TEREX CORP
Form 10-K
February 29, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

FOR ANNUAL AND TRANSITIONAL REPORTS PURSUANT TO
SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2011

or

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-10702

TEREX CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	34-1531521
(State of Incorporation)	(IRS Employer Identification No.)
200 Nyala Farm Road, Westport, Connecticut	06880
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: (203) 222-7170
Securities registered pursuant to Section 12(b) of the Act:
COMMON STOCK, $.01 PAR VALUE
(Title of Class)
NEW YORK STOCK EXCHANGE
(Name of Exchange on which Registered)
Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES o NO x

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Act.
YES o NO x

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.
YES x NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES x NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant’s knowledge, in definitive proxy or information statements

incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. T

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer x Accelerated Filer o Non-accelerated Filer o Smaller Reporting Company o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES o NO x

The aggregate market value of the voting and non-voting common equity stock held by non-affiliates of the Registrant was approximately $3,020 million based on the last sale price on June 30, 2011.

THE NUMBER OF SHARES OF THE REGISTRANT'S COMMON STOCK OUTSTANDING WAS 109.8 MILLION AS OF February 24, 2012.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Terex Corporation Proxy Statement to be filed with the Securities and Exchange Commission within 120 days after the year covered by this Form 10-K with respect to the 2012 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

As used in this Annual Report on Form 10-K, unless otherwise indicated, Terex Corporation, together with its consolidated subsidiaries, is hereinafter referred to as "Terex," the "Registrant," "us," "we," "our" or the "Company." This Ann Report generally speaks as of December 31, 2011, unless specifically noted otherwise.

Forward-Looking Information

Certain information in this Annual Report includes forward-looking statements regarding future events or our future financial performance that involve certain contingencies and uncertainties, including those discussed below in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Contingencies and Uncertainties." In addition, when included in this Annual Report or in documents incorporated herein by reference, the words "may," "expects," "should," "intends," "anticipates," "believes," "plans," "projects," "estimates negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. We have based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Such risks and uncertainties, many of which are beyond our control, include:

- our business is cyclical and weak general economic conditions affect the sales of our products and financial results;
- our ability to successfully integrate acquired businesses, including the recent acquisition of Demag Cranes AG;
- our ability to access the capital markets to raise funds and provide liquidity;
- our business is sensitive to government spending;
- our business is very competitive and is affected by our cost structure, pricing, product initiatives and other actions taken by competitors;
- the effects of past operating losses;
- a material disruption to one of our significant facilities;
- our retention of key management personnel;
- the financial condition of suppliers and customers, and their continued access to capital;
- our providing financing and credit support for some of our customers;
- we may experience losses in excess of recorded reserves;
- the carrying value of our goodwill and other indefinite-lived intangible assets could become impaired;
- our ability to obtain parts and components from suppliers on a timely basis at competitive prices;
- our ability to timely manufacture and deliver products to customers;
- the need to comply with restrictive covenants contained in our debt agreements;
- our ability to generate sufficient cash flow to service our debt obligations and operate our business;
- our business is global and subject to changes in exchange rates between currencies, regional economic conditions and trade restrictions;
- our operations are subject to a number of potential risks, including changing regulatory environments, the Foreign Corrupt Practices Act and other similar laws, and political instability;
- possible work stoppages and other labor matters;
- compliance with changing laws and regulations, particularly environmental and tax laws and regulations;
- litigation, product liability claims, patent claims, class action lawsuits and other liabilities;
- our ability to comply with an injunction and related obligations resulting from the settlement of an investigation by the United States Securities and Exchange Commission ("SEC");
- our implementation of a global enterprise system and its performance; and
- other factors.

Actual events or our actual future results may differ materially from any forward-looking statement due to these and other risks, uncertainties and significant factors. The forward-looking statements contained herein speak only as of the

date of this Annual Report and the forward-looking statements contained in documents incorporated herein by reference speak only as of the date of the respective documents. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained or incorporated by reference in this Annual Report to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

As a result of the final court decree in August 2009 that formalized the settlement of an investigation of Terex by the SEC, for a period of three years, or such earlier time as we are able to obtain a waiver from the SEC, we cannot rely on the safe harbor provisions regarding forward-looking statements provided by the regulations issued under the Securities Exchange Act of 1934.

The forward-looking statements and prospective financial information included in this Form 10-K have been prepared by, and are the responsibility of, Terex's management. PricewaterhouseCoopers LLP ("PwC") has not performed any procedures with respect to the accompanying forward-looking statements and prospective financial information and, accordingly, PwC does not express an opinion or any other form of assurance with respect thereto. The PwC report included in this Form 10-K relates to the Company's historical financial information. It does not extend to the forward-looking statements and prospective financial information and should not be read to do so.

TEREX CORPORATION AND SUBSIDIARIES
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For the Year Ended December 31, 2011

PART I

ITEM 1. BUSINESS

GENERAL

Terex is a diversified global equipment manufacturer of a variety of capital goods machinery products. We are focused on delivering reliable, customer-driven solutions for a wide range of commercial applications, including the construction, infrastructure, quarrying, mining, manufacturing, shipping, transportation, refining, energy and utility industries. We report in five business segments: (i) Aerial Work Platforms; (ii) Construction; (iii) Cranes; (iv) Material Handling & Port Solutions; and (v) Materials Processing.

We view our purpose as making products that will be used to improve the lives of people around the world. Our mission is to provide solutions to our machinery and industrial product customers that yield superior productivity and return on investment. Our vision focuses on our commitments to our core constituencies of customers, stakeholders and team members by providing our customers with a superior ownership experience, our stakeholders with a profitable enterprise that increases value, and our team members with a preferred place to work.

Our Company was incorporated in Delaware in October 1986 as Terex U.S.A., Inc. We have changed significantly since that time, achieving $6.5 billion of net sales in 2011. Much of our growth has been accomplished through acquisitions, and, in the past ten years, we have also focused on becoming a superb operating company.

As we have expanded our operations, our business has become increasingly international in scope, with our products manufactured in North and South America, Europe, Australia and Asia and sold worldwide. We continue to focus on expanding our business globally, with an increased emphasis on developing markets such as China, India, Brazil, Russia and the Middle East.

For financial information about our industry and geographic segments, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note B - “Business Segment Information” in the Notes to the Consolidated Financial Statements.

AERIAL WORK PLATFORMS

Our Aerial Work Platforms (“AWP”) segment designs, manufactures, refurbishes, services and markets aerial work platform equipment, telehandlers, light towers, bridge inspection equipment and utility equipment. Products include portable material lifts, portable aerial work platforms, trailer-mounted articulating booms, self-propelled articulating and telescopic booms, scissor lifts, telehandlers, trailer-mounted light towers, bridge inspection equipment and utility equipment (including truck-mounted digger derricks, auger drills, aerial devices and cable placers) as well as their related components and replacement parts. Customers use these products to construct and maintain industrial, commercial and residential buildings and facilities, construct and maintain utility and telecommunication lines, trim trees, in construction and foundation drilling applications and for other commercial operations, as well as in a wide range of infrastructure projects. We market aerial work platform products principally under the Terex® and Genie® brand names.

AWP has the following significant manufacturing operations:

- Aerial work platform equipment is manufactured in Redmond and Moses Lake, Washington, Umbertide, Italy, Coventry, England and Changzhou, China;
- Telehandlers are manufactured in Moses Lake, Washington and Umbertide, Italy;

- Trailer-mounted light towers, trailer-mounted articulated booms and bridge inspection equipment are manufactured in Rock Hill, South Carolina; and
- Utility products are manufactured in Watertown and Huron, South Dakota and Betim, Brazil.

We have aerial work platform refurbishment facilities located in Waco, Texas and Stockton, California. Additionally we operate a network of service locations that service and support utility products, aerial devices and a variety of other Terex® products throughout the United States.

We have a parts and logistics center located in North Bend, Washington for our aerial work platform equipment. Our utilities parts business, along with a portion of our aerial work platform parts business, conduct business at a shared Terex facility in Southaven, Mississippi. Our European parts and logistics operations are conducted through an out-sourced facility in Roosendaal, The Netherlands.

CONSTRUCTION

Our Construction segment designs, manufactures and markets three primary categories of construction equipment and their related components and replacement parts:

- Heavy construction equipment, including off-highway trucks and material handlers;
- Compact construction equipment, including loader backhoes, compaction equipment, mini and midi excavators, site dumpers, compact track loaders, skid steer loaders, wheel loaders and tunneling equipment; and
- Roadbuilding equipment, including asphalt and concrete equipment (including pavers, transfer devices, plants, mixers, reclaimers/stabilizers, placers and cold planers) and landfill compactors.

Customers use our products in construction and infrastructure projects, in building roads and bridges, in quarrying and mining operations and for material handling applications. We market our Construction products principally under the Terex® brand name, and for certain products, the Terex® name in conjunction with certain historic brand names.

Construction has the following significant manufacturing operations:

Heavy Construction Equipment

- Off-highway rigid haul trucks and articulated haul trucks are manufactured in Motherwell, Scotland; and
- Material handlers are manufactured in Bad Schönborn, Germany.

Compact Construction Equipment

- Compact track loaders, skid steer loaders and track systems for aerial work platform products are manufactured in Grand Rapids, Minnesota;
- Site dumpers, compaction equipment and loader backhoes, as well as products for our AWP segment, are manufactured in Coventry, England;
- A range of wheel loaders and mini, mobile, and midi excavators are manufactured in Crailsheim, Germany, and parts for the above-referenced products are manufactured in Langenburg and Gerabronn, Germany. In addition, specialized tunneling equipment is manufactured in Langenburg, Germany; and
- Loader backhoes, skid steer loaders and light towers (for our AWP segment) are manufactured for markets in India and neighboring countries in Greater Noida, Uttar Pradesh, India.

Roadbuilding Equipment

- Cold planers, reclaimers/stabilizers, asphalt plants, asphalt pavers, concrete plants, concrete pavers, concrete placers, transfer devices and landfill compactors, as well as products for our Materials Processing segment, are manufactured in Oklahoma City, Oklahoma;
- Asphalt plants, asphalt pavers, soil plants, cold planers, and micropaving and asphalt distributor equipment are manufactured in Cachoeirinha, Brazil;
- Concrete pavers are manufactured in Canton, South Dakota; and
- Front and rear discharge concrete mixer trucks are manufactured in Fort Wayne, Indiana

Construction’s North American distribution center is in Southaven, Mississippi and serves as a parts center for Construction and other Terex operations.

We have a minority interest in Inner Mongolia North Hauler Joint Stock Company Limited ("North Hauler"), a company incorporated under the laws of China, which manufactures rigid haulers in China. Trucks manufactured by North Hauler, which is located in Baotou, Inner Mongolia, are principally used in China under the Terex® brand name.

CRANES

Our Cranes segment designs, manufactures, services and markets mobile telescopic cranes, tower cranes, lattice boom crawler cranes, lattice boom truck cranes, truck-mounted cranes (boom trucks) and specialized port and rail equipment including straddle and sprinter carriers, gantry cranes, ship-to-shore cranes, reach stackers, empty container handlers, full container handlers and general cargo lift trucks, as well as their related replacement parts and components. Our Cranes products are used primarily for construction, repair and maintenance of commercial buildings, manufacturing facilities and infrastructure, as well as for material handling at port and railway facilities. We market our Cranes products principally under the Terex® brand name.

Cranes has the following significant manufacturing operations:

- Rough terrain and telescopic crawler cranes are manufactured in Crespellano, Italy;
- All-terrain cranes, truck cranes, truck-mounted cranes and reach stackers are manufactured in Montceau-les-Mines, France;
- Rough terrain cranes, truck cranes and truck-mounted cranes are manufactured in Waverly, Iowa;
- Truck cranes and truck-mounted cranes are manufactured in Luzhou, China;
- Lattice boom crawler cranes are manufactured in Jinan, China;
- Pick and carry cranes are manufactured in Brisbane, Australia;
- Tower cranes are manufactured in Fontanafredda, Italy;
- Lattice boom crawler and lattice boom truck cranes, as well as all terrain cranes, are manufactured in Zweibruecken-Dinglerstrasse and Zweibruecken-Wallerscheid, Germany;
- Steel assemblies for cranes are manufactured in Bierbach, Germany and Pecs, Hungary;
- Rubber tired gantry cranes, rail mounted gantry cranes, ship-to-shore cranes, reach stackers, empty container handlers, general cargo lift trucks and other material handling equipment are manufactured in Xiamen, China;
- Straddle and sprinter carriers are manufactured in Wurzburg, Germany; and
- Reach stackers, empty container handlers, full container handlers and general cargo lift trucks are manufactured in Lentigione, Italy.

MATERIAL HANDLING & PORT SOLUTIONS

Our Material Handling & Port Solutions (“MHPS”) segment designs, manufactures, refurbishes, services and markets industrial cranes, including standard cranes, process cranes, rope and chain hoists, electric motors, light crane systems and crane components and port equipment such as mobile harbor cranes, automated stacking cranes, automated guided vehicles as well as terminal automation technology, including software. Customers use these products for material handling at manufacturing and port facilities. Our MHPS segment also operates an extensive global sales and service network. We market our MHPS products under the Demag® and Gottwald® brand names.

MHPS has the following significant manufacturing operations:

- Standard cranes are manufactured in Luisenthal, Germany, Banbury, UK, Madrid, Spain, Milan, Italy, Solon, Ohio, Cotia, Brazil, Boksburg, South Africa, Chakan, India, Shanghai, China, and Sydney, Australia;
- Process cranes are manufactured in Slany, Czech Republic, Boksburg, South Africa, Chakan, India, Shanghai, China and Cotia, Brazil;
- Rope and chain hoists are manufactured in Wetter an der Ruhr, Germany, Shanghai, China, Milan, Italy and Cotia, Brazil;
- Electric motors are manufactured in Uslar, Germany;
- Mobile harbor cranes, automated stacking cranes and automated guided vehicles are manufactured in Düsseldorf, Germany; and

- Light crane systems are manufactured in Shanghai, China, Cotia, Brazil, Chakan, India and Wetter an der Ruhr, Germany.

We offer a range of services for cranes and lifting equipment consisting of field service, refurbishment and spare parts, as well as consultancy and training services to help optimize the use of our crane systems. These services are provided by more than 220 service centers worldwide. Our services are provided on our own industrial crane products and also on third-party products and related equipment.

MATERIALS PROCESSING

Our Materials Processing ("MP") segment designs, manufactures and markets materials processing equipment, including crushers, washing systems, screens, apron feeders, chippers and related components and replacement parts. Customers use our MP products in construction, infrastructure and recycling projects, in various quarrying and mining applications, as well as in landscaping and biomass production industries. We market our MP products principally under the Terex® and Powerscreen® brand names and the Terex® name in conjunction with certain historic brand names.

MP has the following significant manufacturing operations:

- Mobile crushers and mobile screens are manufactured in Omagh and Dungannon, Northern Ireland;
- Mobile crushers and mobile screens are manufactured in Hosur, India, primarily for the Indian market;
- Base crushers and base screens are manufactured in Subang Jaya, Malaysia and at a Terex facility in Oklahoma City, Oklahoma;
- Screening equipment is manufactured in Durand, Michigan;
- Mobile crushers and mobile screens are manufactured in Quanzhou, China primarily for the Chinese market;
- Base crushers are manufactured in Coalville, England; and
- Hand-fed chippers and drum-style trailer-mounted and tracked biomass chippers are manufactured in Farwell, Michigan.

We have a North American distribution center in Louisville, Kentucky and four distribution facilities in Australia.

OTHER

We may assist customers in their rental, leasing and acquisition of our products through Terex Financial Services ("TFS"). TFS utilizes its equipment and financial leasing experience to provide a variety of financing solutions to our customers when they purchase our equipment. TFS provides financing support primarily by: (i) facilitating loans and leases between our customers and various third party financial institutions; and (ii) in the United States, originating, underwriting, documenting, funding and servicing financing transactions directly with end-user customers, distributors and rental companies. Most of the transactions are fixed and floating rate loans. However, TFS also provides sales-type leases, operating leases and rentals (with and without purchase options). TFS in the normal course of business sells loans and leases to financial institutions with which it has established relationships.

Although the direct financing activities of TFS have historically been limited to the United States, TFS is continually evaluating the need and opportunity to provide this capability in other countries. In 2011, TFS provided limited financing through syndication in select countries in Europe and in 2012 TFS plans to initiate a direct equipment finance leasing business in China.

DISCONTINUED OPERATIONS

On February 19, 2010, we completed the disposition of our Mining business, formerly part of the Materials Processing & Mining segment, to Bucyrus International, Inc. ("Bucyrus") and received approximately $1 billion in cash and approximately 5.8 million shares of Bucyrus common stock. The products divested in the transaction included hydraulic mining excavators, high capacity surface mining trucks, track and rotary blasthole drills, drill tools and highwall mining equipment, as well as the related parts and aftermarket service businesses, including Company-owned distribution locations. Our auger machines and auger tools product lines were not sold as part of this disposition and instead are consolidated within our AWP segment.

On December 31, 2009, we sold the assets of our construction trailer business. The results of this business were formerly consolidated within the AWP segment.

In March 2010, we sold the assets of our Powertrain pumps business and gears business. The results of these businesses were formerly consolidated within the Construction segment. On March 10, 2010, we entered into a definitive agreement to sell our Atlas heavy construction equipment and knuckle-boom crane businesses. The results of these businesses were formerly consolidated within the Construction and Cranes segments, respectively. On April 15, 2010, we completed the portion of this transaction related to the operations in Germany and on August 11, 2010, we completed the portion of this transaction related to the operations in the United Kingdom.

Due to the divestiture of these businesses, the reporting of these businesses has been included in discontinued operations for all periods presented. See Note D – “Discontinued Operations” in the Notes to our Consolidated Financial Statements for more information on our discontinued operations.

BUSINESS STRATEGY

General

We operate a diverse portfolio of capital goods machinery businesses that serve numerous end-user applications and geographic markets. Our diverse portfolio reduces the impact of any one application or market on business results while our focus on machinery-related businesses brings common operational characteristics that enable business efficiency.

Mergers and acquisitions have played an important role in the history of our Company and we will continue to evaluate new opportunities that can enhance our business portfolio while creating opportunities for leverage on market presence, operational capabilities, or both.

Over the past several years, we made several conscious changes to our business portfolio to better balance business drivers and to strengthen the capabilities of our Company. We have moved from what was predominantly a mining and construction equipment company to a more diverse manufacturer of capital goods machinery with strong market positions in our specialty areas. As a result, approximately 75% of our sales are generated in areas where we are a market leader (one of the top three companies in the market).

Our 2011 investment in Demag Cranes AG was a major step towards these objectives; one that enhances our existing port equipment business, adds a new position in overhead cranes for the industrial environment, and brings a mature set of service capabilities that we believe can be transformative within Terex. During 2011, we also strengthened our position in developing markets, acquiring a utility equipment and energized electrical line work tools company in Brazil, as well as entering into a joint venture agreement that we believe will enhance our production and distribution presence in the Russian market.

Our operating strategy reflects the following core elements of the Terex operating model:

1. Customer Responsiveness
2. Operational Efficiency
3. Global Growth

We must excel in each of these areas in order to be a more effective and more profitable company long term, and strong performance in all three areas is central to the daily management of our Company.

Our Customer Responsiveness goal is to exceed the performance of competitors in providing equipment that goes to work and stays at work, backed by world class parts and service support. Each of our businesses routinely measures customer satisfaction and develops roadmaps used to drive both step-change and incremental improvement in customer satisfaction. Our goal is annual improvement in our current businesses to achieve improved responsiveness versus our competition.

Our Operational Efficiency goal is to achieve the highest return on invested capital in our peer group. This implies an efficient factory footprint, efficient supply and delivery chains, and a lean mindset that enables the elimination of waste throughout our processes for production, delivery, and service to the customer using the Terex Business System (as explained below). It is not our goal to be the lowest priced competitor, but to have the ability to compete on price when necessary. Competition in all of our businesses is intense and we must position ourselves to compete more effectively during all phases of the future business cycle.

Global Growth is critical to our future success. We believe that success in developing markets is both an opportunity and a necessity for many of our businesses. Developing markets are also increasingly important source countries in our industries. We have been active for several years at sourcing components and products from developing markets and intend to pursue such opportunities aggressively in the future.

We remain committed to becoming a stronger and more effective company tomorrow than we are today. To be successful, we must focus on what makes our individual businesses strong while also working together across our businesses to harness the strength of the Company as a whole. We continue to strengthen our management team and processes in order to meet these goals.

What does not change however, is our unwavering commitment to a set of core principles that guide everything we do. These principles are reflected in our purpose, mission, and vision, in a set of cultural characteristics that we call the Terex Way, and in the processes and practices that define the Terex Business System.

Purpose, Mission, Vision

Our purpose remains to improve the lives of people around the world. Our mission is to provide solutions to our machinery and industrial product customers that yield superior productivity and return on investment.

Our vision focuses on the Company's core constituencies of customers, stakeholders and team members:

- Customers: We aim to be the most customer responsive company in the industry as determined by our customers.
- Stakeholders: We aim to be the most profitable company in the industry as measured by Return on Invested Capital.
- Team Members: We aim to be the best place to work in the industry as determined by our team members.

The Terex Way

We operate our business based on our value system, "The Terex Way." The Terex Way shapes the culture of our Company and reflects our collective commitment to what it means to be a part of Terex. The Terex Way is based on six key values:

- Integrity: Integrity reflects honesty, ethics, transparency and accountability. We are committed to maintaining high ethical standards in all of our business dealings and we never sacrifice our integrity for profit.
- Respect: Respect incorporates concern for safety, health, teamwork, diversity, inclusion and performance. We treat all our team members, customers and suppliers with respect and dignity.
- Improvement: Improvement encompasses quality, problem-solving systems, a continuous improvement culture and collaboration. We continuously search for new and better ways of doing things, focusing on continuous improvement and the elimination of waste.
- Servant Leadership: Servant leadership requires service to others, humility, authenticity and leading by example. We work to serve the needs of our customers, investors and team members.
- Courage: Courage entails willingness to take risks, responsibility, action and empowerment. We have the courage to make a difference even when it is difficult.
- Citizenship: Citizenship means social responsibility and environmental stewardship. We comply with all laws and respect all people's values and cultures and are good global, national and local citizens.

The Terex Business System

Our operational principles are based on the "Terex Business System," or "TBS." TBS is the framework around which we are building our capabilities as a superb operating company to achieve our long-term goals. Founded on lean concepts, TBS is a set of guiding principles and business processes that collectively define who we are and how we do what we do. TBS is our playbook to deliver our customer, team member and financial goals. It aligns the Company globally with repeatable, teachable processes that harness the full potential of our team members. TBS is not the business strategy; it supports the business strategy. We anticipate that TBS will provide us a competitive advantage through the use of customer-centric tools that continually enhance customer responsiveness and eliminate waste.

PRODUCTS

AERIAL WORK PLATFORMS

AERIAL WORK PLATFORMS. Aerial work platform equipment safely positions workers and materials easily and quickly to elevated work areas to enhance productivity. These products have developed as alternatives to scaffolding and ladders. We offer a variety of aerial lifts that are categorized into seven product families: portable material lifts; portable aerial work platforms; trailer-mounted articulating booms; self-propelled articulating and self-propelled

telescopic booms; scissor lifts; and bridge inspection equipment.

- Portable material lifts are used primarily indoors in the construction, industrial and theatrical markets.
- Portable aerial work platforms are used primarily indoors in a variety of markets to perform overhead maintenance.
- Trailer-mounted articulating booms are used both indoors and outdoors. They provide versatile reach, and have the ability to be towed between job sites.
- Self-propelled articulating booms are primarily used in construction and industrial applications, both indoors and outdoors. They feature lifting versatility with up, out and over position capabilities to access difficult to reach overhead areas.
- Self-propelled telescopic booms are used outdoors in commercial and industrial construction, as well as highway and bridge maintenance projects.
- Scissor lifts are used in outdoor and indoor applications in a variety of construction, industrial and commercial settings.

- Bridge inspection equipment allows access to many under bridge related tasks, including inspections, painting, sandblasting, repairs, general maintenance, installation and maintenance of under bridge pipe and cables, stripping operations and replacement and maintenance of bearings.

TELEHANDLERS. Telehandlers are used to move and place materials on residential and commercial construction sites and are used in the energy, infrastructure and agricultural industries.

LIGHT TOWERS. Trailer-mounted light towers are used primarily to light work areas for night construction, entertainment, emergency assistance, security and for other nighttime or low light applications.

UTILITY EQUIPMENT. Our utility products include digger derricks, auger drills, insulated and non-insulated aerial devices and cable placers. These products are used by electric utilities, tree care companies, telecommunications and cable companies, and the related construction industries, as well as by government organizations.

- Digger derricks are used to dig holes, hoist and set utility poles, as well as lift transformers and other materials at job sites. Auger drills are used to dig holes for utility poles or construction foundations requiring larger diameter holes in difficult soil conditions.
- Insulated aerial devices are used to elevate workers and material to work areas at the top of utility poles, energized transmission lines and for trimming trees near energized electrical lines, as well as for miscellaneous purposes such as sign maintenance. Non-insulated aerials are used in applications where energized electrical lines are not a hazard.
- Cable placers are used to install fiber optic, copper and strand telephone and cable lines.

CONSTRUCTION

HEAVY CONSTRUCTION EQUIPMENT. We manufacture and/or market off-highway trucks and material handlers.

- Articulated off-highway trucks are three-axle, six-wheel drive machines with an articulating connection between the cab and body that allows the cab and body to move independently, enabling all six tires to maintain ground contact for traction on rough terrain.
- Rigid off-highway trucks are two-axle machines, which generally have larger capacities than articulated off-highway trucks, but can operate only on improved or graded surfaces, and are used in large construction or infrastructure projects, aggregates and smaller surface mines.
- Material handlers are designed for handling logs, scrap, recycling and other bulky materials with clamshell, magnet or grapple attachments.

COMPACT CONSTRUCTION EQUIPMENT. We manufacture a wide variety of compact construction equipment used primarily in the construction and rental industries. Products include compact track loaders, loader backhoes, compaction equipment, excavators, site dumpers, skid steer loaders, wheel loaders and tunneling equipment.

- Loader backhoes incorporate a front-end loader and rear excavator arm. They are used for loading, excavating and lifting in many construction and agricultural related applications.
- Our compaction equipment ranges from pedestrian single drum to ride-on tandem rollers.
- Excavators in the compact equipment category include mini, mobile and midi excavators used in the general construction, landscaping and rental businesses.
- Wheel loaders are used for loading and unloading materials. Applications include residential and non-residential construction, waste management and general construction.
- Site dumpers are used to move smaller quantities of materials from one location to another, and are primarily used for construction applications.

- Compact track loaders, skid steer loaders and wheel loaders are used for loading and unloading materials in construction, industrial, rental, agricultural and landscaping businesses.
- Tunneling equipment, including loading machines, tunnel excavators, cutting units, customized tunneling and mining machines, as well as modified standard construction machines, are used to provide a variety of tunneling solutions in train, subway and metropolitan infrastructure projects.

ROADBUILDING EQUIPMENT. We manufacture asphalt pavers, transfer devices, asphalt plants, concrete production plants, concrete mixers, concrete pavers, concrete placers, cold planers, reclaimers/stabilizers and landfill compactors.

- Asphalt pavers are available in a variety of sizes and designs. Smaller units are used for commercial work such as parking lots, development streets and construction overlay projects. Mid-sized pavers are used for mainline and commercial projects. High production pavers are engineered and built for heavy-duty, mainline paving.
- Asphalt transfer devices are available in both self-propelled and paver pushed designs and are intended to reduce segregation in the paver to create a smoother roadway.
- Asphalt plants are used to produce hot mix asphalt and are available in portable, re-locatable and stationary configurations.
- Concrete production plants are used in residential, commercial, highway, airport and other markets. Our products include a full range of portable and stationary transit mix and central mix production facilities.
- Concrete mixers are machines with a large revolving drum in which cement is mixed with other materials to make concrete. We offer models mounted on trucks with three, four, five, six or seven axles and other front and rear discharge models.
- Our concrete pavers are used to finish concrete streets, highways and airport surfaces.
- Concrete placers transfer materials from trucks in preparation for paving.
- Cold planers mill and reclaim deteriorated asphalt pavement, leaving a level, textured surface upon which new paving material is placed.
- Our reclaimers/stabilizers are used to add load-bearing strength to the base structures of new highways and new building sites. They are also used for in-place reclaiming of deteriorated asphalt pavement.
- We produce landfill compactors used to compact refuse at landfill sites.

CRANES

We offer a wide variety of cranes, including mobile telescopic cranes, tower cranes, lattice boom crawler cranes, boom trucks, as well as specialty cranes and machinery designed specifically for port and railway facility use such as straddle carriers, rubber tired and rail mounted gantry cranes, ship-to-shore cranes and reach stackers.

MOBILE TELESCOPIC CRANES. Mobile telescopic cranes are used primarily for industrial applications, in commercial and public works construction, and in maintenance applications to lift equipment or material. We offer a complete line of mobile telescopic cranes, including rough terrain cranes, truck cranes, all terrain cranes and pick and carry cranes.

- Rough terrain cranes move materials and equipment on rough or uneven terrain, and are often located on a single construction or work site such as a building site, a highway or a utility project for long periods. Rough terrain cranes cannot be driven on highways and accordingly must be transported by truck to the work site.
- Truck cranes have two cabs and can travel rapidly from job site to job site at highway speeds. Truck cranes are often used for multiple local jobs, primarily in urban or suburban areas.
- All-terrain cranes were developed in Europe as a cross between rough terrain and truck cranes, and are designed to travel across both rough terrain and highways.
- Pick and carry cranes are designed for a wide variety of applications, including use at mine sites, large fabrication yards, building and construction sites and in machinery maintenance and installation. They combine high road speed with all terrain capability.

TOWER CRANES. Tower cranes are often used in urban areas where space is constrained and in long-term or very high building sites. Tower cranes lift construction material and place the material at the point where it is being used. We produce the following types of tower cranes:

- Self-erecting tower cranes are trailer-mounted and unfold from four sections (two for the tower and two for the jib); certain larger models have a telescopic tower and folding jib. These cranes can be assembled on site in a few hours. Applications include residential and small commercial construction.
- Hammerhead tower cranes have a tower and a horizontal jib assembled from sections. The tower extends above the jib to which suspension cables supporting the jib are attached. These cranes are assembled on-site in one to three days depending on height, and can increase in height with the project.
- Flat top tower cranes have a tower and a horizontal jib assembled from sections. There is no A-frame above the jib, which is self-supporting and consists of reinforced jib sections. These cranes are assembled on-site in one to two days, and can increase in height with the project.
- Luffing jib tower cranes have a tower and an angled jib assembled from sections. There is one A-frame above the jib to which suspension cables supporting the jib are attached. Unlike other tower cranes, there is no trolley to control lateral movement of the load, which is accomplished by changing the jib angle. These cranes are assembled on-site in two to three days, and can increase in height with the project.

LATTICE BOOM CRAWLER AND LATTICE BOOM TRUCK CRANES. Lattice boom crawler and lattice boom truck cranes are designed to lift material on rough terrain and can maneuver while bearing a load. The boom is made of tubular steel sections, which, together with the base unit, are transported to and erected at a construction site.

TRUCK-MOUNTED CRANES (BOOM TRUCKS). We manufacture telescopic boom cranes and articulated hydraulic cranes for mounting on a commercial truck chassis. Truck-mounted cranes are used primarily in the construction and maintenance industries to lift equipment or materials to various heights. Boom trucks are generally lighter and have less lifting capacity than truck cranes, and are used for many of the same applications when lower lifting capabilities are sufficient. An advantage of a boom truck is that the equipment or material to be lifted by the crane can be transported by the truck, which can travel at highway speeds. Applications include delivery of building materials and the installation of commercial air conditioners and other roof-mounted equipment.

PORT EQUIPMENT. We manufacture reach stackers, ship-to-shore gantry cranes, rubber tired and rail mounted gantry cranes, straddle carriers, sprinter carriers, empty container handlers, full container handlers and general cargo lift trucks.

- Reach stackers are used to pick up and stack shipping containers at port and railway facilities. At the end of each reach stacker's boom is a spreader that enables it to attach to shipping containers of varying lengths and weights and to rotate the container.
- Ship-to-shore gantry cranes are used to load and unload container vessels at ports.
- Rubber tired and rail mounted gantry cranes are used for space intensive shipping container stacking at port and railway facilities.
- Straddle carriers pick up and carry shipping containers from or to a quay-side crane while straddling their load. Straddle carriers have the capability to stack up to four shipping containers on top of each other. Straddle carriers are used in port and railway facilities to move shipping containers and to load and unload shipping containers from on-highway trucks. Straddle carriers have both horizontal and vertical lifting capabilities.
- Sprinter carriers operate in a similar manner to straddle carriers, but operate at higher speeds and have only horizontal lifting capabilities.
- Empty container handlers, full container handlers and general cargo lift trucks are small to medium-sized highly mobile trucks for use with a variety of container handling applications at port and railway facilities and provide general cargo lifting capabilities.

MATERIAL HANDLING & PORT SOLUTIONS

MATERIAL HANDLING. We manufacture standard cranes, process cranes and components, such as rope hoists, chain hoists, light crane systems, travel units and electric motors.

- Standard cranes are configured individually from standardized modules for industrial infrastructure applications.
- Process cranes are also made from largely standardized modules and are integrated individually into the customer's specific production processes.
- Rope hoists and chain hoists are used to facilitate the movement of materials in a factory. They can either be integrated as components in standard and process cranes or used as lifting devices in non-crane applications.
- Light crane systems can be described as railway systems on ceilings that use hoists to move and lift materials in factories.
- Wheel blocks, electric motors, gearboxes, converters and travel units are components that can be included in tailored solutions for drive applications that aid in the movement of materials in a factory. These components can also be used separately in non-crane applications.
- Crane sets comprise component packages for customers who are constructing their own girders in a factory.

PORT SOLUTIONS. We manufacture mobile harbor cranes, automated stacking cranes, wide span gantries, automated guided vehicles and software solutions for logistic terminals.

- Mobile harbor cranes are used for material handling at ports, including general cargo handling and shipping containers. Mobile harbor cranes can travel around the port as needed and have the ability to move large loads. Mobile harbor cranes can be fitted with a variety of attachments for handling different types of cargo.
- Automated stacking cranes and wide span gantries are able to stack and manage container storage either automatically or semi-automatically. They also form the link between quayside and landside equipment such as ship-to-shore cranes, transport vehicles and trucks.
- Automated guided vehicles can carry containers of varying size. The vehicles are controlled and supplied with data and orders by our proprietary designed software and transponders, i.e. electro-magnetic route markers embedded into the ground of the terminal, which navigate and control the vehicles. In large container terminals involving container transport, storage and transloading, automated guided vehicles work hand-in-hand with automated stacking cranes.

SERVICES. We offer a range of services for cranes and lifting equipment consisting of field service, refurbishment, and spare parts, as well as consultancy and training services.

MATERIALS PROCESSING

Materials processing equipment is used in processing aggregate materials for roadbuilding applications and is also used in the quarrying, mining, demolition, recycling, landscaping and biomass production industries. Our materials processing equipment includes crushers, screens, feeders and biomass wood chippers.

We manufacture a range of track-mounted jaw, impactor (both horizontal and vertical shaft) and cone crushers, as well as base crushers for integration within static plants.

- Jaw crushers are used for crushing larger rock, primarily at the quarry face or on recycling duties. Applications include hard rock, sand and gravel and recycled materials. Impactor crushers are used in quarries for primary and secondary applications, as well as in recycling. Cone crushers are used in secondary and tertiary applications to reduce a number of materials, including quarry rock and riverbed gravel.
- Horizontal shaft impactors are primary and secondary crushers. They are typically applied to reduce soft to medium hard materials, as well as recycled materials. Vertical shaft impactors are secondary and tertiary crushers that reduce material utilizing various rotor configurations and are highly adaptable to any application.

Our screening and feeder equipment includes:

- Heavy duty inclined screens and feeders, which are used in high tonnage applications and are available as either stationary or heavy-duty mobile equipment. Inclined screens are used in all phases of plant design from handling quarried material to fine screening.
- Dry screening, which is used to process materials such as sand, gravel, quarry rock, coal, construction and demolition waste, soil, compost and wood chips.
- Washing screens, which are used to separate, wash, scrub, dewater and stockpile sand and gravel. Our products include a completely mobile, single chassis washing plant incorporating separation, washing, dewatering and stockpiling. We also manufacture mobile and stationary screening rinsers, bucket-wheel dewaterers, scrubbing devices for aggregate, a mobile cyclone for maximum retention of sand particles, silt extraction systems, stockpiling conveyors and a sand screw system as an alternative to bucket-wheel dewaterers.
- Apron feeders, which are generally situated at the primary end of the processing facility, and have a rugged design in order to handle the impact of the material being fed from front-end loaders and excavators. The feeder moves material to the crushing and screening equipment in a controlled fashion.

Biomass chippers are used by biomass producers, land developers and contractors to produce chips for energy or for the clearing of large sites. Hand-fed chippers are used by landscapers, rental companies, utilities, arborists, and municipalities to cut tree limbs or trunks into wood chips.

PRODUCT CATEGORY SALES

The following table lists our main product categories and their percentage of our total sales:

	PERCENTAGE OF SALES		
PRODUCT CATEGORY	2011	2010	2009
Aerial Work Platforms	19 %	15 %	12 %
Mobile Telescopic & Truck Cranes	17	23	28
Materials Processing Equipment	12	12	9
Compact Construction Equipment	10	10	7
Heavy Construction Equipment	9	9	9
Port Equipment *	9	8	4
Lattice Boom Crawler & Tower Cranes	7	8	16
Utility Equipment	4	7	7
Telehandlers & Light Construction Equipment	4	3	2
Material Handling *	4	—	—
Services *	3	—	—
Roadbuilding Equipment	2	5	5
Other	—	—	1
TOTAL	100 %	100 %	100 %

* MHPS sales included from date of acquisition

BACKLOG

Our backlog as of December 31, 2011 and 2010 was as follows:

	December 31,	
	2011	2010
	(in millions)	
AWP	$652.1	$307.0
Construction	243.1	139.0
Cranes	716.3	773.8
MHPS	468.5	—
MP	80.7	78.2
Total	$2,160.7	$1,298.0

We define backlog as firm orders that are expected to be filled within one year, although there can be no assurance that all such backlog orders will be filled within that time. Our backlog orders represent primarily new equipment orders. Parts orders are generally filled on an as-ordered basis.

Our management views backlog as one of many indicators of the performance of our business. Because many variables can cause changes in backlog, and these changes may or may not be of any significance, we consequently view backlog as an important, but not necessarily determinative, indicator of future results. High backlog can indicate a high level of future sales; however, when backlogs are high, this may also reflect a high level of production delays, which may result in future order cancellations from disappointed customers. Small backlog may indicate a low level of future sales; however, they may also reflect a rapid ability to fill orders that is appreciated by our customers.

Our overall backlog amounts at December 31, 2011 increased $862.7 million from our backlog amounts at December 31, 2010. Excluding the effect of MHPS, backlog increased $394.2, primarily due to returning demand in our AWP and Construction segments.

Our AWP segment backlog increased approximately 112% from December 31, 2010. Continued replacement of aging fleets was the primary driver of the increase from last year. The developed markets made up the majority of the order strength, particularly in North America and in Australia where we have seen a significant increase in orders due to energy infrastructure spending.

Our Construction segment backlog at December 31, 2011 increased approximately 75% from December 31, 2010. This increase over the prior year was primarily due to high demand for compact equipment and material handlers in central Europe and backhoe loaders in Russia.

The backlog at our Cranes segment decreased approximately 7% from December 31, 2010. Contributing to this decrease was a softness of order growth both in crawler and all terrain cranes.

MHPS backlog was $468.5 million at December 31, 2011. Material handling equipment had a strong order book, particularly in the standard and process crane businesses, primarily driven by increased customer factory utilization. Continuing good port capacity utilization and container traffic were the primary drivers of demand for mobile harbor cranes.

Our MP segment backlog at December 31, 2011 increased approximately 3% from December 31, 2010. Mining activity continued to drive orders in emerging markets. This was partially offset by recent softness in orders for mobile crushing products in developing markets as some end customers chose to rent equipment as a result of the macroeconomic uncertainty rather than place new orders.

DISTRIBUTION

We distribute our products through a global network of dealers, rental companies, major accounts and direct sales to customers.

AERIAL WORK PLATFORMS

Our aerial work platform, telehandler and light tower products are distributed principally through a global network of rental companies, independent dealers and, to a lesser extent, strategic accounts. We employ sales representatives who service these channel partners from offices located throughout the world. We sell bridge inspection equipment primarily directly to customers.

We sell utility equipment to the utility and municipal markets through a direct sales effort in certain territories and through a network of independent distributors in North America. Outside of North America, independent dealers sell our utility equipment directly to customers.

CONSTRUCTION

We distribute heavy construction equipment and replacement parts primarily through a network of independent dealers and distributors throughout the world. Our dealers are predominantly independent businesses, which generally serve the construction, mining, forestry and/or scrap industries. Although these dealers may carry products from a variety of manufacturers, they generally carry only one manufacturer’s “brand” of each particular type of product.

We distribute compact construction equipment primarily through a network of independent dealers and rental distributors throughout the world. We distribute loader backhoes and skid steer loaders manufactured in India through a network of approximately 50 dealers located in India, Nepal and neighboring countries.

We sell asphalt pavers, transfer devices, reclaimers/stabilizers, cold planers, concrete pavers, concrete placers, concrete plants and landfill compactors to end user customers principally through independent dealers and distributors and, to a lesser extent, on a direct basis in areas where distributors are not established. We sell asphalt plants and concrete roller pavers primarily direct to end user customers.

We sell concrete mixers primarily directly to customers and through distributors in certain regions of the United States.

CRANES

We market our crane products globally, optimizing assorted channel marketing systems including a distribution network and a direct sales force. We have direct sales, primarily to specialized crane rental companies, in certain crane markets such as the United Kingdom, Germany, Spain, Belgium, Italy, France and Scandinavia to offer comprehensive service and support to customers. Distribution via a dealer network is often utilized in other geographic areas, including the United States.

MATERIAL HANDLING & PORT SOLUTIONS

Our port equipment products are sold directly from our factory or our regional subsidiaries or indirectly via contractual partners to port and terminal operators and serviced either by the central service organization based in Düsseldorf, by the regional service organization or contractual partners. Our industrial crane products are also sold directly from our factory or our regional subsidiaries or indirectly via contractual partners to our end market customers.

MATERIALS PROCESSING

We distribute our products through a global network of independent dealers, rental companies, major accounts and direct sales to customers.

RESEARCH AND DEVELOPMENT

We maintain engineering staff primarily at our manufacturing locations to conduct research and development for the site-specific products. In addition, we have an engineering center in India which supports our engineering teams worldwide through new product design, existing product design improvement and the development of products for the local market. Continually monitoring our materials, manufacturing and engineering costs is essential for identifying possible savings, then leveraging those savings to improve our competitiveness and our customers' return on investment. Our engineering expenses are primarily incurred in connection with (i) development of additional applications and extensions of our existing product lines to meet customer needs and take advantage of growth opportunities and (ii) customer responsive enhancements and continuous cost improvements of existing products.

Our engineering focus mirrors the business priorities of delivering customer responsive solutions, growth in developing markets, maintaining compliance with evolving regulatory standards in our global markets as well as a lean enterprise focus through complexity reduction via product standardization, component rationalization and strategic alignment with select global suppliers. Our engineering teams in China, India and Brazil represent our commitment to engineering products for developing markets. They take equipment technology from the developed markets and translate it to appropriate technology for developing markets using the experience and cultural understanding of engineering teams native to those markets.

Product change driven by regulations requiring Tier 4 emissions compliance in most of our diesel engine powered machinery was an important part of our engineering priorities in 2011 and will be a major emphasis of our product development programs through 2015 as we move through the engine-horsepower dependent phase-in of Tier 4 regulations across our various diesel-engine equipped products.

Our costs incurred in the development of new products, cost reductions, or improvements to existing products of continuing operations increased slightly due to new product development, increased work associated with ramping up production and the impact of MHPS, and were $73.7 million, $59.9 million and $58.9 million in 2011, 2010 and 2009, respectively. We have continued our commitment to appropriate levels of engineering spending, commensurate with our level of vertical integration, in order to meet our customer needs, uphold competitive functionality of our products and maintain regulatory compliance in all the markets that we serve.

MATERIALS

Principal materials and components that we use in our various 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. Input costs continue to be a challenge, particularly in AWP, where input costs stabilized in the fourth quarter of 2011, but remain higher compared to the prior year and in our truck business in Construction where tires have been an issue. Component availability is still impacting us, particularly in certain of our Construction businesses, although this was less prevalent in the second half of 2011 than earlier in the year. We are also continuing the transition to Tier 4 emission compliant power systems. While this transition involves a significant amount of complexity, we believe we have sound strategies and plans in place to comply with the phase-in of Tier 4 regulations.

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 on a regular basis on their ability to meet our requirements and standards. We actively manage our material supply sourcing, and may 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 to include Asian suppliers, leveraging our overall purchasing volumes to obtain favorable quantities and developing a closer working relationship with key suppliers. We continue to search for acceptable alternative supply sources and less expensive supply options on a regular basis, including improving the globalization of our supply base and using suppliers in China and India. We are focusing on gaining efficiencies with suppliers based on our global purchasing power and resources.

COMPETITION

We face a competitive global manufacturing market for all of our products. We compete with other manufacturers based on many factors, particularly price, performance and product reliability. We generally operate under a best value strategy, where we attempt to offer our customers products that are designed to improve the customer's return on invested capital. However, in some instances, customers may prefer the pricing, performance or reliability aspects of a competitor's product despite our product pricing or performance. We do not have a single competitor across all business segments. The following table shows the primary competitors for our products in the following categories:

BUSINESS SEGMENT	PRODUCTS	PRIMARY COMPETITORS
Aerial Work Platforms	Portable Material Lifts and Portable Aerial Work Platforms	Oshkosh (JLG), Vestil, Sumner
	Boom Lifts	Oshkosh (JLG), Haulotte, Linamar (Skyjack), Tanfield (Snorkel) and Aichi
	Scissor Lifts	Oshkosh (JLG), Linamar (Skyjack), Haulotte, Manitou and Tanfield (Snorkel)
	Telehandlers	Oshkosh (JLG, Skytrak, Caterpillar and Lull brands), JCB, CNH, Merlo and Manitou (Gehl)
	Trailer-mounted Light Towers	Allmand Bros., Magnum and Doosan
	Bridge Inspection Equipment	Moog USA and Barin
	Utility Equipment	Altec and Time Manufacturing (Versalift)
Construction	Articulated Off-highway Trucks & Rigid Off-highway Trucks	Volvo, Caterpillar, Doosan, John Deere, Bell, Liebherr and Komatsu
	Material Handlers	Liebherr, Sennebogen, Linkbelt, Exodus and Caterpillar
	Wheel Loaders	Caterpillar, Volvo, Kubota, Kawasaki, John Deere, Komatsu, Hitachi, CNH, Liebherr and Doosan
	Loader Backhoes	Caterpillar, CNH, JCB, Komatsu, Volvo and John Deere
	Compaction Equipment	Caterpillar, Bomag, Amman, Dynapac and Hamm
	Mini Excavators	Doosan (Bobcat), Yanmar, Volvo, Takeuchi, IHI, CNH, Caterpillar, John Deere, Neuson and Kubota
	Midi Excavators	Komatsu, Hitachi, Volvo and Yanmar

Site Dumpers	Thwaites and AUSA
Skid Steer Loaders	Doosan (Bobcat), Caterpillar, CNH, John Deere, Takeuchi, Manitou (Gehl), Volvo and Kubota
Compact Track Loaders	Doosan (Bobcat), Caterpillar, CNH, John Deere, Takeuchi, Volvo and Manitou (Gehl)
Tunneling Equipment	Caterpillar and Liebherr
Asphalt Pavers and Transfer Devices	Volvo (Blaw-Knox), Fayat (Bomag), Caterpillar, Wirtgen (Ciber and Vogele), Atlas Copco (Dynapac), and Astec (Roadtec)
Asphalt Plants	Astec Industries, Gencor Corporation, All-Mix, Ciber and ADM
Cold Planers	Fayat (Bomag), Caterpillar, Atlas Copco (Dynapac), Wirtgen and Astec Industries (Roadtec)
Concrete Production Plants	Con-E-Co, Astec Industries, Erie Strayer, Helco, Hagen and Stephens
Concrete Pavers	Gomaco, Wirtgen, Power Curbers and Guntert & Zimmerman
Concrete Placers	Gomaco, Wirtgen and Guntert & Zimmerman

BUSINESS SEGMENT	PRODUCTS	PRIMARY COMPETITORS
	Concrete Mixers	Oshkosh, London and Continental Manufacturing
	Landfill Compactors	Al-Jon, Fayat (Bomag) and Caterpillar
	Reclaimers/Stabilizers	Caterpillar, Astec Industries (Roadtec), Wirtgen and Fayat (Bomag)
Cranes	Mobile Telescopic Cranes	Liebherr, Manitowoc (Grove), Tadano-Faun, Sumitomo (Link-Belt), XCMG, Kato, Zoomlion and Sany
	Tower Cranes	Liebherr, Manitowoc (Potain), Comansa, Zoomlion, Sany, XCMG and Wolffkran
	Lattice Boom Crawler Cranes	Manitowoc, Sumitomo (Link-Belt), Liebherr, Hitachi, Kobelco, XCMG, Zoomlion, Fushun and Sany
	Lattice Boom Truck Cranes	Liebherr
	Truck-Mounted Cranes	Manitowoc (National Crane), Altec and Manitex
	Reach Stackers	Cargotec (Kalmar), Hyster, Konecranes (SMV), Taylor, Dalian, CVS Ferrari and Liebherr
	Straddle Carriers	Cargotec (Kalmar), CVS Ferrari and Konecranes
	Rubber Tired and Rail Mounted Gantry Cranes	Zhenua Port Machinery, Liebherr, Konecranes, Cargotec (Kalmar), Doosan, Hyundai and Mitsui Engineering & Shipbuilding
	Ship-to-Shore Gantry Cranes	Zhenua Port Machinery, Liebherr, Konecranes, Cargotec (Kalmar), Samsung, Doosan, Hyundai, and Mitsui Engineering & Shipbuilding
	Empty Container Handlers, Full Container Handlers and General Cargo Lift Trucks	Cargotec (Kalmar), Hyster, Linde, CVS Ferrari, Konecranes (SMV), Svetruck and Sany
Material Handling & Port Solutions	Industrial Cranes	Konecranes, Columbus McKinnon, ABUS, Kito, GH, OMIS and WEIHUA

	Port Equipment and Technology	Liebherr, Konecranes, Cargotec, ZPMC and Künz
Materials Processing	Crushing Equipment	Metso, Astec Industries, Sandvik, Komatsu and Kleemann
	Screening Equipment	Metso, Astec Industries and Sandvik
	Chippers	Vermeer, Bandit and Morbark

MAJOR CUSTOMERS

None of our customers accounted for more than 10% of our consolidated sales in 2011. In 2011, our largest customer accounted for less than 4% of our net sales and our top ten customers in the aggregate accounted for less than 14% of our net sales.

EMPLOYEES

As of December 31, 2011, we had approximately 22,600 employees, including approximately 5,600 employees in the U.S. Approximately 4% of our employees in the U.S. are represented by labor unions. Outside of the U.S., we enter into employment contracts and collective agreements in those countries in which such relationships are mandatory or customary. The provisions of these agreements correspond in each case with the required or customary terms in the subject jurisdiction. We generally consider our relations with our employees to be good.

PATENTS, LICENSES AND TRADEMARKS

We use proprietary materials such as patents, trademarks, trade secrets and trade names in our operations and take actions to protect these rights.

We use several significant trademarks and trade names, most notably the Terex®, Genie®, Demag® and Powerscreen® trademarks. The other trademarks and trade names that we use include registered trademarks of Terex Corporation or its subsidiaries. The Demag® trademark is a registered trademark of Siemens AG which is licensed to certain Terex subsidiaries for certain products.

We have many patents that we use in connection with our operations, and most of our products contain some proprietary technology. Many of these patents and related proprietary technology are important to the production of particular products; however, overall, our patents, taken together, are not material to our business or our financial results, nor do they provide us with a competitive advantage over our competitors.

We protect our proprietary rights through registration, agreements and litigation to the extent we deem appropriate. We own and maintain trademark registrations and patents in countries where we conduct business, and monitor the status of our trademark registrations and patents to maintain them in force and renew them as appropriate. The duration of active registrations varies based upon the relevant statutes in the applicable jurisdiction. We also take further actions to protect our proprietary rights when circumstances warrant, including the initiation of legal proceedings, if necessary.

Currently, we are engaged in various legal proceedings with respect to intellectual property rights. While the final outcome of these matters cannot be predicted with certainty, we believe the outcome of such matters will not have a material adverse effect, individually or in the aggregate, on our business or operating performance. For more detail, see “Item 3 - Legal Proceedings.”

SAFETY AND ENVIRONMENTAL CONSIDERATIONS

As part of The Terex Way, we are committed to providing a safe and healthy environment for our team members, and strive to provide quality products that are safe to use and operate in an environmentally conscious and respectful manner.

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 federal, state, local and foreign environmental laws and regulations. All of our employees are required to obey all applicable 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 have significantly reduced lost time injuries in the workplace since 2007 and we continue to work toward a world-class level of safety practices in our industry.

We are dedicated to product safety when designing and manufacturing our equipment. Our equipment is designed to meet all applicable laws, regulations and industry standards for use in their markets. We continually incorporate safety improvements in our products. We maintain an internal product safety team that is dedicated to improving safety and investigating and resolving any product safety issues that may arise.

The use and operation of our equipment in an environmentally conscious manner is an important priority for Terex. We are aware of the global discussions regarding climate change and the impact of greenhouse gas emissions on global warming. We are increasing our production of products that have lower greenhouse gas emissions in response to both regulatory initiatives and anticipated market demand trends. For example, starting in 2010, one of our most significant design priorities was inclusion of Tier 4 emission compliant diesel engines in our machinery. This continued to be a priority in 2011 and will be a major emphasis of our product development programs through 2015 as we move through the engine-horsepower dependent phase-in of Tier 4 regulations across our various diesel-engine equipped products. We manufacture a utility truck that uses plug-in electric hybrid technology to save fuel, reduce emissions and reduce noise in residential areas. Similarly, our MHPS segment offers hybrid drive diesel-hydraulic and diesel-electric systems on certain of its port equipment products.

Increasing laws and regulations dealing with the environmental aspects of the products we manufacture can result in significant expenditures in designing and manufacturing new forms of equipment that satisfy such new laws and regulations. Compliance with laws and regulations regarding safety and the environment has required, and will continue to require, us to make expenditures. We currently do not expect that these expenditures will have a material adverse effect on our business or results of operations.