitization Facility is May 28, 2017, but it may be extended by agreement of the parties per the terms of the loan agreement. The Securitization Facility also contains customary representations, warranties and covenants.

On August 10, 2015, the Company entered into an Amendment and Agreement to the Securitization Facility with lenders party thereto. The principal change contained in the amendment is that the Merger will not constitute a change in control for purposes of the Securitization Facility and provided clarity regarding downgrade events after the closing of the Merger.

As of September 30, 2015, the Company had $179.9 million in loans outstanding under the Securitization Facility. The weighted average interest rate on the Securitization Facility at September 30, 2015 was 1.29%. Interest expense on loans outstanding under this facility is recorded to Cost of goods sold in the Condensed Consolidated Statement of Comprehensive Income. The Company is party to certain derivative interest rate swap agreements entered into to hedge its exposure to variable interest rates related to the Securitization Facility. The effective interest rate on the Securitization Facility when combined with the interest rate swap agreements is 2.17%. For further information on the interest rate swap agreements see Note K – "Derivative Financial Instruments."

Commitment Letter

On August 10, 2015, in connection with the Merger, the Company and Konecranes entered into a Commitment Letter (the "Commitment Letter") with Credit Suisse Securities (USA) LLC ("CS Securities") and Credit Suisse AG ("CS" and, together with CS Securities and their respective affiliates, "Credit Suisse") in which Credit Suisse committed to provide the Company and Konecranes with (A) senior secured credit facilities in an aggregate principal amount of up to $1.65 billion, consisting of (i) a senior secured term loan facility in an aggregate principal amount of $900.0 million (such aggregate principal amount to be allocated between a U.S. dollar-denominated term loan facility to be made to the Company and a Euro-denominated term loan facility in an aggregate principal amount of up to €450.0 million to be made to Konecranes or one of its subsidiaries and (ii) two senior secured revolving credit facilities in an aggregate principal amount of up to $750.0 million and (B) a senior unsecured bridge facility in an aggregate principal amount of up to $1.15 billion. As a result of the receipt of the consents noted above, the Company and Konecranes notified Credit Suisse that it terminated the commitments of the lenders in the amount of $1.15 billion with respect to the bridge facility under the commitment letter from Credit Suisse dated August 10, 2015.

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Based on indicative price quotations from financial institutions multiplied by the amount recorded on the Company's Condensed Consolidated Balance Sheet ("Book Value"), the Company estimates the fair values ("FV") of its debt set forth below as of September 30, 2015, as follows (in millions, except for quotes):

	Book Value	Quote	FV
6% Notes	$850.0	$0.97250	$827
6-1/2% Notes	$300.0	$1.01000	$303
2014 Credit Agreement Term Loan (net of discount) – USD	$226.0	$0.99000	$224
2014 Credit Agreement Term Loan (net of discount) – EUR	$220.5	$0.99500	$219

The fair value of debt reported in the table above is based on price quotations on the debt instrument in an active market and therefore categorized under Level 1 of the ASC 820 hierarchy. See Note A – "Basis of Presentation," for an explanation of the ASC 820 hierarchy. The Company believes that the carrying value of its other borrowings, including amounts outstanding for the revolving credit line under the 2014 Credit Agreement and the Securitization Facility, approximate fair market value based on maturities for debt of similar terms. The fair value of these other borrowings are categorized under Level 2 of the ASC 820 hierarchy.

NOTE N – RETIREMENT PLANS AND OTHER BENEFITS

The Company maintains defined benefit plans in the United States, France, Germany, India, Switzerland and the United Kingdom for some of its subsidiaries, including a nonqualified Supplemental Executive Retirement Plan ("SERP") in the United States. In Austria and Italy there are mandatory termination indemnity plans providing a benefit that is payable upon termination of employment in substantially all cases of termination. The Company also has several programs that provide postemployment benefits, including health and life insurance benefits, to certain former salaried and hourly employees. Information regarding the Company's plans, including the SERP, was as follows (in millions):

	Three Months Ended September 30,						Nine Months Ended September 30,					
	2015			2014			2015			2014		
	U.S. Pension	Non-U.S. Pension	Other	U.S. Pension	Non-U.S. Pension	Other	U.S. Pension	Non-U.S. Pension	Other	U.S. Pension	Non-U.S. Pension	Other
Components of net periodic cost:												
Service cost	$0.3	$ 1.6	$—	$0.2	$ 1.1	$—	$0.9	$ 4.8	$—	$0.6	$ 3.6	$—
Interest cost	1.8	3.2	0.1	1.9	3.5	0.1	5.4	9.6	0.2	5.5	12.6	0.2
Expected return on plan assets	(2.5)	(2.0)	—	(2.3)	(1.0)	—	(7.4)	(5.9)	—	(6.9)	(4.9)	—
Amortization of actuarial loss	1.0	1.8	—	0.7	0.5	—	2.9	5.6	—	2.3	2.1	—
Net periodic cost	$0.6	$ 4.6	$0.1	$0.5	$ 4.1	$0.1	$1.8	$ 14.1	$0.2	$1.5	$ 13.4	$0.2

NOTE O – LITIGATION AND CONTINGENCIES

General

The Company is involved in various legal proceedings, including product liability, general liability, workers' compensation liability, employment, commercial and intellectual property litigation, which have arisen in the normal course of operations. The Company is insured for product liability, general liability, workers' compensation, employer's liability, property damage and other insurable risk required by law or contract, with retained liability or deductibles. The Company records and maintains an estimated liability in the amount of management's estimate of the Company's aggregate exposure for such retained liabilities and deductibles. For such retained liabilities and deductibles, the Company determines its exposure based on probable loss estimations, which requires such losses to be both probable and the amount or range of probable loss to be estimable. The Company believes it has made appropriate and adequate reserves and accruals for its current contingencies and that the likelihood of a material loss beyond the amounts accrued is remote. The Company believes that the outcome of such matters, individually and in the aggregate, will not have a material adverse effect on its financial statements as a whole. However, the outcomes of lawsuits cannot be predicted and, if determined adversely, could ultimately result in the Company incurring significant liabilities which could have a material adverse effect on its results of operations.

ERISA, Securities and Stockholder Derivative Lawsuits

The Company has received complaints seeking certification of class action lawsuits in an ERISA lawsuit, a securities lawsuit and a stockholder derivative lawsuit as follows:

- A consolidated complaint in the ERISA lawsuit was filed in the United States District Court, District of Connecticut on September 20, 2010 and is entitled In Re Terex Corp. ERISA Litigation.

- A consolidated class action complaint for violations of securities laws in the securities lawsuit was filed in the United States District Court, District of Connecticut on November 18, 2010 and is entitled Sheet Metal Workers Local 32 Pension Fund and Ironworkers St. Louis Council Pension Fund, individually and on behalf of all others similarly situated v. Terex Corporation, et al.

- A stockholder derivative complaint for violation of the Securities and Exchange Act of 1934, breach of fiduciary duty, waste of corporate assets and unjust enrichment was filed on April 12, 2010 in the United States District Court, District of Connecticut and is entitled Peter Derrer, derivatively on behalf of Terex Corporation v. Ronald M. DeFeo, Phillip C. Widman, Thomas J. Riordan, G. Chris Andersen, Donald P. Jacobs, David A. Sachs, William H. Fike, Donald DeFosset, Helge H. Wehmeier, Paula H.J. Cholmondeley, Oren G. Shaffer, Thomas J. Hansen, and David C. Wang, and Terex Corporation.

- On August 21, 2015, a purported Terex stockholder, Bernard Stern, filed a class action complaint challenging the Merger in the Delaware Chancery Court, and on August 26, 2015, a purported Terex stockholder, Joseph Weinstock, filed a class action complaint challenging the Merger in the Delaware Chancery Court. The two complaints name as defendants Terex Corporation, Konecranes Plc, Konecranes, Inc., Konecranes Acquisition Company LLC and the members of the Board of Directors of Terex.

The first three lawsuits generally cover the period from February 2008 to February 2009 and allege, among other things, that certain of the Company's SEC filings and other public statements contained false and misleading statements which resulted in damages to the Company, the plaintiffs and the members of the purported class when they purchased the Company's securities and in the ERISA lawsuit and the stockholder derivative complaint, that there were breaches of fiduciary duties and of ERISA disclosure requirements. The stockholder derivative complaint also alleges waste of corporate assets relating to the repurchase of the Company’s shares in the market and unjust enrichment as a result of securities sales by certain officers and directors. The complaints all seek, among other things, unspecified compensatory damages, costs and expenses. As a result, the Company is unable to estimate a possible loss or a range of losses for these lawsuits. The stockholder derivative complaint also seeks amendments to the Company’s corporate governance procedures in addition to unspecified compensatory damages from the individual defendants in its favor.

The two lawsuits concerning the Merger seek, among other relief, an order enjoining or rescinding the Merger and an award of attorneys' fees and costs on the grounds that the Company's Board of Directors breached their fiduciary duty in connection with entering into the business combination agreement and approving the Merger. The complaints further allege that Terex Corporation, Konecranes Plc, Konecranes, Inc. and Konecranes Acquisition Company LLC aided and abetted the alleged breaches of fiduciary duties by the Company's Board of Directors. It is possible that these complaints will be further amended to make additional claims and/or that additional lawsuits making similar or additional claims relating to the Merger will be brought.

The Company believes that the allegations in the suits are without merit, and Terex, its directors and the named executives will continue to vigorously defend against them. The Company believes that it has acted, and continues to act, in compliance with federal securities laws, ERISA law and Delaware law with respect to these matters. Accordingly, the Company has filed motions to dismiss the ERISA lawsuit and the securities lawsuit. An agreement in principle has been reached to settle the ERISA lawsuit for $2.5 million which will be funded primarily by insurance. The proceeds of the settlement (after deduction of legal fees) will be distributed to putative class participants. The plaintiff in the stockholder derivative lawsuit has agreed with the Company to put this lawsuit on hold pending the outcome of the motion to dismiss in connection with the securities lawsuit. The lawsuits pertaining to the Merger are at the very early stages and the Company has no information other than as set forth in the complaints.

Other

The Company is involved in various other legal proceedings which have arisen in the normal course of its operations. The Company has recorded provisions for estimated losses in circumstances where a loss is probable and the amount or range of possible amounts of the loss is estimable.

Credit Guarantees

Customers of the Company from time to time may fund the acquisition of the Company's equipment through third-party finance companies. In certain instances, the Company may provide a credit guarantee to the finance company, by which the Company agrees to make payments to the finance company should the customer default. The maximum liability of the Company is generally limited to its customer's remaining payments due to the finance company at the time of default. In the event of customer default, the Company is generally able to recover and dispose of the equipment at a minimum loss, if any, to the Company.

As of September 30, 2015 and December 31, 2014, the Company's maximum exposure to such credit guarantees was $40.0 million and $42.6 million, respectively, including total guarantees issued by Terex Cranes Germany GmbH, part of the Cranes segment, of $21.0 million and $23.4 million, respectively. The terms of these guarantees coincide with the financing arranged by the customer and generally do not exceed five years. Given the Company's position as the original equipment manufacturer and its knowledge of end markets, the Company, when called upon to fulfill a guarantee, generally has been able to liquidate the financed equipment at a minimal loss, if any, to the Company.

There can be no assurance that historical credit default experience will be indicative of future results. The Company's ability to recover losses experienced from its guarantees may be affected by economic conditions in effect at the time of loss.

Buyback Guarantees

The Company from time to time guarantees that it will buy equipment from its customers in the future at a stated price if certain conditions are met by the customer. Such guarantees are referred to as buyback guarantees. These conditions generally pertain to the functionality and state of repair of the machine. As of September 30, 2015 and

December 31, 2014, the Company's maximum exposure pursuant to buyback guarantees was $14.7 million and $24.3 million, respectively, including total guarantees issued by entities in the MHPS segment of $11.2 million and $20.1 million, respectively. The Company is generally able to mitigate some of the risk of these guarantees because the maturity of the guarantees is staggered, limiting the amount of used equipment entering the marketplace at any one time and through leveraging its access to the used equipment markets provided by the Company's original equipment manufacturer status.

The Company has recorded an aggregate liability within Other current liabilities and Other non-current liabilities in the Condensed Consolidated Balance Sheet of approximately $3 million as of September 30, 2015 and December 31, 2014, for the estimated fair value of all guarantees provided.

There can be no assurance that the Company's historical experience in used equipment markets will be indicative of future results. The Company's ability to recover losses experienced from its guarantees may be affected by economic conditions in the used equipment markets at the time of loss.

NOTE P – STOCKHOLDERS' EQUITY

Total non-stockholder changes in equity (comprehensive income) include all changes in equity during a period except those resulting from investments by, and distributions to, stockholders. The specific components include: net income, deferred gains and losses resulting from foreign currency translation, pension liability adjustments, equity security adjustments and deferred gains and losses resulting from derivative hedging transactions. Total non-stockholder changes in equity were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income (loss)	$44.9	$64.2	$132.4	$238.5
Other comprehensive income (loss), net of tax:				
Cumulative translation adjustment (CTA), net of (provision for) benefit from taxes of $1.9, $9.2 and $11.1 and $11.0, respectively	(73.9)	(176.3)	(200.1)	(134.6)
Derivative hedging adjustment, net of (provision for) benefit from taxes of $0.0, $1.7, $0.0 and $2.7, respectively	1.5	(0.3)	2.6	(2.5)
Debt and equity securities adjustment, net of (provision for) benefit from taxes of $0.0, $0.0, $0.1 and $0.0, respectively	(2.6)	0.1	(8.0)	0.1
Pension liability adjustment:				
Amortization of actuarial (gain) loss, net of provision for (benefit from) taxes of $(0.4), $(0.4), $(1.2) and $(1.4), respectively	2.4	0.8	7.3	3.0
Foreign exchange and other effects, net of (provision for) benefit from taxes of $0.0, $(1.6), $(1.3) and $(3.0), respectively	1.1	4.9	7.8	4.3
Total pension liability adjustment	3.5	5.7	15.1	7.3
Other comprehensive income (loss)	(71.5)	(170.8)	(190.4)	(129.7)
Comprehensive income (loss)	(26.6)	(106.6)	(58.0)	108.8
Comprehensive loss (income) attributable to noncontrolling interest	(1.2)	—	(2.9)	0.9
Comprehensive income (loss) attributable to Terex Corporation	$(27.8)	$(106.6)	$(60.9)	$109.7

Changes in Accumulated Other Comprehensive Income

The table below presents changes in AOCI by component for the three and nine months ended September 30, 2015 and 2014. All amounts are net of tax (in millions).

	Three months ended September 30, 2015					Three months ended September 30, 2014				
	CTA	Deriv. Hedging Adj.	Debt & Equity Securities Adj.	Pension Liability Adj.	Total	CTA	Deriv. Hedging Adj.	Debt & Equity Securities Adj.	Pension Liability Adj.	Total
Beginning balance	$(371.7)	$0.4	$(3.8)	$(173.6)	$(548.7)	$33.8	$0.5	$—	$(109.7)	$(75.4)
Other comprehensive income before reclassifications	(73.9)	3.5	(2.6)	1.1	(71.9)	(176.3)	(0.1)	0.1	4.9	(171.4)
Amounts reclassified from AOCI	—	(2.0)	—	2.4	0.4	—	(0.2)	—	0.8	0.6
Net other comprehensive Income (Loss)	(73.9)	1.5	(2.6)	3.5	(71.5)	(176.3)	(0.3)	0.1	5.7	(170.8)
Ending balance	$(445.6)	$1.9	$(6.4)	$(170.1)	$(620.2)	$(142.5)	$0.2	$0.1	$(104.0)	$(246.2)

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	Nine months ended September 30, 2015					Nine months ended September 30, 2014				
	CTA	Deriv. Hedging Adj.	Debt & Equity Securities Adj.	Pension Liability Adj.	Total	CTA	Deriv. Hedging Adj.	Debt & Equity Securities Adj.	Pension Liability Adj.	Total
Beginning balance	$(245.5)	$(0.7)	$1.6	$(185.2)	$(429.8)	$(7.9)	$2.7	$—	$(111.3)	$(116.5)
Other comprehensive income before reclassifications	(200.1)	6.5	(8.0)	7.8	(193.8)	(138.6)	0.3	0.1	4.3	(133.9)
Amounts reclassified from AOCI	—	(3.9)	—	7.3	3.4	4.0	(2.8)	—	3.0	4.2
Net Other Comprehensive Income (Loss)	(200.1)	2.6	(8.0)	15.1	(190.4)	(134.6)	(2.5)	0.1	7.3	(129.7)
Ending balance	$(445.6)	$1.9	$(6.4)	$(170.1)	$(620.2)	$(142.5)	$0.2	$0.1	$(104.0)	$(246.2)

Stock-Based Compensation

During the nine months ended September 30, 2015, the Company granted 1.4 million shares of restricted stock to its employees with a weighted average grant date fair value of $26.44 per share. Approximately 63% of these restricted stock awards vest ratably over a three year period and approximately 37% cliff vest at the end of a three year period. Approximately 11% of the shares granted are based on performance targets containing a market condition and determined over either a two or three year period. The Company used the Monte Carlo method to determine grant date fair value of $28.10 and $25.60 per share, respectively, for the three and two year awards with a market condition granted on March 5, 2015. The Monte Carlo method is a statistical simulation technique used to provide the grant date fair value of an award. The following table presents the weighted-average assumptions used in the valuation:

	Grant date March 5, 2015	Grant date March 5, 2015
Dividend yields	0.91 %	0.91 %
Expected volatility	45.48 %	37.00 %
Risk free interest rate	0.98 %	0.58 %
Expected life (in years)	3	2

Share Repurchases and Dividends

In February 2015, the Company announced authorization by its Board of Directors for the repurchase of up to $200 million of the Company's outstanding shares of common stock. During the nine months ended September 30, 2015 the Company repurchased approximately 1.9 million shares for approximately $50 million under this program. In each of the first three quarters of 2015, the Company's Board of Directors also declared a dividend of $0.06 per share, which was paid to its shareholders.

Redeemable Noncontrolling Interest

In January 2014, the Company paid $71.3 million for the remaining outstanding shares of Terex Material Handling & Port Solutions AG ("TMHPS"), of which $53.7 million was recorded as a reduction of redeemable noncontrolling interest and $17.6 million was recorded as a reduction in additional paid-in capital for the excess of the purchase price over the carrying value of redeemable noncontrolling interest. The Company now owns 100% of TMHPS.

NOTE Q – CONSOLIDATING FINANCIAL STATEMENTS

During 2012, the Company sold and issued the 6% Notes and the 6-1/2% Notes (collectively the “Notes”) (see Note M – “Long-Term Obligations”). The Notes are jointly and severally guaranteed by the following wholly-owned subsidiaries of the Company (the “Wholly-owned Guarantors”): CMI Terex Corporation, Fantuzzi Noell USA, Inc., Genie Holdings, Inc., Genie Industries, Inc., Genie International, Inc., Powerscreen Holdings USA Inc., Powerscreen International LLC, Powerscreen North America Inc., Powerscreen USA, LLC, Terex Advance Mixer, Inc., Terex Aerials, Inc., Terex Financial Services, Inc., Terex South Dakota, Inc., Terex USA, LLC, Terex Utilities, Inc. and Terex Washington, Inc. Wholly-owned Guarantors are 100% owned by the Company. All of the guarantees are full and unconditional. The guarantees of the Wholly-owned Guarantors are subject to release in limited circumstances only upon the occurrence of certain customary conditions. No subsidiaries of the Company except the Wholly-owned Guarantors have provided a guarantee of the Notes.

The following summarized condensed consolidating financial information for the Company segregates the financial information of Terex Corporation, the Wholly-owned Guarantors and the non-guarantor subsidiaries. The results and financial position of businesses acquired are included from the dates of their respective acquisitions.

Terex Corporation consists of parent company operations. Subsidiaries of the parent company are reported on the equity basis. Wholly-owned Guarantors combine the operations of the Wholly-owned Guarantor subsidiaries. Subsidiaries of Wholly-owned Guarantors that are not themselves guarantors are reported on the equity basis. Non-guarantor subsidiaries combine the operations of subsidiaries which have not provided a guarantee of the Notes. Subsidiaries of non-guarantor subsidiaries that are guarantors are reported on the equity basis. Debt and goodwill allocated to subsidiaries are presented on a “push-down” accounting basis.

TEREX CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
THREE MONTHS ENDED SEPTEMBER 30, 2015
(in millions)

	Terex Corporation	Wholly-owned Guarantors	Non-guarantor Subsidiaries	Intercompany Eliminations	Consolidated
Net sales	$2.8	$ 768.0	$ 1,104.1	$(233.6)	$1,641.3
Cost of goods sold	(2.4)	(616.2)	(919.7)	233.6	(1,304.7)
Gross profit	0.4	151.8	184.4	—	336.6
Selling, general and administrative expenses	3.0	(68.0)	(159.7)	—	(224.7)
Income (loss) from operations	3.4	83.8	24.7	—	111.9
Interest income	25.5	17.3	0.6	(42.3)	1.1
Interest expense	(36.7)	(1.8)	(28.5)	42.3	(24.7)
Income (loss) from subsidiaries	68.9	4.0	0.1	(73.0)	—
Other income (expense) – net	(25.4)	2.7	11.3	—	(11.4)
Income (loss) from continuing operations before income taxes	35.7	106.0	8.2	(73.0)	76.9
(Provision for) benefit from income taxes	8.5	(32.6)	(6.7)	—	(30.8)
Income (loss) from continuing operations	44.2	73.4	1.5	(73.0)	46.1
Gain (loss) on disposition of discontinued operations – net of tax	(0.6)	—	(0.6)	—	(1.2)
Net income (loss)	43.6	73.4	0.9	(73.0)	44.9
Net loss (income) attributable to noncontrolling interest	—	—	(1.3)	—	(1.3)
Net income (loss) attributable to Terex Corporation	$43.6	$ 73.4	$ (0.4)	$(73.0)	$43.6
Comprehensive income (loss), net of tax	$(27.8)	$ 73.1	$ (39.0)	$(32.9)	$(26.6)
Comprehensive loss (income) attributable to noncontrolling interest	—	—	(1.2)	—	(1.2)
Comprehensive income (loss) attributable to Terex Corporation	$(27.8)	$ 73.1	$ (40.2)	$(32.9)	$(27.8)

TEREX CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
NINE MONTHS ENDED SEPTEMBER 30, 2015
(in millions)

	Terex Corporation	Wholly-owned Guarantors	Non-guarantor Subsidiaries	Intercompany Eliminations	Consolidated
Net sales	$8.3	$ 2,412.5	$ 3,258.8	$(714.2)	$4,965.4
Cost of goods sold	(6.5)	(1,972.7)	(2,703.0)	714.2	(3,968.0)
Gross profit	1.8	439.8	555.8	—	997.4
Selling, general and administrative expenses	16.9	(207.8)	(502.1)	—	(693.0)
Income (loss) from operations	18.7	232.0	53.7	—	304.4
Interest income	78.2	51.5	1.7	(128.3)	3.1
Interest expense	(115.3)	(4.4)	(88.5)	128.3	(79.9)
Income (loss) from subsidiaries	187.1	3.2	0.7	(191.0)	—
Other income (expense) – net	(63.5)	(1.1)	43.3	—	(21.3)
Income (loss) from continuing operations before income taxes	105.2	281.2	10.9	(191.0)	206.3
(Provision for) benefit from income taxes	24.8	(80.3)	(19.9)	—	(75.4)
Income (loss) from continuing operations	130.0	200.9	(9.0)	(191.0)	130.9
Gain (loss) on disposition of discontinued operations – net of tax	(0.6)	—	2.1	—	1.5
Net income (loss)	129.4	200.9	(6.9)	(191.0)	132.4
Net loss (income) attributable to noncontrolling interest	—	—	(3.0)	—	(3.0)
Net income (loss) attributable to Terex Corporation	$129.4	$ 200.9	$ (9.9)	$(191.0)	$129.4
Comprehensive income (loss), net of tax	$(60.9)	$ 200.7	$ (170.0)	$(27.8)	$(58.0)
Comprehensive loss (income) attributable to noncontrolling interest	—	—	(2.9)	—	(2.9)
Comprehensive income (loss) attributable to Terex Corporation	$(60.9)	$ 200.7	$ (172.9)	$(27.8)	$(60.9)

TERREX CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
THREE MONTHS ENDED SEPTEMBER 30, 2014
(in millions)

	Terex Corporation	Wholly-owned Guarantors	Non-guarantor Subsidiaries	Intercompany Eliminations	Consolidated
Net sales	$0.5	$ 814.0	$ 1,214.4	$(219.1)	$1,809.8
Cost of goods sold	(0.4)	(675.1)	(996.1)	219.1	(1,452.5)
Gross profit	0.1	138.9	218.3	—	357.3
Selling, general and administrative expenses	0.7	(64.0)	(177.2)	—	(240.5)
Income (loss) from operations	0.8	74.9	41.1	—	116.8
Interest income	33.4	18.5	1.6	(51.2)	2.3
Interest expense	(41.4)	(4.0)	(34.6)	51.2	(28.8)
Loss on early extinguishment of debt	(1.5)	—	(1.1)	—	(2.6)
Income (loss) from subsidiaries	73.3	1.4	0.1	(74.8)	—
Other income (expense) – net	(11.9)	(4.3)	14.9	—	(1.3)
Income (loss) from continuing operations before income taxes	52.7	86.5	22.0	(74.8)	86.4
(Provision for) benefit from income taxes	6.7	(25.3)	(9.1)	—	(27.7)
Income (loss) from continuing operations	59.4	61.2	12.9	(74.8)	58.7
Income (loss) from discontinued operations – net of tax	—	—	—	—	—
Gain (loss) on disposition of discontinued operations – net of tax	4.8	—	0.7	—	5.5
Net income (loss)	64.2	61.2	13.6	(74.8)	64.2
Net loss (income) attributable to noncontrolling interest	—	—	—	—	—
Net income (loss) attributable to Terex Corporation	$64.2	$ 61.2	$ 13.6	$(74.8)	$64.2
Comprehensive income (loss), net of tax	$(106.6)	$ 60.9	$ (110.5)	$49.6	$(106.6)
Comprehensive loss (income) attributable to noncontrolling interest	—	—	—	—	—
Comprehensive income (loss) attributable to Terex Corporation	$(106.6)	$ 60.9	$ (110.5)	$49.6	$(106.6)

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TEREX CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
NINE MONTHS ENDED SEPTEMBER 30, 2014
(in millions)

	Terex Corporation	Wholly-owned Guarantors	Non-guarantor Subsidiaries	Intercompany Eliminations	Consolidated
Net sales	$40.4	$ 2,616.4	$ 3,655.8	$(793.1)	$5,519.5
Cost of goods sold	(37.4)	(2,134.4)	(3,026.3)	793.1	(4,405.0)
Gross profit	3.0	482.0	629.5	—	1,114.5
Selling, general and administrative expenses	(4.2)	(198.0)	(559.6)	—	(761.8)
Income (loss) from operations	(1.2)	284.0	69.9	—	352.7
Interest income	97.2	55.1	3.3	(150.8)	4.8
Interest expense	(124.2)	(12.5)	(105.0)	150.8	(90.9)
Loss on early extinguishment of debt	(1.5)	—	(1.1)	—	(2.6)
Income (loss) from subsidiaries	273.0	5.5	(1.6)	(276.9)	—
Other income (expense) – net	(34.9)	(1.8)	30.5	—	(6.2)
Income (loss) from continuing operations before income taxes	208.4	330.3	(4.0)	(276.9)	257.8
(Provision for) benefit from income taxes	22.7	(99.4)	(2.5)	—	(79.2)
Income (loss) from continuing operations	231.1	230.9	(6.5)	(276.9)	178.6
Income (loss) from discontinued operations – net of tax	0.6	—	0.8	—	1.4
Gain (loss) on disposition of discontinued operations – net of tax	7.3	—	51.2	—	58.5
Net income (loss)	239.0	230.9	45.5	(276.9)	238.5
Net loss (income) attributable to noncontrolling interest	—	—	0.5	—	0.5
Net income (loss) attributable to Terex Corporation	$239.0	$ 230.9	$ 46.0	$(276.9)	$239.0
Comprehensive income (loss), net of tax	$109.7	$ 231.3	$ (66.2)	$(166.0)	$108.8
Comprehensive loss (income) attributable to noncontrolling interest	—	—	0.9	—	0.9
Comprehensive income (loss) attributable to Terex Corporation	$109.7	$ 231.3	$ (65.3)	$(166.0)	$109.7

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TEREX CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEET
SEPTEMBER 30, 2015
(in millions)

	Terex Corporation	Wholly-owned Guarantors	Non-guarantor Subsidiaries	Intercompany Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	$8.6	$ 4.2	$ 288.3	$—	$301.1
Trade receivables – net	9.4	344.2	829.8	—	1,183.4
Intercompany receivables	79.8	77.9	36.8	(194.5)	—
Inventories	—	481.2	1,064.4	—	1,545.6
Prepaid assets	36.2	44.2	159.5	—	239.9
Other current assets	58.6	0.1	20.5	—	79.2
Total current assets	192.6	951.8	2,399.3	(194.5)	3,349.2
Property, plant and equipment – net	60.1	135.6	477.1	—	672.8
Goodwill	—	180.1	874.3	—	1,054.4
Non-current intercompany receivables	1,413.8	2,414.6	0.9	(3,829.3)	—
Investment in and advances to (from) subsidiaries	3,913.5	195.0	188.5	(4,194.6)	102.4
Other assets	38.9	107.9	553.3	—	700.1
Total assets	$5,618.9	$ 3,985.0	$ 4,493.4	$(8,218.4)	$5,878.9
Liabilities and Stockholders' Equity					
Current liabilities					
Notes payable and current portion of long-term debt	$—	$ 1.4	$ 82.0	$—	$83.4
Trade accounts payable	12.4	245.3	482.7	—	740.4
Intercompany payables	3.6	33.5	157.4	(194.5)	—
Accruals and other current liabilities	89.3	138.0	541.3	—	768.6
Total current liabilities	105.3	418.2	1,263.4	(194.5)	1,592.4
Long-term debt, less current portion	1,222.3	2.1	589.8	—	1,814.2
Non-current intercompany payables	2,345.1	22.4	1,461.8	(3,829.3)	—
Retirement plans and other non-current liabilities	56.3	28.8	461.5	—	546.6
Total stockholders' equity	1,889.9	3,513.5	716.9	(4,194.6)	1,925.7
Total liabilities and stockholders' equity	$5,618.9	$ 3,985.0	$ 4,493.4	$(8,218.4)	$5,878.9

TEREX CORPORATION
CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2014
(in millions)

	Terex Corporation	Wholly-owned Guarantors	Non-guarantor Subsidiaries	Intercompany Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	$99.0	$ 1.9	$ 377.3	$—	$478.2
Trade receivables – net	7.7	307.4	771.3	—	1,086.4
Intercompany receivables	55.3	85.9	136.3	(277.5)	—
Inventories	—	374.5	1,086.4	—	1,460.9
Prepaid assets	100.8	32.9	114.3	—	248.0
Other current assets	65.7	0.1	16.9	—	82.7
Total current assets	328.5	802.7	2,502.5	(277.5)	3,356.2
Property, plant and equipment – net	65.4	117.0	507.9	—	690.3
Goodwill	—	170.1	960.9	—	1,131.0
Non-current intercompany receivables	1,501.4	2,059.9	41.9	(3,603.2)	—
Investment in and advances to (from) subsidiaries	3,564.2	199.3	152.0	(3,809.2)	106.3
Other assets	43.8	142.7	457.7	—	644.2
Total assets	$5,503.3	$ 3,491.7	$ 4,622.9	$(7,689.9)	$5,928.0
Liabilities and Stockholders’ Equity					
Current liabilities					
Notes payable and current portion of long-term debt	$125.0	$ 2.0	$ 25.5	$—	$152.5
Trade accounts payable	18.0	212.6	505.5	—	736.1
Intercompany payables	19.8	117.8	139.9	(277.5)	—
Accruals and other current liabilities	74.6	118.1	561.8	—	754.5
Total current liabilities	237.4	450.5	1,232.7	(277.5)	1,643.1
Long-term debt, less current portion	1,150.0	7.6	478.7	—	1,636.3
Non-current intercompany payables	2,047.1	41.8	1,514.3	(3,603.2)	—
Retirement plans and other non-current liabilities	62.9	27.2	519.4	—	609.5
Total stockholders’ equity	2,005.9	2,964.6	877.8	(3,809.2)	2,039.1
Total liabilities and stockholders’ equity	$5,503.3	$ 3,491.7	$ 4,622.9	$(7,689.9)	$5,928.0

TEREX CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2015
(in millions)

	Terex Corporation	Wholly-owned Guarantors	Non-guarantor Subsidiaries	Intercompany Eliminations	Consolidated
Net cash provided by (used in) operating activities	$(413.2)	$ 423.9	$ 109.3	$(176.6)	$(56.6)
Cash flows from investing activities					
Capital expenditures	(1.6)	(31.1)	(40.7)	—	(73.4)
Proceeds (payments) from disposition of discontinued operations	(3.4)	—	3.2	—	(0.2)
Acquisition of businesses, net of cash acquired	—	(52.1)	(19.2)	—	(71.3)
Intercompany investing activities (1)	454.5	—	(188.9)	(265.6)	—
Other investing activities, net	(1.0)	0.1	19.0	(17.3)	0.8
Net cash provided by (used in) investing activities	448.5	(83.1)	(226.6)	(282.9)	(144.1)
Cash flows from financing activities					
Repayments of debt	(983.6)	(6.2)	(39.6)	—	(1,029.4)
Proceeds from issuance of debt	927.0	—	226.6	—	1,153.6
Share repurchases	(50.4)	—	—	—	(50.4)
Dividends paid	(19.3)	—	—	—	(19.3)
Intercompany financing activities (1)	—	(332.3)	(127.2)	459.5	—
Other financing activities, net	0.6	—	(1.9)	—	(1.3)
Net cash provided by (used in) financing activities	(125.7)	(338.5)	57.9	459.5	53.2
Effect of exchange rate changes on cash and cash equivalents	—	—	(29.6)	—	(29.6)
Net increase (decrease) in cash and cash equivalents	(90.4)	2.3	(89.0)	—	(177.1)
Cash and cash equivalents at beginning of period	99.0	1.9	377.3	—	478.2
Cash and cash equivalents at end of period	$8.6	$ 4.2	$ 288.3	$—	$301.1

(1) Intercompany investing and financing activities include cash pooling activity between Terex Corporation and Wholly-Owned Guarantors.

TEREX CORPORATION
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2014
(in millions)

	Terex Corporation	Wholly-owned Guarantors	Non-guarantor Subsidiaries	Intercompany Eliminations	Consolidated
Net cash provided by (used in) operating activities	$(189.3)	$ 175.2	$ 130.7	$—	$116.6
Cash flows from investing activities					
Capital expenditures	(4.1)	(21.7)	(32.8)	—	(58.6)
Acquisition of businesses, net of cash acquired	—	—	(7.4)	—	(7.4)
Proceeds from disposition of discontinued operations	31.3	—	130.9	—	162.2
Intercompany investing activities (1)	212.6	—	—	(212.6)	—
Other investing activities, net	—	2.2	0.8	—	3.0
Net cash provided by (used in) investing activities	239.8	(19.5)	91.5	(212.6)	99.2
Cash flows from financing activities					
Repayments of debt	(752.0)	(1.1)	(766.8)	—	(1,519.9)
Proceeds from issuance of debt	794.2	7.3	610.2	—	1,411.7
Purchase of noncontrolling interest	—	—	(73.4)	—	(73.4)
Share repurchases	(61.5)	—	—	—	(61.5)
Dividends paid	(16.5)	—	—	—	(16.5)
Intercompany financing activities (1)	—	(163.6)	(49.0)	212.6	—
Other financing activities, net	2.1	—	(4.1)	—	(2.0)
Net cash provided by (used in) financing activities	(33.7)	(157.4)	(283.1)	212.6	(261.6)
Effect of exchange rate changes on cash and cash equivalents	—	—	(17.8)	—	(17.8)
Net increase (decrease) in cash and cash equivalents	16.8	(1.7)	(78.7)	—	(63.6)
Cash and cash equivalents at beginning of period	16.3	3.9	387.9	—	408.1
Cash and cash equivalents at end of period	$33.1	$ 2.2	$ 309.2	$—	$344.5

(1) Intercompany investing and financing activities include cash pooling activity between Terex Corporation and Wholly-Owned Guarantors.

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ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS DESCRIPTION

Terex is a lifting and material handling solutions company. We are focused on operational improvement and delivering reliable, customer-driven solutions for a wide range of commercial applications, including the construction, infrastructure, quarrying, mining, manufacturing, transportation, energy and utility industries. We operate in five reportable segments: (i) Aerial Work Platforms (“AWP”); (ii) Construction; (iii) Cranes; (iv) Material Handling & Port Solutions (“MHPS”); and (v) Materials Processing (“MP”). Please refer to Note C – “Business Segment Information” in the accompanying Condensed Consolidated Financial Statements for a description of our segments.

Non-GAAP Measures

In this document, we refer 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 disclosed by other companies. We present non-GAAP financial measures in reporting our financial results to provide investors with additional analytical tools which we believe are useful in evaluating our operating results and the ongoing performance of our underlying businesses. We do not, nor do we suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Non-GAAP measures we use include the translation effect of foreign currency exchange rate changes on net sales, gross profit, Selling, general & administrative (“SG&A”) costs and operating profit, as well as the net sales, gross profit, SG&A costs and operating profit excluding the impact of acquisitions.

As changes in foreign currency exchange rates have a non-operating impact on 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. Similarly, the impact of changes in our results from acquisitions that were not included in comparable prior periods is subtracted from the absolute change in results to allow for better comparability of results between periods.

We calculate a non-GAAP measure of free cash flow. We define free cash flow 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 our entry into a securitization facility in the second quarter of 2015. We believe that the measure of free cash flow provides management and investors further information on cash generation or use in our primary operations.

We discuss forward looking information related to expected earnings per share (“EPS”) excluding restructuring charges and other items. This adjusted EPS is a non-GAAP measure that provides guidance to investors about our EPS expectations excluding restructuring and other charges that we do not believe are reflective of our ongoing operations.

Working capital is calculated using the Condensed Consolidated Balance Sheet amounts for Trade receivables (net of allowance) plus Inventories, less Trade accounts payable and Customer advances. We view excessive working capital as an inefficient use of resources, and seek to minimize the level of investment without adversely impacting the ongoing operations of the business. Trailing three month annualized net sales is calculated using the net sales for the most recent quarter ended multiplied by four. The ratio calculated by dividing working capital by trailing three months annualized net sales is a non-GAAP measure that we believe measures our resource use efficiency.

Non-GAAP measures we use also include Net Operating Profit After Tax (“NOPAT”) as adjusted, income (loss) before income taxes as adjusted, income (loss) from operations as adjusted, (benefit from) provision for income taxes as adjusted and stockholders’ equity as adjusted, which are used in the calculation of our after tax return on invested capital (“ROIC”) (collectively the “Non-GAAP Measures”), which are discussed in detail below.

Overview

Despite the challenging marketplace environment, we had several areas show notable year-over-year improvements in the third quarter of 2015. As expected, the margins of our AWP and MP segments improved year-over-year. The Cranes and Construction businesses continue to experience relatively soft market conditions overall, with customers remaining cautious with their equipment purchasing patterns, although bookings were up in AWP, Construction, Cranes and MHPS. Overall our profitability improved despite lower net sales highlighting some of the early successes our internal initiatives are having on our results.

Our AWP segment had a strong third quarter as improved manufacturing efficiencies and lower material costs led to an increase in profitability despite lower net sales. These benefits more than offset the pricing pressure we are continuing to see in the marketplace. We continue to expect strong margins throughout the remainder of the year and are encouraged by AWP’s backlog which is 39% higher than the prior year level. However, from a net sales perspective, current uncertainties in the marketplace, particularly in North America, cause us to be a little more cautious with our expectations for the fourth quarter of 2015.

Our Construction segment had a small operating profit in the third quarter, with pressure on operating results continuing to come from the German and Indian compact construction businesses. Net sales in this segment declined year-over-year due to divestiture of our majority interest in the compact track loader business and the negative impact of foreign exchange rates, partially offset by higher demand for our site dumpers and concrete mixer trucks. Strength in our North American concrete truck business and dumper business is expected to be offset by weakness in our German and Indian compact construction businesses throughout the remainder of 2015.

Our Cranes segment’s net sales and profitability for the third quarter declined year over year as the global crane market remains challenging. However, we are encouraged with the booking activity of our tower cranes business overall and our mobile cranes business in Europe. Our Utilities business remains steady, however, there are signs of some softening.

Our MHPS segment was profitable in the third quarter but below the prior year period. The negative impact of foreign exchange rates and the decrease in port automation sales were the primary drivers of the decline in net sales. We are experiencing a sluggish port equipment market. However, we are encouraged by improved mobile harbor cranes sales and our material handling backlog was steady on a currency neutral basis.

Our MP segment had a good third quarter, with improved operating margins on higher net sales. We have been investing in expanding our environmental equipment and washing systems businesses and believe these will strengthen this segment going forward. The investment in these new product categories has helped offset some of the weakness in the commodity driven markets. We expect this segment to continue to have strong profitability throughout the remainder of the year.

Geographically, while sales in the North American market remain relatively strong, we have been impacted by lower oil and gas related activity. European markets are mixed with sales down slightly on a currency neutral basis. Most of the other markets are experiencing softness, particularly Brazil and Australia, although sales in the Middle East were up.

We generated approximately $62 million in free cash flow in the third quarter and we believe we still have the ability to generate between $200 million and $250 million in free cash flow for the full year 2015. See “Liquidity and Capital Resources” for a detailed description of liquidity and working capital levels, including the primary factors affecting such levels.

Overall, given where we are in the year and the challenging environment we are operating in, we believe we will be at or near the low end of our previously announced 2015 guidance for earnings per share of between $1.90 and $2.10 (excluding restructuring and unusual items) on net sales of between $6.1 billion and $6.4 billion.

Business Combination Agreement and Plan of Merger

On August 10, 2015, we entered into a Business Combination Agreement and Plan of Merger (the "BCA") with Konecranes Plc, a Finnish public company limited by shares ("Konecranes"). The combined company that would result from the transaction will be called Konecranes Terex Plc. and will be incorporated in Finland.

In the proposed transaction, a wholly-owned subsidiary of Konecranes would be merged with and into us and our shareholders would receive 0.8 of a Konecranes share for each existing Terex share (the "Merger"). Upon completion of the Merger, our shareholders would own approximately 60% and Konecranes shareholders would own approximately 40% of the combined company. The BCA includes undertakings by us and Konecranes that are typical in similar transactions, including undertakings by both companies to conduct their businesses in the ordinary course prior to the completion of the Merger.

The BCA may be terminated by us or Konecranes under certain circumstances prior to the completion of the Merger, including, for example, a material breach by either party of the terms and conditions of the BCA. The parties have further agreed on certain termination fees customary in similar transactions and payable to the other party under certain circumstances.

The transaction is subject to approval by both Terex and Konecranes shareholders, regulatory approvals, the listing of the Konecranes shares or American Depositary Shares on the New York Stock Exchange or another U.S. national securities exchange. Terex and Konecranes expect to convene meetings of their shareholders to approve the transaction in early 2016. Closing of the transaction is expected to occur during the first half of 2016.

See Note A – “Business Combination Agreement and Plan of Merger” in the notes to the Consolidated Financial Statements for further information regarding the proposed Merger.

ROIC

ROIC continues to be a unifying metric we use to measure our performance. ROIC and Non-GAAP Measures assist in showing how effectively we utilize capital invested in our operations. After-tax ROIC is determined by dividing the sum of NOPAT for each of the previous four quarters by the average of the sum of Total Terex Corporation stockholders' equity plus Debt (as defined below) 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. We believe returns on capital deployed in TFS do not represent our primary operations and, therefore, TFS finance receivable assets and results from operations have been excluded from the Non-GAAP Measures. 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. Debt is calculated using amounts for Notes payable and current portion of long-term debt plus Long-term debt, less current portion. We calculate ROIC using the last four quarters' adjusted 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, we include 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 Board of Directors use ROIC as one of the primary measures to assess operational performance, including in connection with certain compensation programs. We use ROIC as a unifying metric because we believe it measures how effectively we invest our capital and provides a better measure to compare ourselves to peer companies to assist in assessing how we drive operational improvement. We believe ROIC measures return on the amount of capital invested in our primary businesses, excluding TFS, as opposed to another metric such as return on stockholders' equity that only incorporates book equity, and is thus a more accurate and descriptive measure of our performance. We also believe adding Debt less Cash and cash equivalents to Total stockholders' equity provides a better comparison across similar businesses regarding total capitalization, and ROIC highlights the level of value creation as a percentage of capital invested. As the tables below show, our ROIC at September 30, 2015 was 9.7%.

Amounts described below are reported in millions of U.S. dollars, except for the effective tax rates. Amounts are as of and for the three months ended for the periods referenced in the tables below.

	Sep '15	Jun '15	Mar '15	Dec '14	Sep '14
Provision for (benefit from) income taxes	$30.8	$33.0	$11.6	$(41.5)	
Divided by: Income (loss) before income taxes	76.9	119.3	10.1	39.4	
Effective tax rate	40.1%	27.7%	114.9%	(105.3)%	
Income (loss) from operations as adjusted	$109.4	$147.2	$46.5	$72.3	
Multiplied by: 1 minus Effective tax rate	59.9%	72.3%	(14.9)%	205.3%	
Adjusted net operating income (loss) after tax	$65.5	$106.4	$(6.9)	$148.4	
Debt (as defined above)	$1,897.6	$1,906.6	$1,872.9	$1,788.8	$1,851.9
Less: Cash and cash equivalents	(301.1)	(332.7)	(351.3)	(478.2)	(344.5)
Debt less Cash and cash equivalents	1,596.5	1,573.9	1,521.6	1,310.6	1,507.4
Total Terex Corporation stockholders' equity as adjusted	1,549.7	1,630.8	1,543.3	1,843.2	2,010.5
Debt less Cash and cash equivalents plus Total Terex Corporation stockholders' equity as adjusted	$3,146.2	$3,204.7	$3,064.9	$3,153.8	$3,517.9

September 30, 2015 ROIC	9.7%

NOPAT as adjusted (last 4 quarters)	$313.4
Average Debt less Cash and cash equivalents plus Total Terex Corporation stockholders' equity as adjusted (5 quarters)	$3,217.5

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	Three months ended 9/30/15	Three months ended 6/30/15	Three months ended 3/31/15	Three months ended 12/31/14
Reconciliation of income (loss) from operations:				
Income (loss) from operations as reported	$111.9	$148.3	$44.2	$70.4
(Income) loss from operations for TFS	(2.5)	(1.1)	2.3	1.9
Income (loss) from operations as adjusted	$109.4	$147.2	$46.5	$72.3

Reconciliation of Terex Corporation stockholders' equity:	As of 9/30/15	As of 6/30/15	As of 3/31/15	As of 12/31/14	As of 9/30/14
Terex Corporation stockholders' equity as reported	$1,889.9	$1,915.0	$1,747.8	$2,005.9	$2,217.7
TFS Assets	(340.2)	(284.2)	(204.5)	(162.7)	(207.2)
Terex Corporation stockholders' equity as adjusted	$1,549.7	$1,630.8	$1,543.3	$1,843.2	$2,010.5

RESULTS OF OPERATIONS

Three Months Ended September 30, 2015 Compared with Three Months Ended September 30, 2014

Consolidated

	Three Months Ended September 30, 2015		2014		
		% of Sales		% of Sales	% Change In Reported Amounts
	($ amounts in millions)				
Net sales	$1,641.3	—	$1,809.8	—	(9.3)%
Gross profit	$336.6	20.5%	$357.3	19.7%	(5.8)%
SG&A	$224.7	13.7%	$240.5	13.3%	(6.6)%
Income from operations	$111.9	6.8%	$116.8	6.5%	(4.2)%

Net sales for the three months ended September 30, 2015 decreased $168.5 million when compared to the same period in 2014. The decline in net sales was primarily due to lower net sales in all segments, except for MP. Our MHPS segment experienced the largest decline due to negative changes in foreign exchange rates and a decline in port automation equipment deliveries. Changes in foreign exchange rates negatively impacted consolidated net sales by approximately 9 percent or $155 million. These declines were partially offset by net sales improvements and acquisitions in certain product lines or regions, particularly in our AWP, Construction, MP and Cranes segments.

Gross profit for the three months ended September 30, 2015 decreased $20.7 million when compared to the same period in 2014. The decrease was primarily due to declines in gross profit in our MHPS, Cranes and Construction segments. Changes in foreign exchange rates negatively impacted gross profit in all segments.

SG&A costs for the three months ended September 30, 2015 decreased by $15.8 million when compared to the same period in 2014. The majority of the decrease in SG&A costs was due to the positive impact of changes in foreign exchange rates, particularly in our MHPS segment, offset by cost increases in our other segments, particularly our MP segment.

Income from operations for the three months ended September 30, 2015 decreased $4.9 million when compared to the same period in 2014. The decrease was primarily due to lower operating performance in our Cranes and MHPS segments.

Aerial Work Platforms

	Three Months Ended September 30, 2015			2014				
		% of Sales			% of Sales		% Change In Reported Amounts	
	($ amounts in millions)							
Net sales	$573.8	—		$598.7	—		(4.2	)%
Gross profit	$128.2	22.3	%	$119.3	19.9	%	7.5	%
SG&A	$48.8	8.5	%	$50.9	8.5	%	(4.1	)%
Income from operations	$79.4	13.8	%	$68.4	11.4	%	16.1	%

Net sales for the AWP segment for the three months ended September 30, 2015 decreased $24.9 million when compared to the same period in 2014. Net sales decreased approximately $22 million due to the impact of foreign exchange rate changes, $14 million due to continuing softness in Latin America driven by the weak Brazilian economy, $9 million due to weakness in China and Asia Pacific, and $6 million from lower demand for telehandlers and other products in North America. These decreases were partially offset by an increase in net sales of $25 million in Europe from robust replacement demand.

Gross profit for the three months ended September 30, 2015 increased $8.9 million when compared to the same period in 2014. The increase was primarily due to lower material costs (primarily steel) and manufacturing efficiencies of $22 million. Lower pricing of $12 million partially offset the lower costs achieved in the current quarter.

SG&A costs for the three months ended September 30, 2015 decreased $2.1 million when compared to the same period in 2014. The decrease in SG&A costs was primarily due to the positive impact of foreign exchange rate changes of approximately $2 million as costs and corporate allocations were relatively flat when compared to 2014.

Income from operations for the three months ended September 30, 2015 increased $11.0 million when compared to the same period in 2014. The increase was due to the items noted above, particularly lower materials costs and manufacturing efficiencies, partially offset by lower pricing.

Construction

	Three Months Ended September 30, 2015			2014				
		% of Sales			% of Sales		% Change In Reported Amounts	
	($ amounts in millions)							
Net sales	$180.1	—		$207.3	—		(13.1	)%
Gross profit	$23.0	12.8	%	$24.6	11.9	%	(6.5	)%
SG&A	$20.3	11.3	%	$23.0	11.1	%	(11.7	)%
Income from operations	$2.7	1.5	%	$1.6	0.8	%	68.8	%

Net sales for the Construction segment for the three months ended September 30, 2015 decreased $27.2 million when compared to the same period in 2014. Net sales decreased by $27 million due to the disposition of our majority interest in the compact track loader business in the fourth quarter of 2014, approximately $18 million from unfavorable foreign currency exchange rates, and $7 million from volume reductions in parts and machine sales. Partially offsetting these decreases was an increase of $16 million primarily due to site dumper sales in the U.K. and an increase of $9 million primarily due to concrete mixer truck sales in the U.S.

Gross profit for the three months ended September 30, 2015 decreased $1.6 million when compared to the same period in 2014, primarily due to the impact of the business disposition noted above and the negative impact of foreign exchange rate changes, partially offset by improved overall manufacturing margins.

SG&A costs for the three months ended September 30, 2015 decreased $2.7 million when compared to the same period in 2014 primarily due to the impact of the disposition noted above and the positive impact of foreign exchange rate changes, partially offset by higher engineering costs in Europe.

Income from operations for the three months ended September 30, 2015 increased $1.1 million when compared to the same period in 2014.

Cranes

	Three Months Ended September 30,							
	2015			2014				
		% of Sales			% of Sales		% Change In Reported Amounts	
	($ amounts in millions)							
Net sales	$411.7	—		$419.7	—		(1.9	)%
Gross profit	$65.5	15.9	%	$75.5	18.0	%	(13.2	)%
SG&A	$53.1	12.9	%	$53.7	12.8	%	(1.1	)%
Income from operations	$12.4	3.0	%	$21.8	5.2	%	(43.1	)%

Net sales for the Cranes segment for the three months ended September 30, 2015 decreased by $8.0 million when compared to the same period in 2014. Negative impacts of foreign exchange rate changes on net sales of approximately $45 million were partially offset by increased crane products volumes of $20 million, mainly in Europe, Latin America and Asia, and a $19 million increase in net sales for utility products in North America, which includes sales from an acquired business.

Gross profit for the three months ended September 30, 2015 decreased by $10.0 million when compared to the same period in 2014 primarily due to negative impacts of foreign exchange rate changes and transactional foreign exchange rate losses of approximately $7 million and lower absorption of manufacturing costs of $5 million. Also contributing to the decrease were higher warranty charges, costs associated with workforce reductions and higher product liability expense.

SG&A costs for the three months ended September 30, 2015 decreased $0.6 million over the same period in 2014 primarily due to the positive impact of foreign exchange rate changes. This decrease was partially offset by increased selling expenses for utility products in North America, including marketing and trade show expenses, additional costs related to an acquired business, and restructuring costs.

Income from operations for the three months ended September 30, 2015 decreased $9.4 million when compared to the same period in 2014, primarily due to the operational items noted above.

Material Handling & Port Solutions

	Three Months Ended September 30,							
	2015			2014				
		% of Sales			% of Sales		% Change In Reported Amounts	
	($ amounts in millions)							
Net sales	$366.7	—		$468.2	—		(21.7	)%
Gross profit	$80.3	21.9	%	$101.9	21.8	%	(21.2	)%
SG&A	$70.0	19.1	%	$84.3	18.0	%	(17.0	)%

Income from operations	$10.3	2.8	%	$17.6	3.8	%	(41.5	)%

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Net sales for the MHPS segment for the three months ended September 30, 2015 decreased $101.5 million when compared to the same period in 2014. Net sales decreased $65 million due to lower port automation sales, approximately $57 million due to the negative impact of foreign exchange rate changes, and $7 million due to divestitures. These decreases were partially offset by a $26 million increase in net sales related to mobile harbor cranes.

Gross profit for the three months ended September 30, 2015 decreased $21.6 million when compared to the same period in 2014. The decrease was due to unfavorable changes in product mix of $17 million and the negative effect of foreign exchange rate changes of approximately $12 million. The prior year period included $10 million in restructuring charges that did not recur in the current year period.

SG&A costs for the three months ended September 30, 2015 decreased $14.3 million when compared to the same period in 2014. The decrease was due to approximately $12 million of positive impact of foreign exchange rate changes.

Income from operations for the three months ended September 30, 2015 decreased $7.3 million. The decrease was due to items noted above, particularly lower net sales.

Materials Processing

	Three Months Ended September 30,							
	2015			2014				
		% of Sales			% of Sales		% Change In Reported Amounts	
	($ amounts in millions)							
Net sales	$158.9	—		$155.6	—		2.1	%
Gross profit	$36.6	23.0	%	$29.8	19.2	%	22.8	%
SG&A	$22.7	14.3	%	$21.1	13.6	%	7.6	%
Income from operations	$13.9	8.7	%	$8.7	5.6	%	59.8	%

Net sales for the MP segment for the three months ended September 30, 2015 increased by $3.3 million when compared to the same period in 2014. The increase was due to $18 million higher net sales from our environmental equipment business, including $13 million from an acquired business, and increased net sales in India. This increase was partially offset by approximately $13 million of negative impact of foreign exchange rate changes on net sales as well as continued softness in mining-related markets.

Gross profit for the three months ended September 30, 2015 increased by $6.8 million when compared to the same period in 2014. The increase was primarily due to cost reductions, increased margin contributions from our global parts program and the effect of an acquisition. Partially offsetting these improvements was the negative impact of foreign exchange rate changes.

SG&A costs for the three months ended September 30, 2015 increased by $1.6 million when compared to the same period in 2014. The increase was primarily due to increased costs associated with an acquired business, partially offset by the positive effect of foreign exchange rate changes.

Income from operations for the three months ended September 30, 2015 increased $5.2 million. The increase was primarily due to the items noted above, particularly higher net sales from our environmental equipment business.

Corporate / Eliminations

	Three Months Ended September 30,				
	2015		2014		
		% of Sales		% of Sales	% Change In Reported Amounts
	($ amounts in millions)				
Net sales	$(49.9)	—	$(39.7)	—	*
Loss from operations	$(6.8)	*	$(1.3)	*	*

*Not meaningful as a percentage

Net sales amounts include elimination of intercompany sales activity among segments.

Interest Expense, Net of Interest Income

During the three months ended September 30, 2015, our interest expense net of interest income was $23.6 million, or $2.9 million lower than the same period in the prior year. The reduction resulted from the settlement of the 4% Convertible Notes on June 1, 2015 and lower effective interest rates in the current year period.

Other Income (Expense) – Net

Other income (expense) – net for the three months ended September 30, 2015 was expense of $11.4 million, or $10.1 million higher expense when compared to the same period in the prior year. The increase is primarily due to $8.6 million of merger related costs recorded in the current year period.

Income Taxes

During the three months ended September 30, 2015, we recognized income tax expense of $30.8 million on income of $76.9 million, an effective tax rate of 40.1%, as compared to income tax expense of $27.7 million on income of $86.4 million, an effective tax rate of 32.1%, for the three months ended September 30, 2014. The higher effective tax rate for the three months ended September 30, 2015 was primarily due to an increase in the provision for uncertain tax positions compared to a reduction in the uncertain tax positions provision in the three months ended September 30, 2014.

Gain (Loss) on Disposition of Discontinued Operations

During the three months ended September 30, 2015, we recognized a loss on disposition of discontinued operations of $1.2 million, compared to a gain on disposition of discontinued operations of $5.5 million recognized in the prior year period. The prior year gain was related to the sale of the truck business in May 2014.

Nine Months Ended September 30, 2015 Compared with Nine Months Ended September 30, 2014

Consolidated

	Nine Months Ended September 30, 2015	% of Sales	2014	% of Sales	% Change In Reported Amounts
	($ amounts in millions)				
Net sales	$4,965.4	—	$5,519.5	—	(10.0)%
Gross profit	$997.4	20.1%	$1,114.5	20.2%	(10.5)%
SG&A	$693.0	14.0%	$761.8	13.8%	(9.0)%
Income from operations	$304.4	6.1%	$352.7	6.4%	(13.7)%

Net sales for the nine months ended September 30, 2015 decreased $554.1 million when compared to the same period in 2014. The decline in net sales was driven by lower net sales across all segments, with the largest declines coming from MHPS and AWP. Changes in foreign exchange rates negatively impacted consolidated net sales by approximately 9% or $470 million. The decline was partially offset by improvements in certain product lines or regions, in all of our segments.

Gross profit for the nine months ended September 30, 2015 decreased $117.1 million when compared to the same period in 2014. The decrease was primarily due to declines in gross profit in all segments, except MP. Changes in foreign exchange rates negatively impacted gross profit in all segments. These decreases were partially offset by volume related improvements in our MP segment.

SG&A costs for the nine months ended September 30, 2015 decreased by $68.8 million when compared to the same period in 2014. The majority of the decrease in SG&A costs was due to the positive impact of changes in foreign exchange rates, particularly in our MHPS segment.

Income from operations for the nine months ended September 30, 2015 decreased $48.3 million when compared to the same period in 2014. The decrease was primarily due to lower operating performance in our AWP and Cranes segments.

Aerial Work Platforms

	Nine Months Ended September 30, 2015	% of Sales	2014	% of Sales	% Change In Reported Amounts
	($ amounts in millions)				
Net sales	$1,758.1	—	$1,901.5	—	(7.5)%
Gross profit	$380.2	21.6%	$416.6	21.9%	(8.7)%
SG&A	$153.6	8.7%	$152.5	8.0%	0.7%
Income from operations	$226.6	12.9%	$264.1	13.9%	(14.2)%

Net sales for the AWP segment for the nine months ended September 30, 2015 decreased $143.4 million when compared to the same period in 2014. Net sales decreased approximately $65 million due to the negative impact of foreign exchange rate changes. North American net sales decreased $65 million due to lower pricing and softening demand for telehandlers and other products, which are impacted by the uncertainty surrounding oil and gas markets. Sales in Latin America were lower by $61 million due to the continuing impact of economic uncertainties in Brazil as well as softer pricing. These decreases were partially offset by increased net sales of $51 million in Europe due to robust replacement demand.

Gross profit for the nine months ended September 30, 2015 decreased $36.4 million when compared to the same period in 2014. Unfavorable pricing contributed $27 million to the decline. Lower sales volume and mix in the current year period contributed approximately $19 million to the decrease. Also contributing to the decrease in gross profit in the current year period were changes in freight terms, lower used equipment margins, unfavorable changes in foreign currency exchange rates, and a Brazilian import credit received in 2014 but not received in 2015. These decreases were partially offset by $25 million of reduced material costs and $5 million of favorable factory utilization.

SG&A costs for the nine months ended September 30, 2015 increased $1.1 million when compared to the same period in 2014. The increase in SG&A costs was primarily due to increased corporate allocated costs and general and administrative expenses, partially offset by approximately $5 million of positive impact from foreign exchange rate changes.

Income from operations for the nine months ended September 30, 2015 decreased $37.5 million when compared to the same period in 2014. The decrease was due to items noted above, particularly lower net sales and the negative impact of pricing in the current year period.

Construction

	Nine Months Ended September 30,					
	2015		2014			
		% of Sales		% of Sales	% Change In Reported Amounts	
	($ amounts in millions)					
Net sales	$517.7	—	$630.2	—	(17.9	)%
Gross profit	$61.7	11.9 %	$70.2	11.1 %	(12.1	)%
SG&A	$62.8	12.1 %	$69.6	11.0 %	(9.8	)%
Income (loss) from operations	$(1.1)	(0.2)%	$0.6	0.1 %	*	

* Not meaningful as a percentage

Net sales for the Construction segment for the nine months ended September 30, 2015 decreased by $112.5 million when compared to the same period in 2014. Net sales decreased by $85 million due to the disposition of our majority interest in the compact track loader business in the fourth quarter of 2014, approximately $58 million from negative foreign currency exchange rate changes, and $22 million from volume reductions in various other parts and machine sales. Partially offsetting these decreases was an increase of $29 million primarily due to site dumper sales in the U.K. and an increase of $24 million primarily due to concrete mixer truck sales in the U.S.

Gross profit for the nine months ended September 30, 2015 decreased $8.5 million when compared to the same period in 2014, primarily due to the impact of the business disposition noted above and the negative impact of foreign exchange rate changes, partially offset by improved overall manufacturing margins.

SG&A costs for the nine months ended September 30, 2015 decreased $6.8 million when compared to the same period in 2014, primarily due to the impact of the business disposition noted above and the positive impact of foreign exchange rate changes, partially offset by higher engineering costs in Europe and the allocation of higher corporate costs.

Loss from operations for the nine months ended September 30, 2015 was $1.1 million, compared to income from operations of $0.6 million for the period in 2014. The decrease in operating performance was due to items noted above, particularly the impacts of the business disposition noted above and foreign exchange rate changes.

Cranes

	Nine Months Ended September 30,							
	2015			2014				
		% of Sales			% of Sales		% Change In Reported Amounts	
	($ amounts in millions)							
Net sales	$1,262.4	—		$1,316.8	—		(4.1	)%
Gross profit	$205.6	16.3	%	$225.4	17.1	%	(8.8	)%
SG&A	$167.0	13.2	%	$174.1	13.2	%	(4.1	)%
Income from operations	$38.6	3.1	%	$51.3	3.9	%	(24.8	)%

Net sales for the Cranes segment for the nine months ended September 30, 2015 decreased by $54.4 million when compared to the same period in 2014. The negative impacts of foreign exchange rate changes on net sales and lower net sales for crane products in North America of approximately $138 million were partially offset by higher net sales for utility products in North America, including the contribution from an acquired business of $61 million, and crane products in Asia.

Gross profit for the nine months ended September 30, 2015 decreased by $19.8 million when compared to the same period in 2014. Negative impacts of foreign exchange rate changes and transactional foreign exchange losses of approximately $23 million and higher product liability costs of $3 million were partially offset by margins on higher volumes noted above.

SG&A costs for the nine months ended September 30, 2015 decreased $7.1 million from the same period in 2014 primarily due to the positive impact of foreign exchange rate changes of approximately $16 million. This decrease was partially offset by increased selling expenses for utility products in North America, additional costs related to an acquired business, and higher allocation of corporate costs.

Income from operations for the nine months ended September 30, 2015 decreased $12.7 million when compared to the same period in 2014. The decrease was due to the operational items noted above.

Material Handling & Port Solutions

	Nine Months Ended September 30,							
	2015			2014				
		% of Sales			% of Sales		% Change In Reported Amounts	
	($ amounts in millions)							
Net sales	$1,055.8	—		$1,267.8	—		(16.7	)%
Gross profit	$231.2	21.9	%	$283.7	22.4	%	(18.5	)%
SG&A	$223.9	21.2	%	$269.7	21.3	%	(17.0	)%
Income from operations	$7.3	0.7	%	$14.0	1.1	%	(47.9	)%

Net sales for the MHPS segment for the nine months ended September 30, 2015 decreased $212.0 million when compared to the same period in 2014. The decrease in net sales was primarily due to approximately $173 million negative impact of foreign exchange rate changes on net sales, an $85 million decrease in port automation sales in Western Europe, a $26 million decrease in industrial crane sales mainly in Europe & Latin America and a $20 million decrease in Material Handling net sales related to a business disposed of in 2014. These decreases were partially offset by $38 million of incremental sales of mobile harbor cranes and stronger sales from our China location of $42 million, which are mainly comprised of ship-to-shore cranes, and stronger sales of port software solutions.

Gross profit for the nine months ended September 30, 2015 decreased $52.5 million when compared to the same period in 2014. The decrease was due to the approximately $38 million negative impact of foreign exchange rate changes, unfavorable changes in product mix of $23 million, and reduced sales volumes in Latin America and South Africa. The prior year period included $10 million in restructuring charges that did not recur in the current year period.

SG&A costs for the nine months ended September 30, 2015 decreased $45.8 million when compared to the same period in 2014. The majority of the decrease was due to the approximately $41 million positive impact of foreign exchange rate changes.

Income from operations for the nine months ended September 30, 2015 decreased $6.7 million when compared to the same period in 2014. The decrease was due to the items noted above, particularly from lower net sales.

Materials Processing

	Nine Months Ended September 30,							
	2015			2014				
		% of Sales			% of Sales		% Change In Reported Amounts	
	($ amounts in millions)							
Net sales	$472.4	—		$488.7	—		(3.3	)%
Gross profit	$112.9	23.9	%	$105.7	21.6	%	6.8	%
SG&A	$66.3	14.0	%	$63.3	13.0	%	4.7	%
Income from operations	$46.6	9.9	%	$42.4	8.7	%	9.9	%

Net sales for the MP segment for the nine months ended September 30, 2015 decreased by $16.3 million when compared to the same period in 2014. The decrease was primarily due to the approximately $36 million negative impact of foreign exchange rate changes. Additionally, continued softness in mining-related markets impacted net sales. The decrease was partially offset by an increase of $28 million higher net sales from our environmental equipment business, including $21 million from an acquired business, and increased sales in India.

Gross profit for the nine months ended September 30, 2015 increased by $7.2 million. The increase was primarily due to margin contributions from our global parts program and the effect of an acquisition. Partially offsetting these improvements was the negative impact of foreign exchange rate changes.

SG&A costs for the nine months ended September 30, 2015 increased by $3.0 million. The increase was due to expenses associated with our environmental equipment business, including the effect of an acquisition, and higher allocation of corporate costs, partially offset by the positive impact of foreign exchange rate changes when compared to the same period in 2014.

Income from operations for the nine months ended September 30, 2015 increased $4.2 million. The increase was due to items noted above.

Corporate / Eliminations

	Nine Months Ended September 30, 2015		2014		% Change In Reported Amounts
		% of Sales		% of Sales	
	($ amounts in millions)				
Net sales	$(101.0)	—	$(85.5)	—	*
Loss from operations	$(13.6)	*	$(19.7)	*	*

* Not meaningful as a percentage

Net sales amounts include elimination of intercompany sales activity among segments.

Interest Expense, Net of Interest Income

During the nine months ended September 30, 2015, our interest expense net of interest income was $76.8 million, or $9.3 million lower than the same period in the prior year. This reflects the impact of lower interest rates and lower debt balances in the current year period.

Loss on early extinguishment of debt

In connection with the termination of the 2011 Credit Agreement, we recorded charges of $2.6 million for the accelerated amortization of debt acquisition costs and original issue discount as a loss on early extinguishment of debt for the nine months ended September 30, 2014.

Other Income (Expense) – Net

Other income (expense) – net for the nine months ended September 30, 2015 was an expense of $21.3 million, or $15.1 million higher expense when compared to the same period in the prior year, primarily due to $9.5 million of merger related costs and higher foreign exchange losses in the current year period.

Income Taxes

During the nine months ended September 30, 2015, we recognized income tax expense of $75.4 million on income of $206.3 million, an effective tax rate of 36.5%, as compared to income tax expense of $79.2 million on income of $257.8 million, an effective tax rate of 30.7%, for the nine months ended September 30, 2014. The higher effective tax rate for the nine September 30, 2015 was primarily due to increased losses not benefited when compared to the nine months ended September 30, 2014.

Income (Loss) from Discontinued Operations

Income (loss) from discontinued operations for the nine months ended September 30, 2015 decreased by $1.4 million when compared to the same period in the prior year as the truck business was sold in May 2014.

Gain (Loss) on Disposition of Discontinued Operations

The gain on disposition of discontinued operations was $57.0 million lower in the current year period when compared to the prior year period primarily related to the sale of the truck business in May 2014.

LIQUIDITY AND CAPITAL RESOURCES

We continue to focus on generating cash and improving margins. Consistent with our expectations, we generated cash in the three months ended September 30, 2015, and as a result, we increased our liquidity (cash and availability under our revolving credit line) by approximately $11 million as compared to June 30, 2015. We had free cash flow of approximately $43 million in the nine months ended September 30, 2015. This was primarily due to net income generated in the current year period. We believe we still have the ability to generate between $200 million and $250 million in free cash flow for the full year 2015.

The following table reconciles Net cash provided by (used in) operating activities to free cash flow (in millions):

	Three Months Ended 9/30/2015	Nine Months Ended 9/30/2015
Net cash provided by (used in) operating activities	$28.2	$(56.6)
Plus: Increase in TFS assets	56.0	177.5
Less: Increase in cash for securitization settlement	2.0	(4.8)
Less: Capital expenditures	(24.7)	(73.4)
Free cash flow	$61.5	$42.7

Our main sources of funding are cash generated from operations, loans from our bank credit facilities and funds raised in capital markets. We had cash and cash equivalents of $301.1 million at September 30, 2015. The majority of the cash held by our foreign subsidiaries is expected to be maintained locally because we plan to reinvest such cash and cash equivalents to support our operations and continued growth plans outside the United States through funding of capital expenditures, acquisitions, operating expenses or other similar cash needs of these operations. Such cash could be used in the U.S., if necessary. Cash repatriated to the U.S. could be subject to incremental local and U.S. taxation. Currently, there are no trends, demands or uncertainties as a result of the Company’s cash re-investment policy that are reasonably likely to have a material effect on us as a whole or that may be relevant to our financial flexibility.

We believe cash generated from operations together with access to our bank credit facilities and cash on hand, provide adequate liquidity to continue to support internal operating initiatives and meet our operating and debt service requirements. See Item 1A “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 for a detailed description of the risks resulting from our debt and our ability to generate sufficient cash flow to operate our business.

Our ability to generate cash from operations is subject to numerous factors, including the following:

- Many of our customers fund their purchases through third-party finance companies that extend credit based on the credit-worthiness of the customers and the expected residual value of our equipment. Changes either in the customers’ credit profile or used equipment values may affect the ability of customers to purchase equipment. There can be no assurance that third-party finance companies will continue to extend credit to our customers as they have in the past.
- As our sales change, the absolute amount of working capital needed to support our business may change.
- Our suppliers extend payment terms to us primarily based on our overall credit rating. Declines in our credit rating may influence suppliers’ willingness to extend terms and in turn increase the cash requirements of our business.
- Sales of our products are subject to general economic conditions, weather, competition, the translation effect of foreign currency exchange rate changes, and other factors that in many cases are outside our direct control. For example, during periods of economic uncertainty, our customers have delayed purchasing decisions, which reduces cash generated from operations.

For certain products, primarily port equipment and process cranes, we negotiate, when possible, advance payments from our customers for products with long lead times to help fund the substantial working capital investment in these products.

Typically, we have invested our cash in a combination of highly rated, liquid money market funds and in short-term bank deposits with large, highly rated banks. Our investment objective is to preserve capital and liquidity while earning a market rate of interest.

During the first nine months of 2015, cash used in inventory was approximately $140 million as production ramped up for expected future deliveries. Working capital as percent of trailing three month annualized net sales was 27.9% at September 30, 2015.

The following tables show the calculation of our working capital and trailing three months annualized sales as of September 30, 2015 (in millions):

	Three Months Ended 9/30/2015
Net Sales	$1,641.3
x	4
Trailing Three Month Annualized Net Sales	$6,565.2

	As of 9/30/15
Inventories	$1,545.6
Trade Receivables	1,183.4
Less: Trade Accounts Payable	(740.4)
Less: Customer Advances	(158.8)
Total Working Capital	$1,829.8

Our credit agreement provides us with a revolving line of credit of up to $600 million. See Note M – "Long-Term Obligations," in our Condensed Consolidated Financial Statements for information concerning our credit agreement. We had $527.7 million available for borrowing under our revolving credit facilities at September 30, 2015. The credit agreement also allows incremental commitments, which may be extended at the option of the lenders and can be in the form of revolving credit commitments, term loan commitments, or a combination of both as long as we satisfy a secured debt financial ratio contained in the credit facilities. We had $72.3 million of outstanding borrowings under our revolving credit facilities as well as U.S. dollar and Euro denominated term loans totaling $446.5 million under our credit agreement as of September 30, 2015.

Interest rates charged under the revolving line of credit in our credit agreement are subject to adjustment based on our consolidated leverage ratio. The U.S. dollar term loans bear interest at a rate of London Interbank Offer Rate ("LIBOR") plus 2.75%, with a floor of 0.75% on LIBOR. The Euro term loans bear interest at a rate of Euro Interbank Offer Rate ("EURIBOR") plus 2.75%, with a floor of 0.75% on EURIBOR. At September 30, 2015, the weighted average interest rate on these term loans was 3.50%. The weighted average interest rate on our revolving credit amounts at September 30, 2015 was 2.68%.

We manage our interest rate risk by maintaining a balance between fixed and floating rate debt, including the use of interest rate derivatives when appropriate. Over the long term, we believe this mix will produce lower interest cost than a purely fixed rate mix while reducing interest rate risk.

The revolving line of credit under our credit facility matures in August 2019 and our term loans under our credit facility mature in August 2021. Our 6-1/2% Senior Notes mature April 1, 2020 and our 6% Senior Notes mature May 15, 2021. Upon completion of the Merger, the debt under our credit facility and both senior notes could potentially accelerate to dates earlier than the above dates. As a result, on August 10, 2015, we and Konecranes entered into a Commitment Letter (the "Commitment Letter") with Credit Suisse Securities (USA) LLC ("CS Securities") and Credit Suisse AG ("CS" and, together with CS Securities and their respective affiliates, "Credit Suisse") in which Credit Suisse committed to provide us and Konecranes with financing for (A) senior secured credit facilities in an aggregate principal amount of up to $1.65 billion, consisting of (i) a senior secured term loan facility in an aggregate principal amount of $900.0 million (such aggregate principal amount to be allocated between a U.S. dollar-denominated term loan facility to be made to the Company and a Euro-denominated term loan facility in an aggregate principal amount of up to €450.0 million to be made to Konecranes or one of its subsidiaries) and (ii) two senior secured revolving credit facilities in an aggregate principal amount of up to $750.0 million and (B) a senior unsecured bridge facility in an aggregate principal amount of up to $1.15 billion. As a result of the receipt of the consents noted in Note M - "Long-Term Obligations," in our Condensed Consolidated Financial Statements, we and Konecranes notified Credit

Suisse that we terminated the commitments of the lenders in the amount of $1.15 billion with respect to the bridge facility under the commitment letter from Credit Suisse dated August 10, 2015.

Our investment in financial services assets was approximately $340 million, net at September 30, 2015. We remain focused on expanding financing solutions in key markets like the U.S. and Europe. We also anticipate using TFS to drive incremental sales by increasing direct customer financing through TFS in certain instances.

On May 28, 2015, we entered into a securitization facility with capacity up to $350 million secured by equipment loans and leases to our customers originated by TFS. This is part of our effort to leverage our investment in financial services assets for reductions in borrowing costs. As of September 30, 2015, the Company had $179.9 million in loans outstanding under this facility. See Note M – “Long-Term Obligations,” in our Condensed Consolidated Financial Statements for information concerning this securitization facility.

On June 1, 2015 we paid cash of $131.1 million (including accrued interest of $2.3 million) and issued approximately 3.4 million shares of $.01 par value common stock to settle the 4% Convertible Notes. See Note M – “Long-Term Obligations,” in our Condensed Consolidated Financial Statements for information concerning the 4% Convertible Notes.

In February 2015, we announced authorization by our Board of Directors for the repurchase of up to $200 million of our outstanding shares of common stock. During the nine months ended September 30, 2015 we repurchased approximately 1.9 million shares for approximately $50 million under this program. In each of the first three quarters of 2015, our Board of Directors also declared a dividend of $0.06 per share, which was paid to our shareholders. It is our intention to pay four quarterly dividends of $0.06 per share, for an aggregate of $0.24 per share, for the calendar year of 2015. However, future declarations of quarterly dividends are subject to the determination of our Board of Directors.

Our ability to access the capital markets to raise funds, through the sale of equity or debt securities, is subject to various factors, some specific to us, and others related to general economic and/or financial market conditions. These include results of operations, projected operating results for future periods and debt to equity leverage. Our ability to access the capital markets is also subject to our timely filing of periodic reports with the Securities and Exchange Commission (“SEC”). In addition, the terms of our bank credit facilities, senior notes and senior subordinated notes contain restrictions on our ability to make further borrowings and to sell substantial portions of our assets.

Cash Flows

Cash used in operations for the nine months ended September 30, 2015 totaled $56.6 million, compared to cash provided by operations of $116.6 million for the nine months ended September 30, 2014. The change in cash from operations was primarily driven by lower net income and higher cash used in working capital in the nine months ended September 30, 2015 when compared to the prior year period.

Cash used in investing activities for the nine months ended September 30, 2015 was $144.1 million, compared to $99.2 million cash provided by investing activities for the nine months ended September 30, 2014. The increase of cash used in investing activities was primarily due to proceeds received in the prior year period related to the sale of our truck business, as well as higher cash used for acquisitions and higher capital expenditures in the nine months ended September 30, 2015 when compared to the prior year period.

Cash provided by financing activities was $53.2 million for the nine months ended September 30, 2015, compared to cash used in financing activities for the nine months ended September 30, 2014 of $261.6 million. The change in cash from financing was primarily due to increased net borrowings in the current year period and purchases of noncontrolling interest shares in the prior year period that did not recur in the current year period.

OFF-BALANCE SHEET ARRANGEMENTS

Guarantees

Our customers, from time to time, fund the acquisition of our equipment through third-party finance companies. In certain instances, we may provide a credit guarantee to the finance company by which we agree to make payments to the finance company should our customer default. Our maximum liability is generally limited to our customer's remaining payments due to the finance company at the time of default. In the event of customer default, we are generally able to recover and dispose of the equipment at a minimum loss, if any, to us.

There can be no assurance that historical credit default experience will be indicative of future results. Our ability to recover losses experienced from our guarantees may be affected by economic conditions in effect at the time of loss.

We issue, from time to time, residual value guarantees under sales-type leases. A residual value guarantee involves a guarantee that a piece of equipment will have a minimum fair market value at a future date. We are generally able to mitigate the risk associated with these guarantees because the maturity of the guarantees is staggered, which limits the amount of used equipment entering the marketplace at any one time.

We guarantee, from time to time, that we will buy equipment from our customers in the future at a stated price if certain conditions are met by the customer. Such guarantees are referred to as buyback guarantees. These conditions generally pertain to the functionality and state of repair of the machine. We are generally able to mitigate the risk of these guarantees by staggering the timing of the buybacks and through leveraging our access to the used equipment markets provided by our original equipment manufacturer status.

See Note O – "Litigation and Contingencies" in the Notes to the Condensed Consolidated Financial Statements for further information regarding our guarantees.

There can be no assurance that our historical experience in used equipment markets will be indicative of future results. Our ability to recover losses from our guarantees may be affected by economic conditions in the used equipment markets at the time of loss.

CONTINGENCIES AND UNCERTAINTIES

Foreign Currencies and Interest Rate Risk

Our products are sold in over 100 countries around the world and, accordingly, our revenues are generated in foreign currencies, while the costs associated with those revenues are only partly incurred in the same currencies. The major foreign currencies, among others, in which we do business are the Euro, Australian Dollar and British Pound. We may, from time to time, hedge specifically identified committed and forecasted cash flows in foreign currencies using forward currency sale or purchase contracts. At September 30, 2015, we had foreign exchange contracts with a notional value of $235.9 million that were initially designated as hedge contracts.

We manage exposure to interest rates by incurring a mix of indebtedness bearing interest at both floating and fixed rates at inception and maintaining an ongoing balance between floating and fixed rates on this mix of indebtedness using interest rate swaps when necessary.

See "Quantitative and Qualitative Disclosures About Market Risk" below for a discussion of the impact that changes in foreign currency exchange rates and interest rates may have on our financial performance.

Other

We are subject to a number of contingencies and uncertainties including, without limitation, product liability claims, workers' compensation liability, intellectual property litigation, self-insurance obligations, tax examinations, guarantees, class action lawsuits and other matters. See Note O – "Litigation and Contingencies" in the Notes to the Condensed Consolidated Financial Statements for more information concerning contingencies and uncertainties, including our ERISA, securities, stockholder derivative and Merger lawsuits. We are insured for product liability, general liability, workers' compensation, employer's liability, property damage, intellectual property and other insurable risk required by law or contract with retained liability to us or deductibles. Many of the exposures are unasserted or proceedings are at a preliminary stage, and it is not presently possible to estimate the amount or timing of any of our costs. However, we do not believe that these contingencies and uncertainties will, individually or in the aggregate, have a material adverse effect on our operations. For contingencies and uncertainties other than income taxes, when it is probable that a loss will be incurred and possible to make reasonable estimates of our liability with respect to such matters, a provision is recorded for the amount of such estimate or for the minimum amount of a range of estimates when it is not possible to estimate the amount within the range that is most likely to occur.

We generate hazardous and non-hazardous wastes in the normal course of our manufacturing operations. As a result, we are subject to a wide range of environmental laws and regulations. All of our employees are required to obey all health, safety and environmental laws and regulations and must observe the proper safety rules and environmental practices in work situations. These laws and regulations govern actions that may have adverse environmental effects, such as discharges to air and water, and require compliance with certain practices when handling and disposing of hazardous and non-hazardous wastes. These laws and regulations would also impose liability for the costs of, and damages resulting from, cleaning up sites, past spills, disposals and other releases of hazardous substances, should any of such events occur. We are committed to complying with these standards and monitoring our workplaces to determine if equipment, machinery and facilities meet specified safety standards. Each of our facilities is subject to an environmental audit at least once every three years to monitor compliance and no incidents have occurred which required us to pay material amounts to comply with such laws and regulations. We are dedicated to seeing that safety and health hazards are adequately addressed through appropriate work practices, training and procedures. For example, we continue to reduce lost time injuries in the workplace and work toward a world-class level of safety practices in our industry.

RECENT ACCOUNTING PRONOUNCEMENTS

Please refer to Note B – "Basis of Presentation" in the accompanying Consolidated Financial Statements for a listing of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks that exist as part of our ongoing business operations and we use derivative financial instruments, where appropriate, to manage these risks. As a matter of policy, we do not engage in trading or speculative transactions. For further information on accounting policies related to derivative financial instruments, refer to Note K – "Derivative Financial Instruments" in our Condensed Consolidated Financial Statements.

Foreign Exchange Risk

We are exposed to fluctuations in foreign currency cash flows related to third-party purchases and sales, intercompany product shipments and other intercompany transactions. We are also exposed to fluctuations in the value of foreign currency investments in subsidiaries and cash flows related to repatriation of these investments. Additionally, we are exposed to volatility in the translation of foreign currency earnings to U.S. Dollars. Primary exposures include the U.S. Dollar when compared to functional currencies of our major markets, which include the Euro, Australian Dollar and British Pound. We assess foreign currency risk based on transactional cash flows, identify naturally offsetting positions and purchase hedging instruments to partially offset anticipated exposures.

At September 30, 2015, we performed a sensitivity analysis on the impact that aggregate changes in the translation effect of foreign currency exchange rate changes would have on our operating income. Based on this sensitivity analysis, we have determined that a change in the value of the U.S. dollar relative to other currencies by 10% to amounts already incorporated in the financial statements for the nine months ended September 30, 2015 would have had an approximately $6 million impact on the translation effect reported in operating income for the period.

Interest Rate Risk

We are exposed to interest rate volatility with regard to future issuances of fixed rate debt and existing issuances of variable rate debt. Primary exposure includes movements in the U.S. prime rate, Commercial Paper rate, LIBOR and EURIBOR. We manage interest rate risk by incurring a mix of indebtedness bearing interest at both floating and fixed rates at inception and maintain an ongoing balance between floating and fixed rates on this mix of indebtedness using interest rate swaps when necessary. At September 30, 2015, approximately 29% of our debt was floating rate debt and the weighted average interest rate for all debt was 4.97%.

At September 30, 2015, we performed a sensitivity analysis for our derivatives and other financial instruments that have interest rate risk. We calculated the pretax earnings impact on our interest sensitive instruments. Based on this sensitivity analysis, we have determined that an increase of 10% in our average floating interest rates at September 30, 2015 would have increased interest expense by approximately $1 million for the nine months ended September 30, 2015.

Commodities Risk

Principal materials and components that we use in our manufacturing processes include steel, castings, engines, tires, hydraulics, cylinders, drive trains, electric controls and motors, and a variety of other commodities and fabricated or manufactured items. Extreme movements in the cost and availability of these materials and components may affect our financial performance. In the first nine months of 2015, minor, unfavorable input cost changes in some areas were more than off-set by favorable changes in steel prices and other areas.

In the absence of labor strikes or other unusual circumstances, substantially all materials and components are normally available from multiple suppliers. However, certain of our businesses receive materials and components from a single source supplier, although alternative suppliers of such materials may be generally available. Current and potential suppliers are evaluated regularly on their ability to meet our requirements and standards. We actively manage our material supply sourcing, and employ various methods to limit risk associated with commodity cost fluctuations and availability. The inability of suppliers, especially any single source suppliers for a particular business, to deliver materials and components promptly could result in production delays and increased costs to manufacture our products. We have designed and implemented plans to mitigate the impact of these risks by using alternate suppliers, expanding our supply base globally, leveraging our overall purchasing volumes to obtain favorable quantities and developing a closer working relationship with key suppliers. We are focusing on gaining efficiencies with suppliers based on our global purchasing power and resources.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports we file under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required financial disclosure. In connection with the preparation of this Quarterly Report on Form 10-Q, our management carried out an evaluation, under the supervision and with the participation of our management, including the CEO and CFO, as of September 30, 2015, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) under the Exchange Act. Based upon this evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2015.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The effectiveness of any system of controls and procedures is subject to certain limitations, and, as a result, there can be no assurance that our controls and procedures will detect all errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be attained.

PART II. OTHER INFORMATION
Item 1. Legal Proceedings

We are involved in certain claims and litigation arising in the ordinary course of business, which are not considered material to our financial operations or cash flow. For information concerning litigation and other contingencies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingencies and Uncertainties."

Item 1A. Risk Factors

There have been no material changes in the quarterly period ended September 30, 2015 in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014, other than the addition of the risk factor "Risks related to the Merger" and the updates to the risk factor entitled "We rely on key management" both as set forth below:

Risks related to the Merger

Whether or not the merger is completed, the announcement and pendency of the merger could impact or cause disruptions in the businesses of Terex, which could have an adverse effect on the businesses and operating results of Terex before the merger, and the combined company after the merger. For example:

- Terex employees may experience uncertainty about their future roles with the combined company, which might adversely affect Terex's ability to retain and hire key personnel and other employees;
- the attention of Terex's management may be directed toward completion of the merger and transaction-related considerations and may be diverted from the day-to-day operations and pursuit of other opportunities that could have been beneficial to the businesses of Terex;
- customers, distributors, vendors or suppliers may seek to modify or terminate their business relationships with Terex, or delay or defer decisions concerning Terex;
- we have incurred and will continue to incur significant transaction costs in connection with the Merger regardless of whether the Merger is consummated; and
- we may be required to pay, in certain circumstances, a termination fee of up to $37 million to Konecranes.

These disruptions could be exacerbated by a delay in the completion of the merger or termination of the business combination agreement.

We rely on key management

We rely on the management and leadership skills of our senior management team, particularly those of the Chief Executive Officer. The loss of the services of key employees or senior officers, or the inability to identify, hire and retain other highly qualified personnel in the future, could adversely affect the quality and profitability of our business operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable

(b) Not applicable

(c) The following table provides information about our purchases during the quarter ended September 30, 2015 of our common stock that is registered by us pursuant to the Exchange Act.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	(d) Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (in thousands) (1)
July 1, 2015 - July 31, 2015	—	$—	—	$150,000
August 1, 2015 - August 31, 2015	—	$—	—	$150,000
September 1, 2015 - September 30, 2015	—	$—	—	$150,000
Total	—	$—	—	$150,000

(1) In February 2015, we announced authorization by our Board of Directors for the repurchase of up to $200 million of the Company's outstanding common shares.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The exhibits set forth on the accompanying Exhibit Index have been filed as part of this Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEREX CORPORATION
(Registrant)

Date: October 23, 2015	/s/ Kevin P. Bradley Kevin P. Bradley Senior Vice President and Chief Financial Officer (Principal Financial Officer)
Date: October 23, 2015	/s/ Mark I. Clair Mark I. Clair Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)

EXHIBIT INDEX

2.1	Business Combination Agreement and Plan of Merger among Terex Corporation, Konecranes Plc, Konecranes, Inc. and Konecranes Acquisition Company LLC (incorporated by reference to Exhibit 2.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated August 10, 2015 and filed with the Commission on August 13, 2015).
3.1	Restated Certificate of Incorporation of Terex Corporation (incorporated by reference to Exhibit 3.1 of the Form S-1 Registration Statement of Terex Corporation, Registration No. 33-52297).
3.2	Certificate of Elimination with respect to the Series B Preferred Stock (incorporated by reference to Exhibit 4.3 of the Form 10-K for the year ended December 31, 1998 of Terex Corporation, Commission File No. 1-10702).
3.3	Certificate of Amendment to Certificate of Incorporation of Terex Corporation dated September 5, 1998 (incorporated by reference to Exhibit 3.3 of the Form 10-K for the year ended December 31, 1998 of Terex Corporation, Commission File No. 1-10702).
3.4	Certificate of Amendment of the Certificate of Incorporation of Terex Corporation dated July 17, 2007 (incorporated by reference to Exhibit 3.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated July 17, 2007 and filed with the Commission on July 17, 2007).
3.5	Amended and Restated Bylaws of Terex Corporation (incorporated by reference to Exhibit 3.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated October 15, 2015 and filed with the Commission on October 19, 2015).
4.1	Indenture, dated July 20, 2007, between Terex Corporation and HSBC Bank USA, National Association, as Trustee, relating to senior debt securities (incorporated by reference to Exhibit 4.1 of the Form S-3 Registration Statement of Terex Corporation, Registration No. 333-144796).
4.2	Indenture, dated July 20, 2007, between Terex Corporation and HSBC Bank USA, National Association, as Trustee, relating to subordinated debt securities (incorporated by reference to Exhibit 4.2 of the Form S-3 Registration Statement of Terex Corporation, Registration No. 333-144796).
4.5	Third Supplemental Indenture, dated as of March 27, 2012, to Senior Debt Indenture dated as of July 20, 2007, with HSBC Bank USA, National Association as Trustee relating to the 6.50% Senior Notes due 2020 (incorporated by reference to Exhibit 4.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated March 27, 2012 and filed with the Commission on March 30, 2012).
4.6	Fourth Supplemental Indenture, dated as of November 26, 2012, to the Senior Debt Indenture dated as of July 20, 2007, with HSBC Bank USA, National Association as Trustee relating to 6% Senior Notes due 2021 (incorporated by reference to Exhibit 4.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated November 26, 2012 and filed with the Commission on November 30, 2012).
4.7	Supplemental Indenture to the Third Supplemental Indenture dated as of March 27, 2012 to Senior Debt Indenture dated as of July 20, 2007, with HSBC Bank USA, National Association as Trustee relating to the 6.50% Senior Notes due 2020 (incorporated by reference to Exhibit 4.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated September 8, 2015 and filed with the Commission on September 14, 2015).

4.8	Supplemental Indenture to the Fourth Supplemental Indenture, dated as of November 26, 2012, to the Senior Debt Indenture dated as of July 20, 2007, with HSBC Bank USA, National Association as Trustee relating to 6% Senior Notes due 2021 (incorporated by reference to Exhibit 4.2 of the Form 8-K Current Report, Commission File No. 1-10702, dated September 8, 2015 and filed with the Commission on September 14, 2015).
10.1	Terex Corporation Amended and Restated Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 of the Form 10-Q for the quarter ended June 30, 2007 of Terex Corporation, Commission File No. 1-10702). ***
10.2	1996 Terex Corporation Long Term Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form S-8 Registration Statement of Terex Corporation, Registration No. 333-03983). ***
10.3	Amendment No. 1 to 1996 Terex Corporation Long Term Incentive Plan (incorporated by reference to Exhibit 10.5 of the Form 10-K for the year ended December 31, 1999 of Terex Corporation, Commission File No. 1-10702). ***
10.4	Amendment No. 2 to 1996 Terex Corporation Long Term Incentive Plan (incorporated by reference to Exhibit 10.6 of the Form 10-K for the year ended December 31, 1999 of Terex Corporation, Commission File No. 1-10702). ***

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10.5	Terex Corporation Amended and Restated 2000 Incentive Plan (incorporated by reference to Exhibit 10.3 of the Form 8-K Current Report, Commission File No. 1-10702, dated October 14, 2008 and filed with the Commission on October 17, 2008). ***
10.6	Form of Restricted Stock Agreement under the Terex Corporation 2000 Incentive Plan between Terex Corporation and participants of the 2000 Incentive Plan (incorporated by reference to Exhibit 10.4 of the Form 8-K Current Report, Commission File No. 1-10702, dated January 1, 2005 and filed with the Commission on January 5, 2005). ***
10.7	Form of Option Agreement under the Terex Corporation 2000 Incentive Plan between Terex Corporation and participants of the 2000 Incentive Plan (incorporated by reference to Exhibit 10.5 of the Form 8-K Current Report, Commission File No. 1-10702, dated January 1, 2005 and filed with the Commission on January 5, 2005). ***
10.8	Terex Corporation Amended and Restated Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.10 of the Form 10-K for the year ended December 31, 2008 of Terex Corporation, Commission File No. 1-10702). ***
10.9	Terex Corporation Amended and Restated Deferred Compensation Plan (incorporated by reference to Exhibit 10.11 of the Form 10-Q for the quarter ended June 30, 2004 of Terex Corporation, Commission File No. 1-10702). ***
10.10	Amendment to the Terex Corporation Amended and Restated Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated October 14, 2008 and filed with the Commission on October 17, 2008). ***
10.11	Terex Corporation Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 of the Form 8-K Current Report, Commission File No. 1-10702, dated May 9, 2013 and filed with the Commission on May, 14, 2013). ***
10.12	Terex Corporation Amended and Restated 2009 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated May 9, 2013 and filed with the Commission on May, 14, 2013). ***
10.13	Form of Restricted Stock Agreement (time based) under the Terex Corporation Amended and Restated 2009 Omnibus Incentive Plan between Terex Corporation and participants of the 2009 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.17 of the Form 10-K for the year ended December 31, 2011 of Terex Corporation, Commission File No. 1-10702). ***
10.14	Form of Restricted Stock Agreement (performance based) under the Terex Corporation Amended and Restated 2009 Omnibus Incentive Plan between Terex Corporation and participants of the 2009 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.18 of the Form 10-K for the year ended December 31, 2011 of Terex Corporation, Commission File No. 1-10702). ***
10.15	Credit Agreement dated as of August 13, 2014, among Terex Corporation, certain of its subsidiaries, the Lenders named therein and Credit Suisse AG, as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated August 15, 2014 and filed with the Commission August 15, 2014).

10.16	Guarantee and Collateral Agreement dated as of August 13, 2014, among Terex Corporation, certain of its subsidiaries, and Credit Suisse AG, as Collateral Agent (incorporated by reference to Exhibit 10.2 of the Form 8-K Current Report, Commission File No. 1-10702, dated August 15, 2014 and filed with the Commission August 15, 2014).
10.17	Incremental Assumption Agreement and Amendment No. 1, dated as of May 29, 2015, to the Credit Agreement dated as of August 13, 2014, among Terex Corporation, certain of its subsidiaries, the Lenders named therein and Credit Suisse AG, as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated May 28, 2015 and filed with the Commission June 2, 2015).
10.18	Loan and Security Agreement, dated as of May 28 2015, among TFS Funding I, LLC, Terex Financial Services, Inc., Institutional Secured Funding (Jersey) Limited, Credit Suisse AG (Cayman Islands Branch) and Credit Suisse AG (New York Branch). ^
10.19	Commitment Letter dated August 10, 2015, among Terex Corporation, Konecranes Plc, Credit Suisse Securities (USA) LLC and Credit Suisse AG.*

10.20	Amended and Restated Employment and Compensation Agreement, dated August 9, 2012, between Terex Corporation and Ronald M. DeFeo (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated August 9, 2012 and filed with the Commission on August 13, 2012). ***
10.21	Life Insurance Agreement, dated as of October 13, 2006, between Terex Corporation and Ronald M. DeFeo (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated October 13, 2006 and filed with the Commission on October 16, 2006). ***
10.22	Transition and Retirement Agreement between Terex Corporation and Phillip C. Widman, dated October 19, 2012 (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated October 19, 2012 and filed with the Commission on October 22, 2012). ***
10.23	Form of Change in Control and Severance Agreement between Terex Corporation and certain executive officers (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated March 29, 2011 and filed with the Commission on March 31, 2011). ***
10.24	Form of Change in Control and Severance Agreement between Terex Corporation and certain executive officers (incorporated by reference to Exhibit 10.2 of the Form 8-K Current Report, Commission File No. 1-10702, dated March 29, 2011 and filed with the Commission on March 31, 2011). ***
10.25	Employment Letter from Terex Corporation signed by John Garrison on October 15, 2015 (incorporated by reference to Exhibit 10.1 of the Form 8-K Current Report, Commission File No. 1-10702, dated October 15, 2015 and filed with the Commission on October 19, 2015).
12	Calculation of Ratio of Earnings to Fixed Charges. *
31.1	Chief Executive Officer Certification pursuant to Rule 13a-14(a)/15d-14(a). *
31.2	Chief Financial Officer Certification pursuant to Rule 13a-14(a)/15d-14(a). *
32	Chief Executive Officer and Chief Financial Officer Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002. **
101.INS	XBRL Instance Document. *
101.SCH	XBRL Taxonomy Extension Schema Document. *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. *
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. *
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. *

*	Exhibit filed with this document.
**	Exhibit furnished with this document.
***	Denotes a management contract or compensatory plan or arrangement.

^ Portions of this exhibit have been omitted pursuant to a Confidential Treatment Order dated October 7, 2015 issued by the Commission. The omitted portions have been separately filed with the Commission.

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