



# Exterran Corporation Capital One Securities Energy Conference

**December 10, 2015**

**Andrew Way**

*President and Chief Executive Officer*

**Jon Biro**

*Senior Vice President and Chief Financial Officer*

# FORWARD LOOKING STATEMENTS



All statements in this presentation (and oral statements made regarding the subjects of this presentation) other than historical facts are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties and factors that could cause actual results to differ materially from such statements, many of which are outside the control of Exterran Corporation ("Exterran", "we," "our" or "us"). Forward looking information includes, but is not limited to: the industry fundamentals, including the attractiveness of returns and valuation, stability of cash flows, demand dynamics and overall outlook, and our ability to realize the benefits thereof; our expectations regarding future economic and market conditions and trends; our operational and financial strategies, including planned capital expenditures and growth activities, our ability to successfully effect those strategies and the expected results therefrom; our financial and operational outlook, including additional payments expected to be received from Venezuela, and our ability to fulfill that outlook; demand and growth opportunities for our products and services; statements related to performance, profitability, structural and process improvement initiatives, the expected timing thereof, our ability to successfully effect those initiatives and the expected results therefrom and the operational and financial synergies provided by our size.

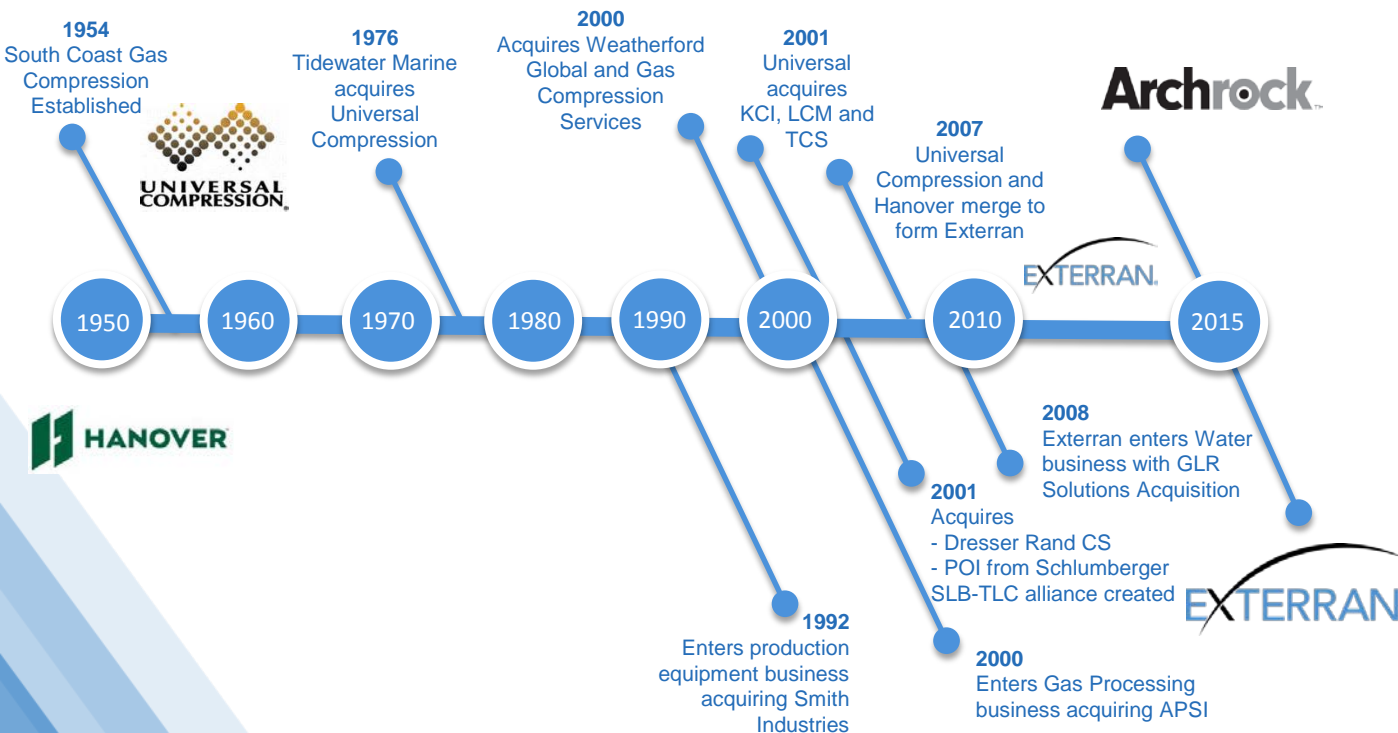
While we believe that the assumptions concerning future events are reasonable, we caution that there are inherent difficulties in predicting certain important factors that could impact the future performance or results of our businesses. The factors that could cause results to differ materially from those indicated by such forward looking statements include, but are not limited to: actions by governmental and regulatory authorities; local, regional, national and international economic and financial market conditions and the impact they may have on our customers; conditions in the oil and gas industry, including a sustained decrease in the level of supply or demand for oil or natural gas or a sustained decrease in the price of oil or natural gas; our ability to timely and cost-effectively execute larger projects; changes in political or economic conditions in key operating markets; any non-performance by third parties of their contractual obligations; and changes in safety, health, environmental and other regulations.

Any forward looking statement speaks only as of the date on which such statement is made and obligation to correct or update any forward looking statement, whether as a result of new information, future events, or otherwise, except as required by applicable law. These forward looking statements are also affected by the risk factors, forward looking statements and challenges and uncertainties described in our Registration Statement on Form 10, as amended, initially filed with the Securities and Exchange Commission on March 3, 2015 and declared effective on October 21, 2015, and those set forth from time to time in our filings with the Securities and Exchange Commission, which are currently available at [www.exterran.com](http://www.exterran.com). Except as required by law, we expressly disclaim any intention or obligation to revise or update any forward looking statements whether as a result of new information, future events or otherwise.

# INTRODUCTION TO EXTERRAN



- ✓ Exterran has been providing infrastructure solutions to the oil and gas industry for more than 60 years
- ✓ Recent split from Archrock allows for focus on international services and global product sales businesses



## Business segments

International Contract Operations ("ICO")

Aftermarket Services ("AMS")

Global Product Sales

# COMPANY OVERVIEW



Exterrann Corporation (NYSE: EXTN)	
Share Price <sup>1</sup>	\$15.29
Average Trading Volume <sup>2</sup>	444,000 shares
Market Capitalization <sup>1, 3</sup>	\$537 million
Net Debt <sup>4</sup>	488 million
Anticipated Transaction Expenses <sup>5</sup>	<u>30 million</u>
Enterprise Value	\$1,055 million
EBITDA, as Adjusted <sup>6</sup> - LTM 9/30/15	\$300 million
Enterprise Value / LTM EBITDA	3.5x
Adjusted Net Debt <sup>7</sup> / LTM EBITDA	1.7x

LTM data should not be relied upon as being indicative of full year 2015 or future results.

<sup>1</sup>As of December 7, 2015.

<sup>2</sup>Based on period from November 4, 2015 through December 7, 2015.

<sup>3</sup>Based on Exterrann Corporation 35,153,358 shares outstanding as of November 25, 2015.

<sup>4</sup>Pro forma capitalization as of September 30, 2015; excludes \$25 million to \$30 million to finance expenses related to the spin-off.

<sup>5</sup>Anticipated \$25 million to \$30 million to finance expenses related to the spin-off.

<sup>6</sup>EBITDA, as adjusted, calculated using LTM Q3 2015 data as of September 30, 2015. See Addendum I for more information on EBITDA, as adjusted.

<sup>7</sup>Net debt plus anticipated transaction expenses.

# RECENT FINANCIAL PERFORMANCE AND GUIDANCE (\$ IN MILLIONS)



	Q4 2015 Guidance	Q3 2015 Actuals
International Contract Operations:		
Revenue	\$113 - \$118	\$114
Gross Margin	Low 60% Range	64%
Aftermarket Services:		
Revenue	\$25 - \$30	\$25
Gross Margin	Mid 20% Range	27%
Product Sales:		
Revenue	\$230 - \$270	\$261
Gross Margin	10% - 12%	13%
Total Revenue		\$400
Total Gross Margin		29%
Total Sales, General and Administrative Expenses	Mid \$50 Range	
<b>2015E Full Year Capex</b>		
Contract Operations Growth Capex	\$95 - \$105	
Global Product Sales Capex	< \$10	
Maintenance Capex	\$25 - \$30	
Other Capex	\$15 - \$20	
Total Capex	\$145 - \$165	

<sup>1</sup> Includes third party sales only for 3Q-15; includes third party sales and sales to Archrock, Inc. for 4Q-15

# WHY INVEST IN EXTERRAN?



## A Global Market Leader



## Integrated Business Model



## Performance Through Cycles

- Product & service expertise
- Deep technical knowledge
- Long-term customer relationships

More than  
60 years in  
operation

- Global operations Centers of Excellence (“COE”)
- Asset management
- Skilled field operations

Local presence  
& market  
knowledge

- Stable, fee based services
- Flexible manufacturing model with relatively high variable cost component
- Free cash flow generation across cycles
- Diverse product Mix

## Platform for Long-Term Growth

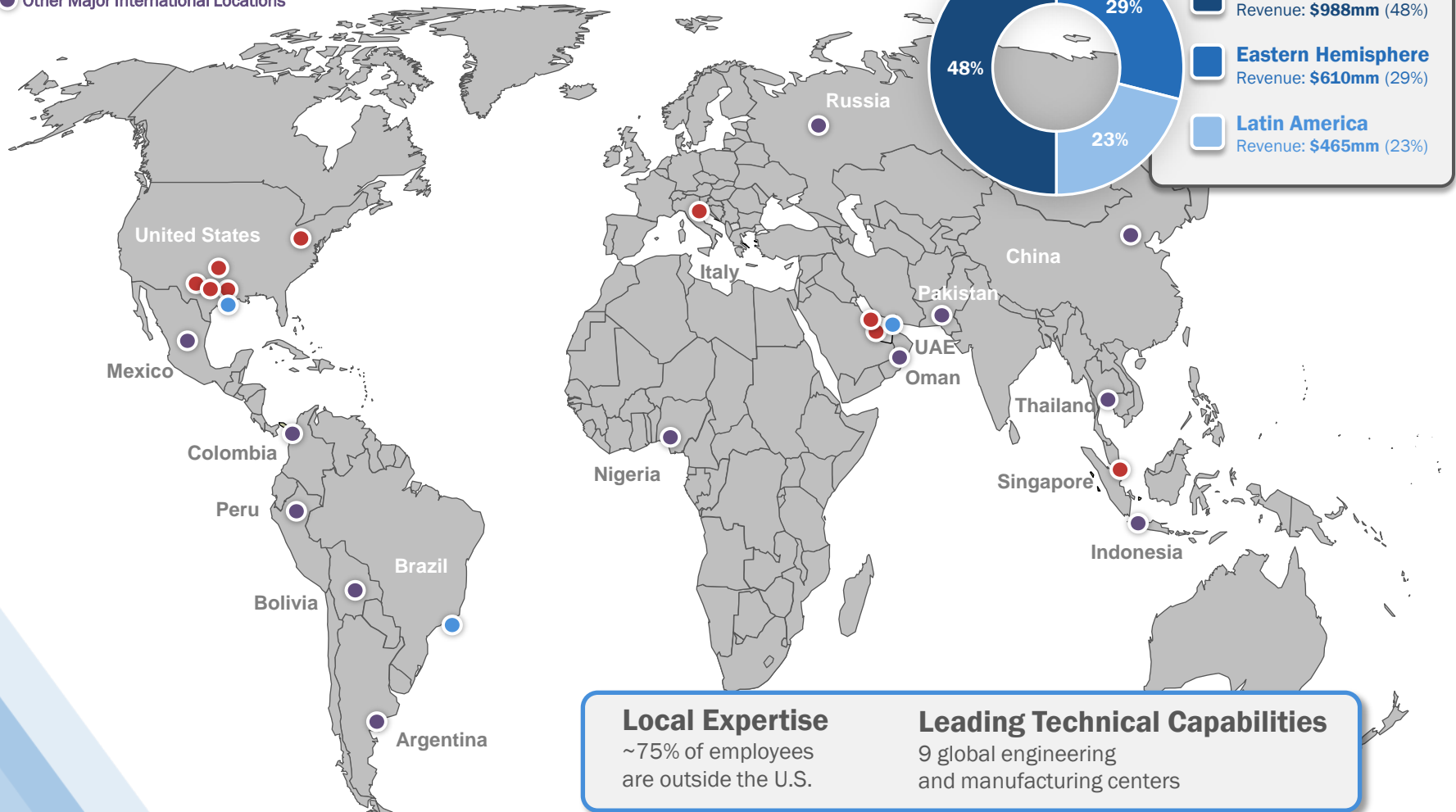
- Sustainable competitive advantage... Focused organization
- Unique business model... Services +60% of total gross margins
- Unmatched engineered excellence... Modular design + product structuring + field application engineering
- Large installed base... Underserved markets and geographies

**Attractive, focused play on the build-out of global energy infrastructure**

# ESTABLISHED GLOBAL BUSINESS WITH LOCAL EXPERTISE



- Regional Headquarters
- Engineering and Manufacturing Centers
- Other Major International Locations



Note: Revenue calculated using LTM Q3 2015 data as of September 30, 2015.  
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# WHY CUSTOMERS CHOOSE EXTERRAN



## Customer Requirements

**Experience**

**Expertise**

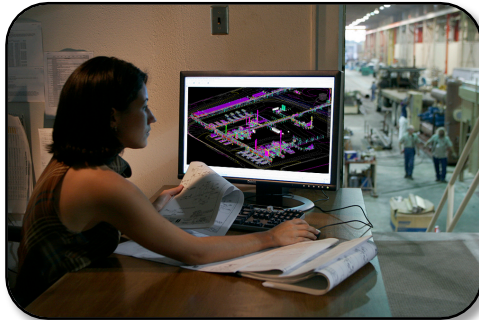
**Execution**

## Exterran's Value Add

- Industry leading safety record
- Approximately 7,000 employees
- Differentiated field services
- Speed / Delivery to first production needs
- Long operational history; 60+ years

- Deep product knowledge
- Strong engineering infrastructure
- Excellent OEM partnerships
- Over ~150 projects installed
- Configurable modular products

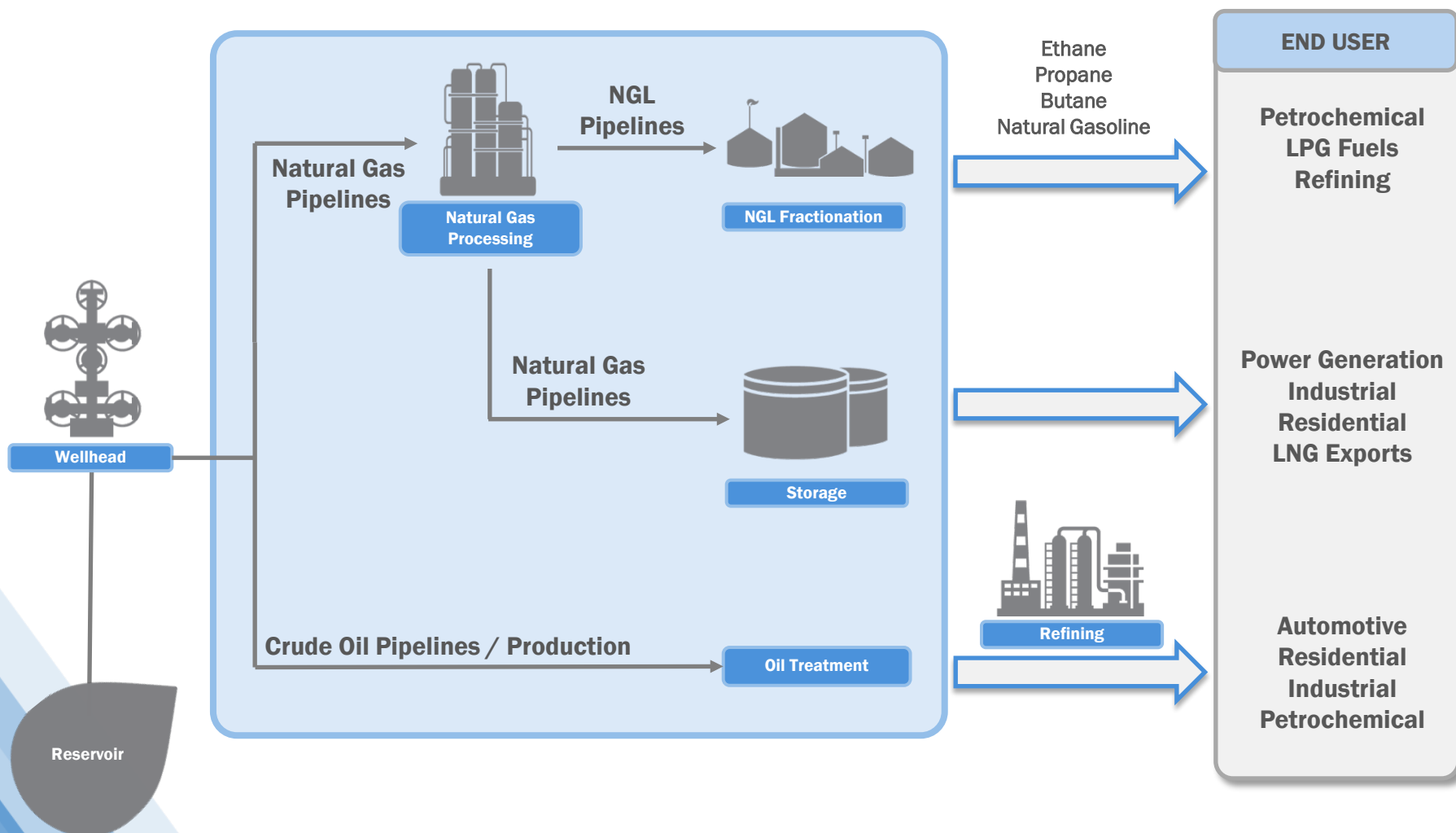
- Local market turnkey solutions
- Integrated project management providing turnkey solutions
- Centralized focused global supply chain & engineering





# POSITION IN THE ENERGY VALUE CHAIN

Demand driver diversity across multiple sectors and cycles



# UNIQUE BUSINESS MODEL



Reporting Segments	Revenue by Geography <sup>1</sup>			Typical GM %	Contract Duration	Sales Backlog	Business Model	Competitive Advantage
	NAM	LATAM	EH					
<b>ICO</b>	n/a	75%	25%	60%+	Avg. 10 yrs. <sup>2</sup>	> 2 yrs.	Exterran own and operate	<ul style="list-style-type: none"> <li>• Speed to market</li> <li>• Expertise &amp; consistency</li> <li>• Geographic diversity</li> </ul>
<b>AMS</b>	n/a	35%	65%	Mid-20%	~2-4 yrs. <sup>3</sup>	O&M>1yr. Parts<1yr.	Services on customer owned equipment	<ul style="list-style-type: none"> <li>• Technical workforce</li> <li>• Leverage contract operations infrastructure</li> </ul>
<b>Global Product Sales</b>	70% <sup>4</sup>	5%	25%	10%+	Cycle Time	< 1 yr.	Product or solution sales	<ul style="list-style-type: none"> <li>• Modular designs built on engineering excellence</li> <li>• Lean manufacturing and variable cost structure</li> </ul>

- **Flexible manufacturing model supports margin resiliency throughout the cycles**
- **International product sales creates installed base for AMS demand**
- **Operations built upon global standards, leveraging COE for execution**
- **Focused disciplined capital and resource allocation**

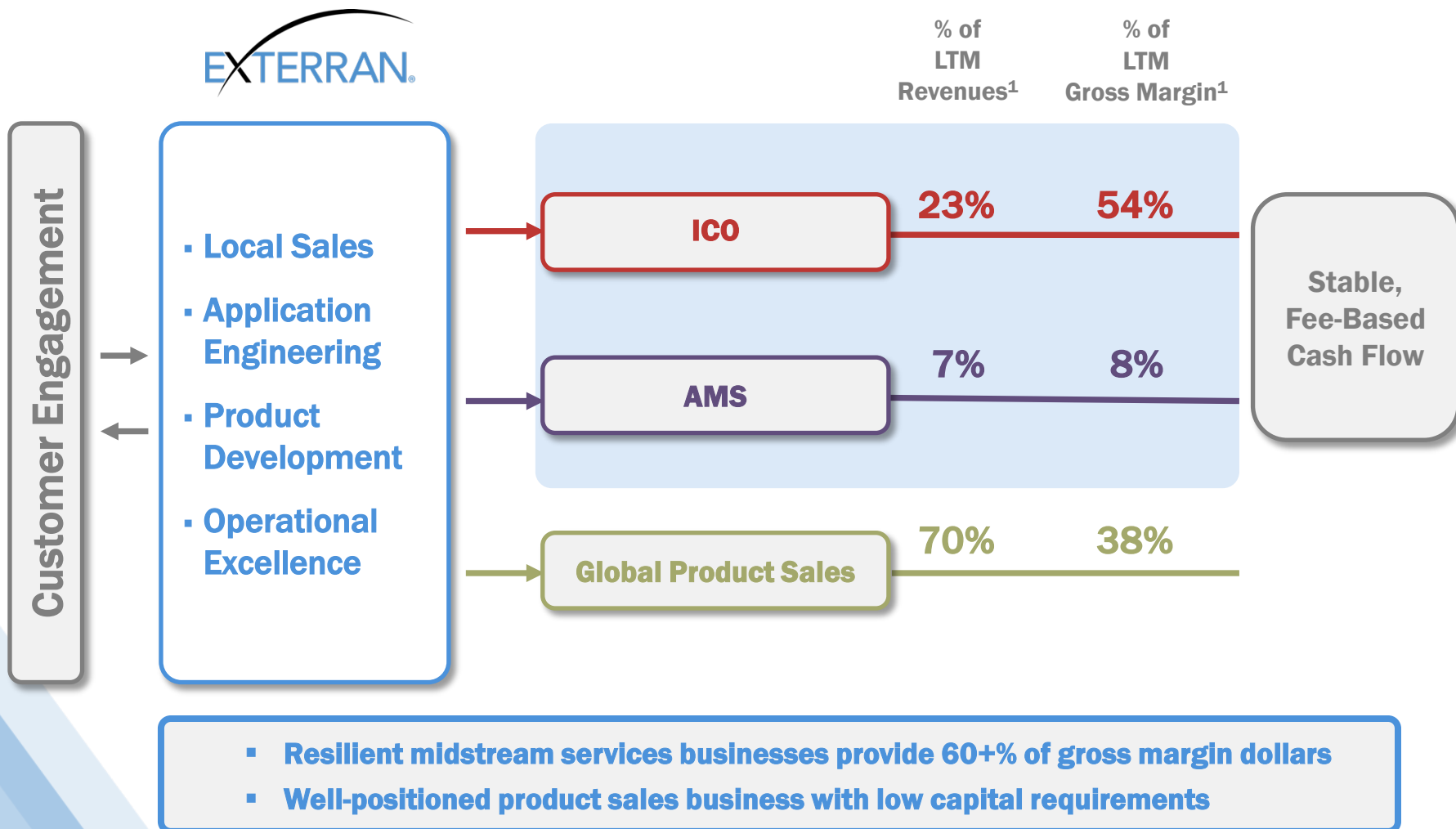
<sup>1</sup> Approximations based upon the twelve months ended September 30, 2015

<sup>2</sup> Includes initial term plus extensions

<sup>3</sup> Aftermarket services contract duration is for operations and maintenance agreements; average ~6 years for existing contracts

<sup>4</sup> Includes sales to Archrock, Inc.

# HOW WE GO TO MARKET



LTM data should not be relied upon as being indicative of full year 2015 or future results.

<sup>1</sup> Revenue and Gross Margin calculated using LTM Q3 2015 data as of September 30, 2015. See Addendum I for more information on gross margin.

# OUR EXPOSURE TO KEY MACRO TRENDS



**Assets Utilized**



**Gathering**



**Processing**



**Infrastructure**

## Representative Product Categories

- Separation
- Dehydration
- Oil stabilization
- Gas heating and cooling
- Flare equipment
- Small horsepower wellhead compression
- Mid to large horsepower gathering compression

- Gas processing
  - Cryogenic plants
  - Dew point plants
- Gas treating
  - Amine units
  - Sulphur recovery units
- Compression – large horsepower
- Project integration

- Early production facilities
- Water polishing
- FPSO topside modules
- Tank farms
- Critical refinery equipment

## Longer-Term Macro Trends

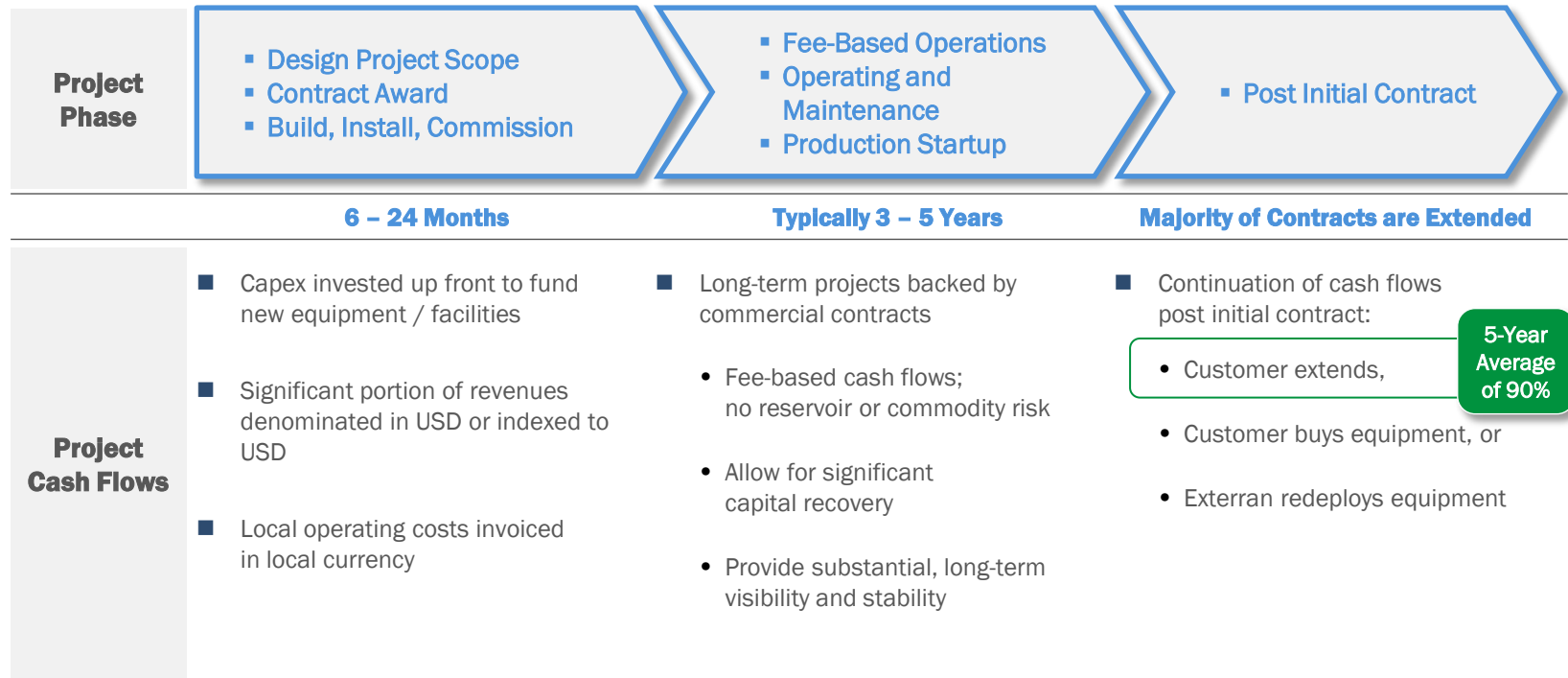
- Global requirements for new infrastructure
- Increasing NA well count
- Increasing use of centralized gathering stations
- Increasing gas consumption in international locations
- Reducing flaring

- Increasing rich gas production
- Strong demand for liquefied natural gas

- Focus on quick production at low costs
- Increasing restrictions on water use
- Incremental demand for FPSOs globally
- Improving refining economics

# INTERNATIONAL CONTRACT OPERATIONS

## TYPICAL PROJECT MODEL



**5-Year  
Average  
of 90%**

- Leveraging the full breadth of Exterrnan's offerings
- Including extensions weighted average contract term of 10 years
- ~130 active projects

# AFTERMARKET SERVICES

## SUPPORTS CUSTOMERS EQUIPMENT AND PROJECTS



### Business Model bridges Product Sales and ICO



#### Contractual

##### Partner with Me

- Manage my Equipment
- Reduce my Risk

Risk  
Sharing

Integrated  
Solutions

Downtime  
Management

##### Minimize my Downtime

- Availability & Reliability
- Optimize Performance

Transactional

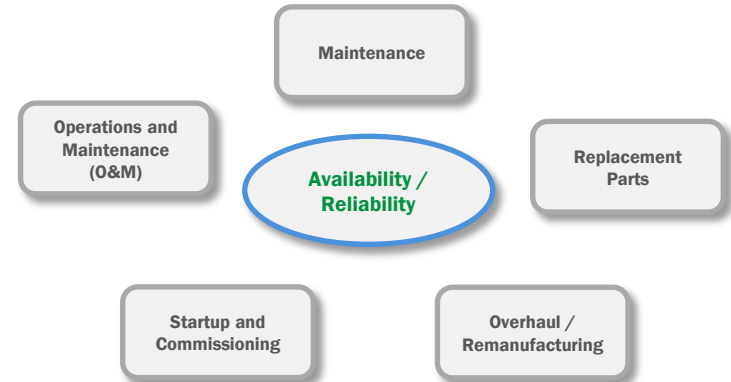
##### Service my Needs

- Keep me running
- Make me compliant

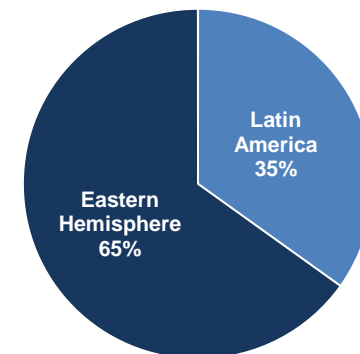
### Customer Needs

- ✓ Applied expertise to maintain the facilities
- ✓ Guaranteed availability & reliability performance
- ✓ Inject latest technology to existing infrastructure
- ✓ Optimize flow through predictive & condition based monitoring

### AMS Offerings



### LTM Q3 '15 Revenue by Region



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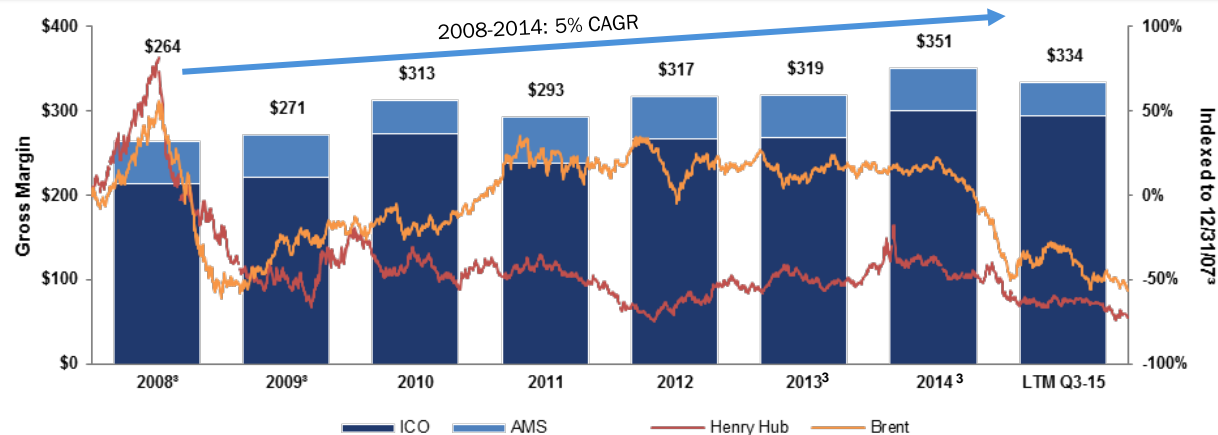


# MARGIN RESILIENCY UNDERPINS STABLE, RECURRING FREE CASH FLOW THROUGH CYCLES

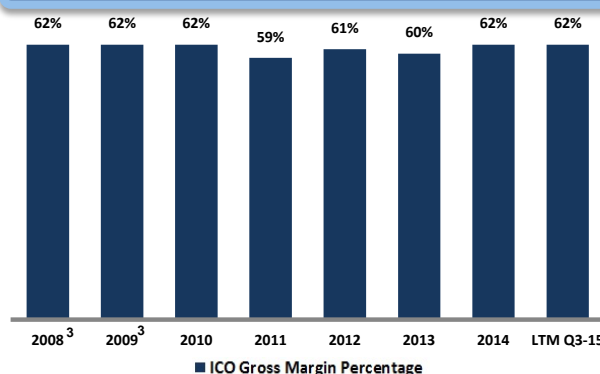


- ICO projects largely tied to long-term local infrastructure build-out & local commodity pricing
- Long-term major project start-ups and new project wins in Latin America expected to drive revenue growth over the long-term

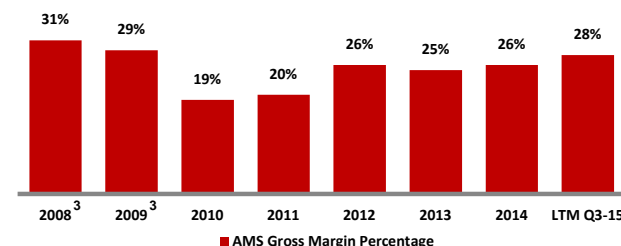
Historical ICO and AMS Gross Margin<sup>1</sup> (\$ in millions)



Historical ICO Gross Margin Percentage<sup>1</sup>



Historical AMS Gross Margin Percentage<sup>1</sup>



**Services represent 62% of gross margin for last 12 month period**

<sup>1</sup> See Addendum I for more information on gross margin and gross margin percentage.

<sup>2</sup> Henry Hub indexed to \$7.48 per million BTU at December 31, 2007; Brent indexed to \$93.85 per barrel at December 31, 2007. Prices presented through December 7, 2015.

<sup>3</sup> Amounts derived from Archrock segment information.

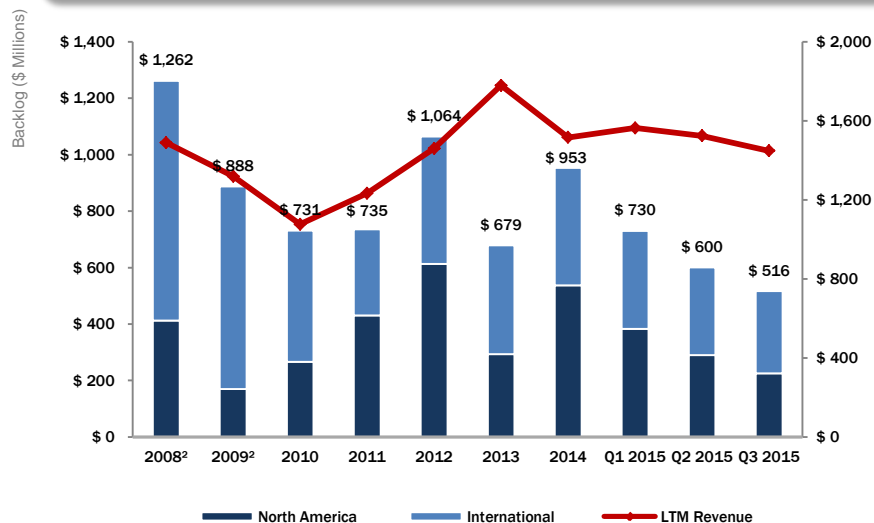
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# PRODUCT SALES BUSINESS

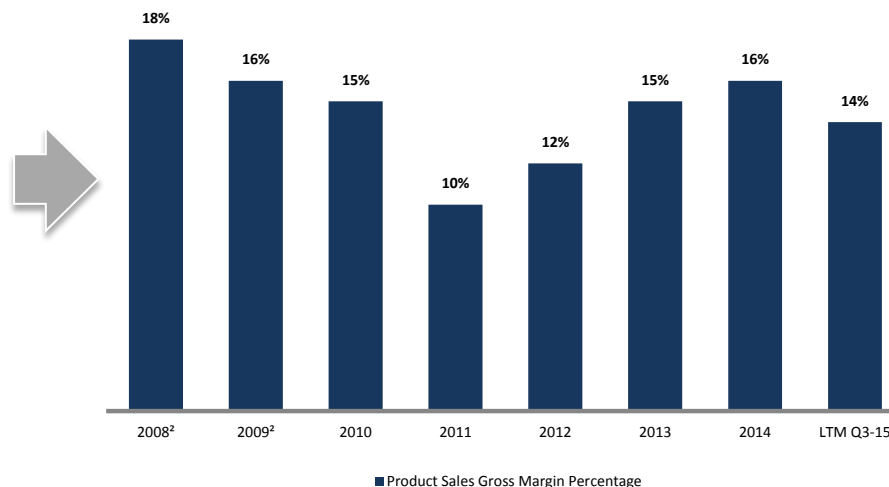
**POSITIVE CASH FLOW GENERATION AND LOW CAPITAL INTENSITY**



## Product Sales Backlog by Region<sup>1</sup>



## Historical Product Sales Gross Margin Percentage<sup>3</sup>



**Low capital intensity and variable cost structure supports cash flow generation through the cycle**

<sup>1</sup> Product sales backlog at end of periods.

<sup>2</sup> Amounts derived from Archrock segment information. Amounts exclude sales to Exterrnan Partners (now Archrock Partners, L.P., (Archrock Partners)).

<sup>3</sup> See Addendum I for more information on gross margin and gross margin percentage.

LTM data should not be relied upon as being indicative of full year 2015 or future results.

# LEVERAGING THE DEPTH OF OUR CAPABILITIES



New Startup  
Q3' 15



Business	ICO	ICO	Product Sales	Product / AMS
Project Type	Early Production Facility	Gas Gathering	Cryogenic Processing	Gas Processing
Installed	2009	2015	2009	2015
Customer	IOC	NOC	Midstream	Independent
Initial Term	<del>3 Years</del>	12 Years	Sold Product	Sold Product + AMS

Currently  
in 6<sup>th</sup> Year

- Early production facility owned and operated under initial 3 year contract, plus extensions
- Technology enhancements and productivity increased production by 50% since 2009

- 28k HP compression station with associated slug catching capabilities
- Integrated project managed globally, executed locally
- Installation, commissioning and startup on time

- Turnkey design, build, install and startup of a processing facility in SCOOP play
- 2 trains, one 150MMcfd and one 200MMcfd, based on Exterran modular design that facilitated accelerated startup

- Began as a turnkey Processing and Treating product sale
- Additional AMS pull through, full O&M services

# LOCAL MARKET DRIVERS

## UTILIZING OUR EXPERTISE TO FORGE NEW MARKETS



### North America



- Overall environment resulting in challenging fundamentals for product sales business
- Strong product mix is allowing us to achieve a steady flow of bookings, albeit at levels much lower than 2014
- Most active areas are Permian, SCOOP and Marcellus/Utica
- Processing & treating bid activity encouraging

### Latin America



- Very strong bookings in 2014, new project bookings has slowed in 2015 due to overall market conditions
  - Focus is on project execution and operations
  - Grow AMS in underpenetrated markets
- Strong presence and reputation allows for high project capture rates
  - Building strong ICO pipeline for 2016

### Eastern Hemisphere



- Generally comprised of large projects... timing is difficult to predict
- Lower market share provides significant opportunity for growth
  - New countries and additional volume with existing customers
- Scope of industry activity towards smaller compressor units

## Short Term

- Closer engagement with our customers
- Focus on aligning our cost structure with current market conditions
- Flawless execution of current backlog of global projects
- Position the company to win... capitalize on the rebound across the value chain

## Longer Term

- Focus on long-term industry fundamentals by deploying capital into existing contract operations markets
- Evaluate opportunities to enter new markets with strong energy fundamentals by leveraging our existing global infrastructure
- Develop complementary products and technologies to drive market share
- Build out AMS business
- Expand into adjacent product lines

## INVESTMENT HIGHLIGHTS

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- Well-positioned to benefit from continuing global energy infrastructure investment
- Integrated business model with sustainable competitive advantages
- Proven performance through cycles with significant stable, fee-based cash flows from service businesses
- High return, commodity cycle leveraged product sales business
- Enhanced management focus following spin-off
- Attractive valuation

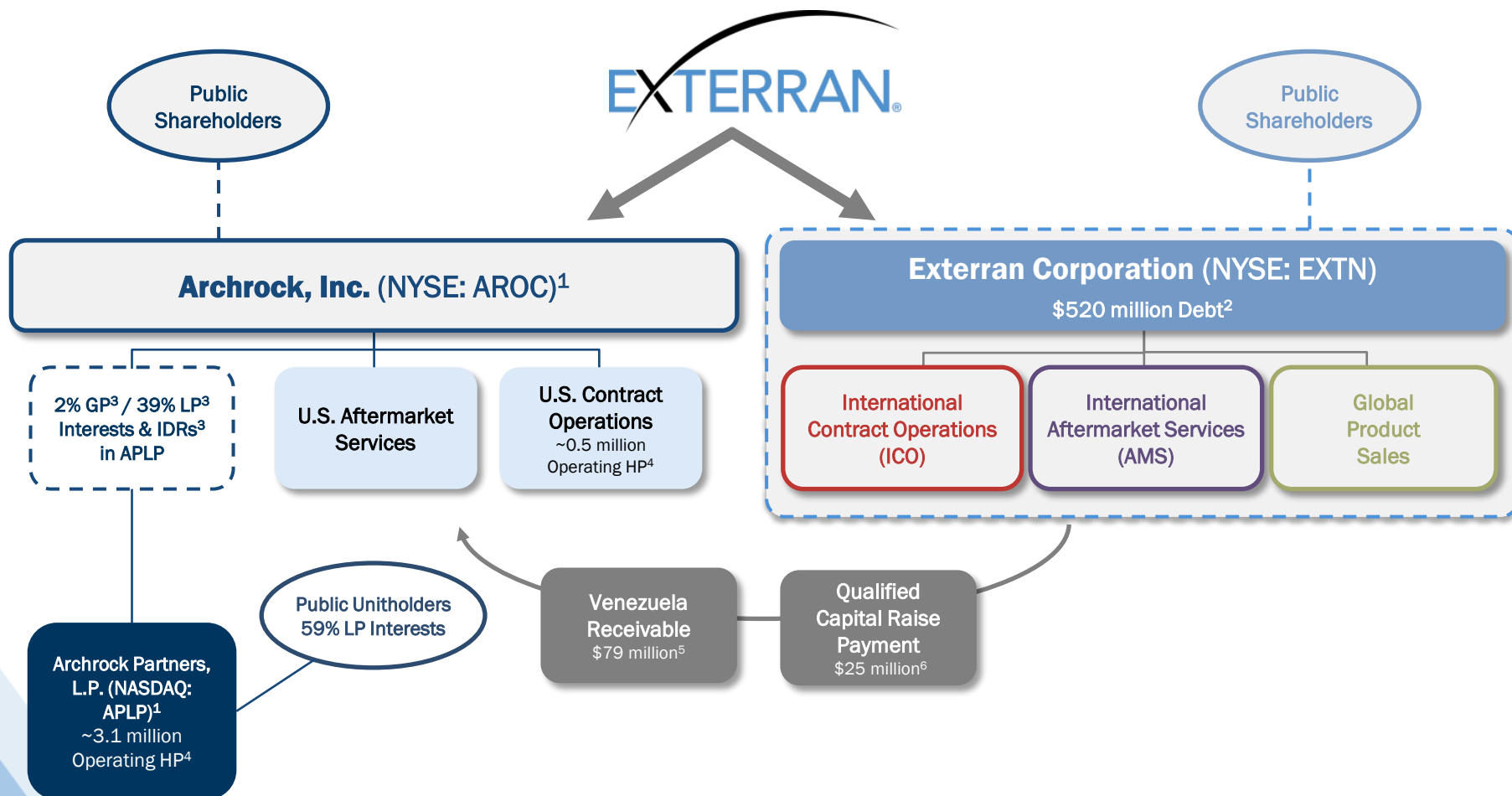
**Our operating platform is well positioned to generate strong performance through industry cycles**



# Addendum I

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# POST-SEPARATION SNAPSHOT



<sup>1</sup> In connection with the Spinoff, Exterran Holdings has changed its name to Archrock, Inc. (NYSE: AROC) and Exterran Partners has changed its name to Archrock Partners, L.P. (NASDAQ: APLP).

<sup>2</sup> Presented as Exterran Holdings debt at September 30, 2015 of \$681 million plus accrued and unpaid interest of approximately \$9 million less Archrock initial debt at September 30, 2015 of approximately \$170 million. Exterran Corporation expects to incur additional borrowings under its credit facility of between \$25 to \$30 to finance expenses related to the spin-off.

<sup>3</sup> Denotes incentive distribution rights; based on Exterran Partners units outstanding as of July 28, 2015.

<sup>4</sup> Operating HP as of September 30, 2015.

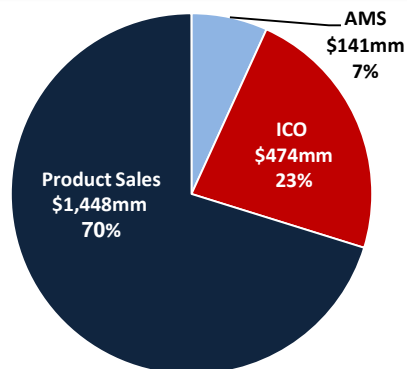
<sup>5</sup> Principal balance owed as of October 23, 2015 assumes Exterran Corporation will make payments to Archrock, Inc. equal to the amount its subsidiaries receive from PDVSA.

<sup>6</sup> A Qualified Capital Raise requires minimum \$250 million unsecured debt or equity offering, and Term Loan repaid.

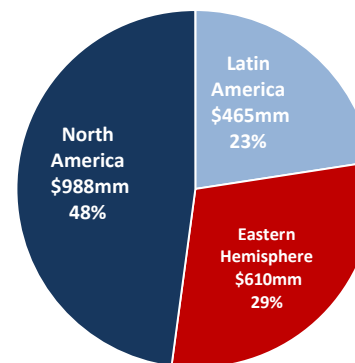
# FINANCIALS BY SEGMENT AND GEOGRAPHY



Revenue by Segment<sup>1</sup>

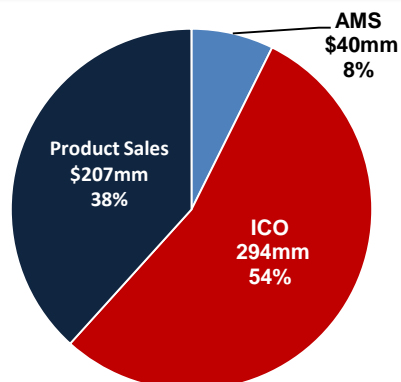


Revenue by Geography<sup>1</sup>

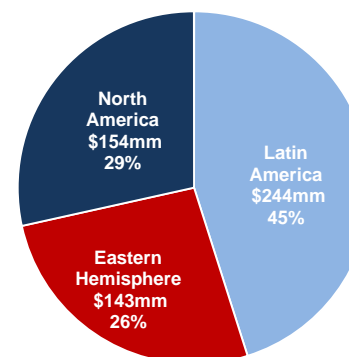


LTM Q3-15 Total: \$2,063mm

Gross Margin by Segment<sup>1,2</sup>



Gross Margin by Geography<sup>1,2</sup>



LTM Q3-15 Total: \$542mm

<sup>1</sup> Revenue and Gross Margin calculated using LTM Q3 2015 data as of September 30, 2015

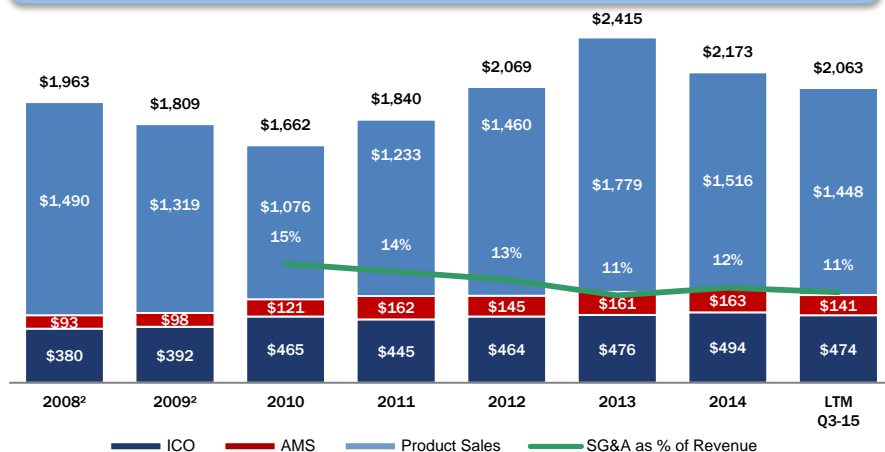
<sup>2</sup> See Addendum I for more information on gross margin.

LTM data should not be relied upon as being indicative of full year 2015 or future results.

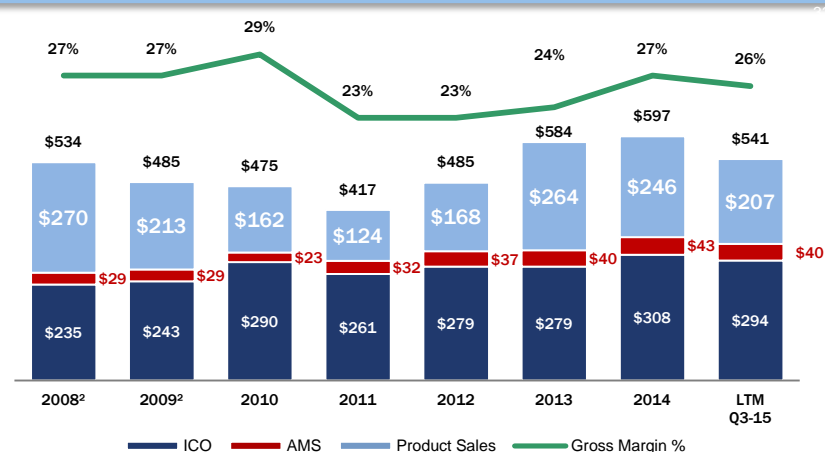
# HISTORICAL FINANCIAL PERFORMANCE



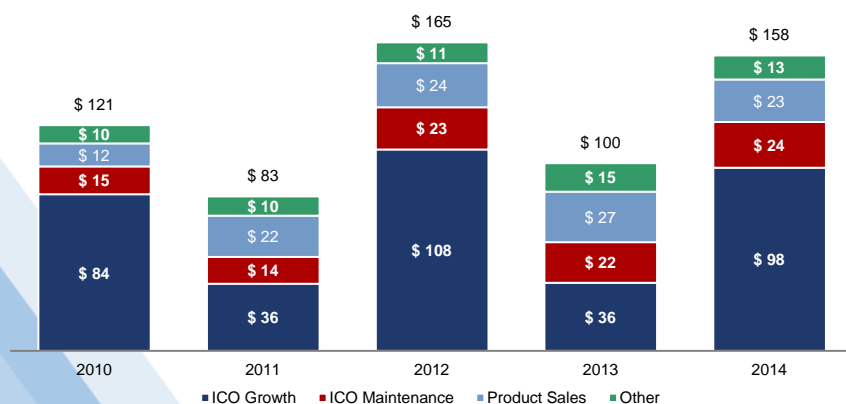
## Revenue (\$ In millions)



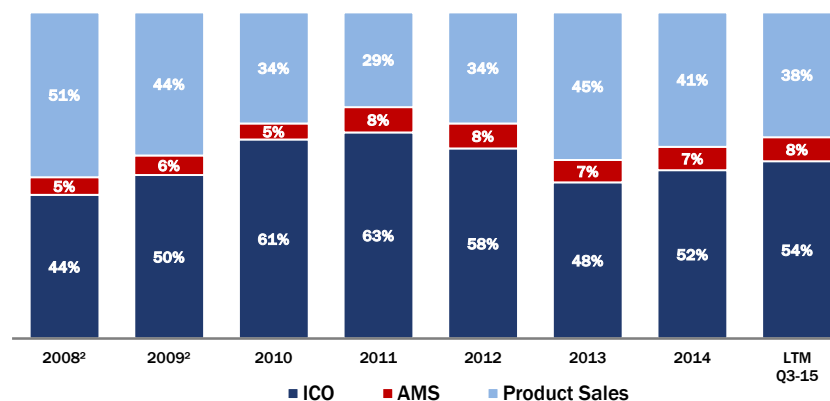
## Gross Margin<sup>1</sup> (\$ In millions)



## Capital Expenditures (\$ In millions)



## Gross Margin<sup>1</sup> Composition



<sup>1</sup> See Addendum I for more information on gross margin, gross margin percentage and a reconciliation to net income.

<sup>2</sup> Amounts derived from Archrock segment information. Global Product Sales excludes sales to Archrock Partners.

LTM data should not be relied upon as being indicative of full year 2015 or future results.

## Pro Forma September 30, 2015 Capitalization

(\$ in millions)

Cash & Cash Equivalents	\$ 32
New Revolving Credit Facility (\$680mm)	275
Term Loan (\$245mm)	245
<b>Total Funded Debt <sup>1</sup></b>	<b>\$ 520</b>
<b>Net Debt</b>	<b>\$ 488</b>

## Liquidity

- 5-year \$680mm revolving credit facility
  - Undrawn capacity at September 30, 2015 of \$299 Million <sup>2,3</sup>
  - Covenants allow for maximum total leverage of 3.75x with step up to 4.50x upon completion of a Qualified Capital Raise
- 2-year \$245mm term loan

<sup>1</sup> Presented as Archrock debt at September 30, 2015 of \$681 million plus accrued and unpaid interest of approximately \$9 million less Archrock initial debt at September 30, 2015 of approximately \$170 million. Exterran Corporation expects to incur additional borrowings under its credit facility of between \$25 to \$30 to finance expenses related to the spin-off.

<sup>2</sup> Excludes \$25 million to \$30 million to finance expenses related to the spin-off.

<sup>3</sup> Calculated as \$680 million revolving credit facility less \$300 million in funded debt and \$106 million in letters of credit allocated from Exterran Holdings at September 30, 2015.

# NON-GAAP FINANCIAL MEASURES

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## Exterran Corporation:

EBITDA, as adjusted, a non-GAAP measure, is defined as net income (loss) excluding income (loss) from discontinued operations (net of tax), cumulative effect of accounting changes (net of tax), income taxes, interest expense (including debt extinguishment costs and gain or loss on termination of interest rate swaps), depreciation and amortization expense, impairment charges, restructuring and other charges, non-cash gains or losses from foreign currency exchange rate changes recorded on intercompany obligations, expensed acquisition costs and other items. EBITDA, as adjusted, excludes the benefit of the 2012 sales of the Company's Venezuelan assets.

Gross margin, a non-GAAP measure, is defined as total revenue less cost of sales (excluding depreciation and amortization expense). Gross margin percentage is defined as gross margin divided by revenue.

## Archrock, Inc.:

Gross margin, a non-GAAP measure, is defined as total revenue less cost of sales (excluding depreciation and amortization expense). Gross margin percentage is defined as gross margin divided by revenue.



# NON-GAAP FINANCIAL MEASURES (CONT.) – EXTERRAN CORPORATION



(\$ in millions)

	2010	2011	2012	2013	2014	LTM Q3-15 <sup>2</sup>	Q1-14	Q2-14	Q3-14 <sup>2</sup>	Q4-14	Q1-15	Q2-15	Q3-15 <sup>2</sup>
<b>Revenues</b>													
ICO	\$465.1	\$445.1	\$464.0	\$476.0	\$493.9	\$474.1	\$111.0	\$134.4	\$124.4	\$124.1	\$120.7	\$115.3	\$114.1
AMS	120.6	162.3	145.0	160.7	162.7	140.7	34.8	43.1	39.6	45.2	36.2	34.0	25.3
Product Sales	1,076.0	1,233.0	1,459.7	1,778.8	1,516.2	1,448.2	327.3	373.2	373.9	441.9	375.1	333.4	297.8
Total	\$1,661.7	\$1,840.4	\$2,068.7	\$2,415.5	\$2,172.8	\$2,063.0	\$473.1	\$550.7	\$537.8	\$611.2	\$532.0	\$482.6	\$437.2
<b>Expenses</b>													
ICO	\$175.4	\$184.4	\$184.6	\$196.9	\$185.4	\$180.1	\$41.0	\$46.5	\$48.0	\$49.9	\$44.3	\$44.7	\$41.1
AMS	97.7	130.2	107.9	120.3	120.2	100.6	25.0	32.2	30.2	32.8	25.2	24.3	18.3
Product Sales	913.5	1,109.1	1,291.7	1,514.7	1,270.3	1,240.8	265.9	325.5	307.6	371.3	318.5	290.4	260.5
Total	\$1,186.6	\$1,423.7	\$1,584.1	\$1,832.0	\$1,575.9	\$1,521.5	\$332.0	\$404.2	\$385.7	\$454.1	\$388.0	\$359.5	\$320.0
<b>Gross Margin<sup>1</sup></b>													
ICO	\$289.8	\$260.7	\$279.3	\$279.1	\$308.4	\$294.0	\$70.0	\$87.9	\$76.4	\$74.2	\$76.4	\$70.5	\$73.0
AMS	22.9	32.0	37.2	40.3	42.5	40.1	9.8	11.0	9.4	12.4	11.1	9.7	\$7.0
Product Sales	162.5	124.0	168.1	264.1	245.9	207.4	61.3	47.7	66.3	70.6	56.6	42.9	37.3
Total	\$475.2	\$416.6	\$484.6	\$583.5	\$596.9	\$541.5	\$141.2	\$146.5	\$152.1	\$157.1	\$144.1	\$123.2	\$117.2
<b>Gross Margin Percentage<sup>1</sup></b>													
ICO	62%	59%	60%	59%	62%	62%	63%	65%	61%	60%	63%	61%	64%
AMS	19%	20%	26%	25%	26%	29%	28%	25%	24%	27%	31%	29%	28%
Product Sales	15%	10%	12%	15%	16%	14%	19%	13%	18%	16%	15%	13%	13%
Total	29%	23%	23%	24%	27%	26%	30%	27%	28%	26%	27%	26%	27%

<sup>1</sup> See Addendum I-A for more information on gross margin and gross margin percentage.

# NON-GAAP FINANCIAL MEASURES (CONT.)<sup>1</sup> – EXTERRAN CORPORATION



	2010	2011	2012	2013	2014	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15
(\$ millions)												
<b>Net income (loss)</b>	\$38.4	(\$232.3)	\$119.4	\$152.9	\$152.5	\$43.0	\$25.5	\$36.9	\$47.1	\$37.6	\$8.4	\$12.3
(Income) loss from discontinued operations, net of tax	(40.7)	10.1	(66.8)	(66.1)	(73.2)	(18.7)	(17.9)	(18.3)	(18.3)	(18.7)	(0.4)	(18.8)
Depreciation and amortization	200.7	171.3	167.5	140.0	173.8	36.2	59.0	44.2	34.5	38.8	36.8	36.8
Long-lived asset impairment	12.3	0.4	5.2	11.9	3.9	0.0	0.0	1.0	2.9	4.6	5.9	3.8
Restructuring charges	0.0	7.1	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.5	7.2
Goodwill impairment	0.0	164.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment in non-consolidated affiliates impairment	0.6	0.5	0.2	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of joint venture assets	0.0	0.0	(51.7)	(19.0)	(14.8)	(4.9)	(4.9)	(5.0)	(0.0)	(5.0)	(5.1)	(5.1)
Interest expense	7.4	4.4	5.3	3.6	1.9	0.5	0.4	0.2	0.9	0.5	0.3	0.6
(Gain) loss on currency exchange rate remeasurement of intercompany balances	(6.3)	14.2	7.4	4.3	3.6	(0.1)	(2.8)	2.8	3.7	7.5	0.5	27.6
Gain on sale of our investment in the subsidiary that owns the barge mounted processing plant and other related assets used on the Cawthorne Channel Project	(4.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on sale of businesses	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Provision for (benefit from) income taxes	19.9	31.1	26.2	97.4	77.8	22.4	17.2	20.7	17.5	19.4	7.4	(2.6)
<b>EBITDA, as adjusted<sup>1</sup></b>	<b>227.5</b>	<b>171.6</b>	<b>216.6</b>	<b>324.9</b>	<b>326.7</b>	<b>78.6</b>	<b>76.5</b>	<b>82.5</b>	<b>89.1</b>	<b>84.6</b>	<b>64.4</b>	<b>61.8</b>
Selling, general and administrative	246.9	259.6	269.8	264.9	267.5	64.7	70.0	65.9	66.9	58.6	55.8	55.0
Equity in (income) loss of non-consolidated affiliates	0.6	0.5	(51.5)	(19.0)	(14.6)	(4.7)	(4.9)	(5.0)	(0.0)	(5.0)	(5.1)	(5.1)
Investment in non-consolidated affiliates impairment	(0.6)	(0.5)	(0.2)	0.0	(0.2)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of joint venture assets	0.0	0.0	51.7	19.0	14.8	4.9	4.9	5.0	0.0	5.0	5.1	5.1
Gain (loss) on currency exchange rate remeasurement of intercompany balances	6.3	(14.2)	(7.4)	(4.3)	(3.6)	0.1	2.8	(2.8)	3.7	(7.5)	(0.5)	(27.6)
Gain on sale of our investment in the subsidiary that owns the barge mounted processing plant and other related assets used on the Cawthorne Channel Project	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loss on sale of businesses	0.0	0.0	0.0	0.0	(1.0)	0.0	0.0	0.0	(1.0)	0.0	0.0	0.0
Other (income) expense, net	(10.3)	(0.3)	5.6	(2.0)	7.2	(2.2)	(2.8)	6.4	5.8	8.4	3.5	28.0
<b>Gross margin<sup>1</sup></b>	<b>\$475.2</b>	<b>\$416.6</b>	<b>\$484.6</b>	<b>\$583.5</b>	<b>\$596.9</b>	<b>\$141.2</b>	<b>\$146.5</b>	<b>\$152.1</b>	<b>\$157.1</b>	<b>\$144.1</b>	<b>\$123.2</b>	<b>\$117.2</b>

<sup>1</sup> Our assets and operations in Venezuela were expropriated in 2009. All periods exclude results from our Venezuelan international contract operations business.

<sup>2</sup> See Addendum I-A for information on EBITDA, as adjusted, and gross margin.

LTM data should not be relied upon as being indicative of full year 2015 or future results.

# NON-GAAP FINANCIAL MEASURES (CONT.)<sup>1</sup> – ARCHROCK



(\$ in millions)

	2008 <sup>2</sup>	2009
<b>Revenue</b>		
North America Contract Operations	\$ 767.9	\$ 652.9
International Contract Operations	379.8	392.0
Aftermarket Services <sup>3</sup>	316.5	273.3
Product Sales	<u>1,489.6</u>	<u>1,319.4</u>
Total	\$ 2,953.8	\$ 2,637.6
<b>Expenses</b>		
North America Contract Operations	\$ 334.7	\$ 281.5
International Contract Operations	144.9	149.3
Aftermarket Services <sup>3</sup>	250.6	214.8
Product Sales	<u>1,220.1</u>	<u>1,106.2</u>
Total	\$ 1,950.3	\$ 1,751.8
<b>Gross Margin <sup>4</sup></b>		
North America Contract Operations	\$ 433.2	\$ 371.3
International Contract Operations	234.9	242.7
Aftermarket Services <sup>3</sup>	65.9	58.5
Product Sales	<u>269.5</u>	<u>213.3</u>
Total	\$ 1,003.5	\$ 885.8
<b>Gross Margin Percentage <sup>4</sup></b>		
North America Contract Operations	56 %	57 %
International Contract Operations	62 %	62 %
Aftermarket Services <sup>3</sup>	21 %	21 %
Product Sales	18 %	16 %
Total	34 %	34 %

<sup>1</sup> For the years ended December 31, 2008 and 2009, carve-out financial statements of Exterran Corporation have not been prepared. The amounts presented as Exterran Corporation revenue and gross margin for such periods have been derived exclusively from the historical financial records of Archrock. Archrock's international contract operations, international aftermarket services and global Product Sales businesses represent the businesses of Exterran Corporation.

<sup>2</sup> In December 2013, Archrock abandoned its contract water treatment business. The results of the contract water treatment business have not been excluded from 2008.

<sup>3</sup> In 2008 and 2009, revenue from aftermarket services of approx. \$93 million and \$98 million, respectively, was generated internationally. In each of 2008 and 2009, gross margin from aftermarket services of approx. \$29 million was generated internationally. Internationally generated gross margin percentage in 2008 and 2009 was 31% and 29%, respectively.

<sup>4</sup> See Addendum I-A and I-E for information on gross margin and gross margin percentage.

# NON-GAAP FINANCIAL MEASURES (CONT.)<sup>1</sup> – ARCHROCK



(\$ in millions)

	2008 <sup>2</sup>	2009
<b>Net loss</b>	\$ (935.1)	\$ (545.5)
Selling, general and administrative	347.2	331.8
Merger and integration expenses	11.4	-
Depreciation and amortization	323.1	338.8
Long-lived asset impairment	24.1	97.0
Restructuring and other charges	-	13.9
Goodwill impairment	1,148.4	150.8
Interest expense	129.8	122.8
Equity in (income) loss of non-consolidated affiliates	(24.0)	91.2
Other (income) expense, net	0.7	(51.9)
Provision for income taxes	35.2	47.9
(Income) loss from discontinued operations, net of tax	(57.3)	289.0
<b>Gross margin</b>	<u>\$ 1,003.5</u>	<u>\$ 885.8</u>

<sup>1</sup> For the years ended December 31, 2008 and 2009, carve-out financial statements of Exterran Corporation have not been prepared. The amounts presented as Exterran Corporation revenue and gross margin for such periods have been derived exclusively from the historical financial records of Archrock. Archrock's international contract operations, international aftermarket services and global product sales businesses represent the businesses of Exterran Corporation.

<sup>2</sup> In December 2013, Archrock abandoned its contract water treatment business. The results of the contract water treatment business have not been excluded from 2008.