

TEREX CORP
Form 10-Q
April 30, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

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
(State of Incorporation)

34-1531521
(IRS Employer Identification No.)

200 Nyala Farm Road, Westport, Connecticut 06880

(Address of principal executive offices)

(203) 222-7170

(Registrant's telephone number, including area code)

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 **NO**

Indicate by check mark whether the registrant has submitted electronically filed and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES **NO**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a 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.

Large accelerated filer **Accelerated filer** **Non-accelerated filer** **Smaller Reporting Company**

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

YES **NO**

Number of outstanding shares of common stock: 95.3 million as of April 29, 2009.

The Exhibit Index begins on page 49.

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TEREX CORPORATION AND SUBSIDIARIES

GENERAL

This Quarterly Report on Form 10-Q filed by Terex Corporation generally speaks as of March 31, 2009 unless specifically noted otherwise, and includes financial information with respect to the subsidiaries of the Company listed below (all of which are wholly-owned) which were guarantors on March 31, 2009 (the "Guarantors") of the Company's 7-3/8% Senior Subordinated Notes due 2014. See Note P – "Consolidating Financial Statements" to the Company's March 31, 2009 Condensed Consolidated Financial Statements included in this Quarterly Report. Unless otherwise indicated, Terex Corporation, together with its consolidated subsidiaries, is hereinafter referred to as "Terex," the "Registrant," "us," "we," "our" or the "Company."

Guarantor Information

<u>Guarantor</u>	<u>State or other jurisdiction of incorporation or organization</u>	<u>I.R.S. employer identification number</u>
Amida Industries, Inc.	South Carolina	57-0531390
A.S.V., Inc.	Minnesota	41-1459569
CMI Terex Corporation	Oklahoma	73-0519810
Duvalpilot Equipment Outfitters, LLC	Florida	22-3886719
Genie Financial Services, Inc.	Washington	91-1712115
Genie Holdings, Inc.	Washington	91-1666966
Genie Industries, Inc.	Washington	91-0815489
Genie International, Inc.	Washington	91-1975116
Genie Manufacturing, Inc.	Washington	91-1499412
GFS National, Inc.	Washington	91-1959375
Halco America Inc.	Georgia	58-1851191
Hydra Platforms Mfg. Inc.	North Carolina	56-1714789
Koehring Cranes, Inc.	Delaware	06-1423888
Loeering Mfg. Inc.	North Dakota	45-0310755
Powerscreen Holdings USA Inc.	Delaware	61-1265609
Powerscreen International LLC	Delaware	61-1340898
Powerscreen North America Inc.	Delaware	61-1340891
Powerscreen USA, LLC	Kentucky	31-1515625
Powerscreen USC Inc.	Delaware	23-2846987
PPM Cranes, Inc.	Delaware	39-1611683
Schaeff Incorporated	Iowa	42-1097891
Schaeff of North America, Inc.	Delaware	75-2852436
Spinnaker Insurance Company	Vermont	03-0372517
Superior Highwall Holding, Inc.	Delaware	20-4694546
Superior Highwall Miners, Inc.	Delaware	20-4694797
Terex Advance Mixer, Inc.	Delaware	06-1444818
Terex Aerials, Inc.	Wisconsin	39-1028686
Terex Cranes, Inc.	Delaware	06-1513089
Terex Cranes Wilmington, Inc.	North Carolina	56-1570091
Terex Financial Services, Inc.	Delaware	45-0497096

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Terex Mexico, LLC	Delaware	81-0586645
Terex Mining Equipment, Inc.	Delaware	06-1503634
Terex USA, LLC	Delaware	75-3262430
Terex Utilities, Inc.	Oregon	93-0557703
Terex-RO Corporation	Kansas	44-0565380
Terex-Telelect, Inc.	Delaware	41-1603748

Forward-Looking Information

Certain information in this Quarterly Report includes forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934) 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 Quarterly Report or in documents incorporated herein by reference, the words "may," "expects," "intends," "anticipates," "plans," "projects," "estimates" and the negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. 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, among others:

- Our business is cyclical and weak general economic conditions may affect the sales of our products and financial results;
- our ability to access the capital markets to raise funds and provide liquidity;
- our business is sensitive to fluctuations in government spending;
- our business is very competitive and may be affected by our cost structure, pricing, product initiatives and other actions taken by competitors;
- 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 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 business is global and subject to changes in exchange rates between currencies, as well as international politics, particularly in developing markets;
- the effects of changes in laws and regulations;
- possible work stoppages and other labor matters;
- compliance with applicable environmental laws and regulations;
- litigation and product liability claims and other liabilities;
- investigations by the United States Securities and Exchange Commission ("SEC") and the Department of Justice ("DOJ");
- 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 Quarterly 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 Quarterly 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.

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PART I. FINANCIAL INFORMATION**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****TEREX CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENT OF INCOME**

(unaudited)

(in millions, except per share amounts)

	<i>Three Months Ended March 31,</i>	
	2009	2008
Net sales	\$ 1,302.6	\$ 2,362.7
Cost of goods sold	(1,158.1)	(1,848.7)
Gross profit	144.5	514.0
Selling, general and administrative expenses	(217.0)	(257.7)
(Loss) income from operations	(72.5)	256.3
Other income (expense)		
Interest income	1.2	9.1
Interest expense	(23.5)	(25.5)
Other (expense) income – net	(3.7)	7.6
(Loss) income before income taxes	(98.5)	247.5
Benefit from (provision for) income taxes	24.0	(83.2)
Net (loss) income	(74.5)	164.3
Less: Net income attributable to non-controlling interest	(0.4)	(1.0)
Net (loss) income attributable to Terex Corporation	\$ (74.9)	\$ 163.3
(Loss) Earnings Per Share Attributable to Terex Corporation Common Stockholders:		
Basic	\$ (0.79)	\$ 1.62
Diluted	\$ (0.79)	\$ 1.59
Weighted average number of shares outstanding in per share calculation		
Basic	94.8	101.1
Diluted	94.8	103.0

The accompanying notes are an integral part of these condensed consolidated financial statements.

TEREX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

(unaudited)

(in millions, except par value)

	<i>March 31,</i>	<i>December 31,</i>
	<i>2009</i>	<i>2008</i>
Assets		
Current assets		
Cash and cash equivalents	\$ 344.3	\$ 484.4
Trade receivables (net of allowance of \$60.7 and \$62.8 at March 31, 2009 and		
December 31, 2008, respectively)	701.8	967.5
Inventories	2,151.9	2,234.8
Deferred taxes	140.8	139.0
Other current assets	184.4	215.2
Total current assets	3,523.2	4,040.9
Long-term assets		
Property, plant and equipment - net	475.6	481.5
Goodwill	451.1	457.0
Deferred taxes	93.7	84.5
Other assets	377.2	381.5
Total assets	\$ 4,920.8	\$ 5,445.4
Liabilities and Stockholders' Equity		
Current liabilities		
Notes payable and current portion of long-term debt	\$ 37.6	\$ 39.4
Trade accounts payable	647.5	983.9
Accrued compensation and benefits	156.2	169.3
Accrued warranties and product liability	138.0	149.3
Customer advances	103.4	119.3
Other current liabilities	344.0	363.4
Total current liabilities	1,426.7	1,824.6
Non-current liabilities		
Long-term debt, less current portion	1,445.2	1,396.4
Retirement plans and other	459.4	480.5
Total liabilities	3,331.3	3,701.5
Commitments and contingencies		
Stockholders' equity		
Common stock, \$.01 par value – authorized 300.0 shares; issued 107.5 and		
107.1 shares at March 31, 2009 and December 31, 2008, respectively	1.1	1.1
Additional paid-in capital	1,042.4	1,046.2
Retained earnings	1,281.8	1,356.6
Accumulated other comprehensive loss	(156.7)	(82.3)
	(598.8)	(599.9)

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Less: Cost of shares of common stock in treasury – 13.1 shares at March 31, 2009 and December 31, 2008

Total Terex Corporation stockholders' equity	1,569.8	1,721.7
Noncontrolling interest	19.7	22.2
Total equity	1,589.5	1,743.9
Total liabilities and equity	\$ 4,920.8	\$ 5,445.4

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TEREX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited)

(in millions)

	<i>Three Months</i>	
	<i>Ended March 31,</i>	
	<i>2009</i>	<i>2008</i>
Operating Activities		
Net (loss) income	\$ (74.5)	\$ 164.3
Adjustments to reconcile net (loss) income to cash used in operating activities:		
Depreciation	19.3	17.2
Amortization	5.3	5.2
Deferred taxes	(21.5)	23.2
Gain on sale of assets	(0.3)	(0.8)
Stock-based compensation expense		