

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 23, 2015

FORUM ENERGY TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-35504
(Commission
File Number)

61-1488595
(I.R.S. Employer
Identification No.)

920 Memorial City Way, Suite 1000
Houston, Texas 77024
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (281) 949-2500

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On July 23, 2015, Forum Energy Technologies, Inc. (the “*Company*”) issued a press release announcing earnings for the quarter ended June 30, 2015. A copy of the release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

Exhibit 99.1 to this report contains “non-GAAP financial measures” as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). The non-GAAP financial measures reflect earnings before interest, taxes, depreciation and amortization expense (“*EBITDA*”) and adjusted EBITDA, adjusted operating income, adjusted net income per diluted share (“*Adjusted Diluted EPS*”) and free cash flow, before acquisitions (“*free cash flow*”). A reconciliation of EBITDA, adjusted EBITDA, adjusted operating income, Adjusted Diluted EPS and free cash flow to the most directly comparable financial measures calculated and presented in accordance with Generally Accepted Accounting Principles in the United States (“*GAAP*”) is included as an attachment to the press release. The Company believes the presentation of EBITDA, adjusted EBITDA, adjusted operating income, Adjusted Diluted EPS and free cash flow is useful to the Company’s investors because (i) EBITDA is an appropriate measure of evaluating the Company’s operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company’s securities and making strategic acquisitions and (ii) each of adjusted EBITDA, adjusted operating income, Adjusted Diluted EPS and free cash flow is useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the Company’s normal operating results. In addition, EBITDA is a widely used benchmark in the investment community.

The presentation of this additional information is not meant to be considered in isolation or as a substitute for the Company’s financial results prepared in accordance with GAAP.

The information contained in this Current Report shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished as an exhibit to this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Exhibit Title or Description</u>
99.1	Forum Energy Technologies, Inc. Press Release dated July 23, 2015.

SIGNATURES

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

Date: July 23, 2015

FORUM ENERGY TECHNOLOGIES, INC.

/s/ James L. McCulloch

James L. McCulloch

Senior Vice President, General Counsel and Secretary

Exhibit Index

Exhibit No.

Exhibit Title or Description

Forum Energy Technologies, Inc. Press Release dated July 23, 2015.

99.1

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Forum Energy Technologies Announces

Second Quarter 2015 Results

HOUSTON, TEXAS, July 23, 2015 - Forum Energy Technologies, Inc. (NYSE: FET) today announced second quarter 2015 revenue of \$284 million, a decrease of \$144 million, or 34%, from the second quarter 2014. Net income for the quarter was \$9 million or \$0.10 per diluted share compared to \$40 million or \$0.41 per diluted share for the prior year period. Excluding \$0.06 per share of non-operational items, adjusted diluted earnings per share were \$0.16 in the second quarter 2015. Non-operational items for the quarter included primarily a foreign exchange loss¹ and a restructuring charge. See Table I for a reconciliation of GAAP to non-GAAP financial information.

Second Quarter Results by Segment

Drilling & Subsea

Drilling & Subsea segment revenue in the second quarter 2015 was \$170 million, a decrease of \$110 million, or 39%, from the second quarter 2014. The revenue decline was due to lower drilling activity levels as reflected by the 51% drop in the North America land rig count for the same period. Additionally, reduced capital spending in the subsea sector impacted results compared to the prior year quarter.

Production & Infrastructure

Production & Infrastructure segment revenue in the second quarter 2015 was \$115 million, a decrease of \$34 million, or 23%, from the second quarter 2014. The reduction in North America completion activity resulted in lower sales of well site production equipment and pressure pumping consumable products from the prior year period. Partially offsetting the revenue decline was the addition of the J-Mac acquisition in the first quarter 2015. Sales of Forum's valves were down only modestly compared to the prior year.

Review and Outlook

Cris Gaut, Forum's Chairman and Chief Executive Officer, remarked, "Forum second quarter revenue decreased 18% sequentially, primarily due to the continued decline in North America drilling and completion activity as the rig count dropped 40% from the first quarter.

"Our team implemented additional cost reduction measures and scaled down our business in line with declining activity levels. EBITDA for the quarter, excluding non-operational items, was \$41 million, or 14.5% of revenue.

¹ Foreign exchange loss primarily relates to receivables billed in U.S. dollars by some of our non-U.S. subsidiaries that report in a local currency, and therefore the loss has no economic impact in dollar terms.

"We are focused on managing our cost structure and operating margins, reducing working capital and generating free cash flow as we enter the second half of the year.

"Customer spending remains depressed in this low commodity price environment. New orders received by Forum in the second quarter were \$198 million, a decline of 31% from the first quarter. Our second quarter 2015 book to bill ratio was 70%.

"We expect the lower level of new orders from the reduction in drilling and completion activity during the second quarter to have an impact on our third quarter results.

"Forum expects diluted earnings per share for the third quarter 2015 of \$0.08 to \$0.13."

Recent Events

Forum's joint venture company, Global Tubing, delivered the first order of coiled tubing for an onshore pipeline project. Coiled tubing pipeline is a continuously milled length of steel tubing that is coated and spooled for faster, lower cost and safer installations.

Conference Call Information

Forum's conference call is scheduled for July 24, 2015 at 9:00 AM CDT. During the call, the Company intends to discuss second quarter 2015 results. To participate in the earnings conference call, please call 855-757-8876 within North America, or 631-485-4851 outside of North America. The access code is 73790835. The call will also be broadcast through the Investor Relations link on Forum's website at www.f-e-t.com. Participants are encouraged to log in to the webcast or dial in to the conference call approximately ten minutes prior to the start time. A replay of the call will be available for two weeks after the call and may be accessed by dialing 855-859-2056 within North America, or 404-537-3406 outside of North America. The access code is 73790835.

Forum Energy Technologies is a global oilfield products company, serving the subsea, drilling, completion, production and infrastructure sectors of the oil and natural gas industry. The Company's products include highly engineered capital equipment as well as products that are consumed in the drilling, well construction, production and transportation of oil and natural gas. Forum is headquartered in Houston, TX with manufacturing and distribution facilities strategically located around the globe. For more information, please visit www.f-e-t.com.

Forward Looking Statements and Other Legal Disclosure

This press release contains 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. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the company expects, believes or anticipates will or may occur in the future are forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this press release specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the company, including any statement about the company's future financial position, liquidity and capital resources, operations, performance, acquisitions, returns, capital expenditure budgets, new product development activities, costs and other guidance included in this press release.

These statements are based on certain assumptions made by the company based on management's experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Among other things, these include the volatility of oil and natural gas prices, oilfield development activity levels, the availability of raw materials and specialized equipment, the company's ability to deliver backlog in a timely fashion, the availability of skilled and qualified labor, competition in the oil and gas industry, governmental regulation and taxation of the oil and natural gas industry, the company's ability to implement new technologies and services, the availability and terms of capital, and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting the company's business, and other important factors that could cause actual results to differ materially from those projected as described in the company's filings with the Securities and Exchange Commission.

Any forward-looking statement speaks only as of the date on which such statement is made and the company undertakes no 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.

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Forum Energy Technologies, Inc.
Condensed consolidated statements of income
(Unaudited)

<i>(in millions, except per share information)</i>	Three months ended		
	June 30,		March 31,
	2015	2014	2015
Revenue	\$ 284.4	\$ 428.3	\$ 348.1
Total operating expenses	265.8	368.4	312.5
Earnings from equity investment	3.8	5.9	4.6
Operating income	22.4	65.8	40.2
Other expense (income)			
Interest expense	7.6	7.7	7.6
Loss (gain) on foreign exchange and other, net	4.0	3.1	(6.7)
Profit before income taxes	10.8	55.0	39.3
Provision for income tax expense	1.9	15.4	10.6
Net income	8.9	39.6	28.7
Less: Net income attributable to noncontrolling interest	—	—	—
Net income attributable to common stockholders ⁽¹⁾	\$ 8.9	\$ 39.6	\$ 28.7
Weighted average shares outstanding			
Basic	89.8	92.6	89.5
Diluted	91.9	95.7	91.5
Earnings per share			
Basic	\$ 0.10	\$ 0.43	\$ 0.32
Diluted	\$ 0.10	\$ 0.41	\$ 0.31

⁽¹⁾ Refer to Table 1 for schedule of adjusting items.

Forum Energy Technologies, Inc.
Condensed consolidated statements of income
(Unaudited)

<i>(in millions, except per share information)</i>	Six months ended	
	June 30,	
	2015	2014
Revenue	\$ 632.5	\$ 832.2
Total operating expenses	578.3	716.2
Earnings from equity investment	8.4	11.2
Operating income	62.6	127.2
Other expense (income)		
Interest expense	15.2	15.5
Loss (gain) on foreign exchange and other, net	(2.7)	4.6
Profit before income taxes	50.1	107.1
Provision for income tax expense	12.5	31.0
Net income	37.6	76.1
Less: Net income attributable to noncontrolling interest	—	—
Net income attributable to common stockholders ⁽¹⁾	\$ 37.6	\$ 76.1
Weighted average shares outstanding		
Basic	89.6	92.4
Diluted	91.6	95.4
Earnings per share		
Basic	\$ 0.42	\$ 0.82
Diluted	\$ 0.41	\$ 0.80

⁽¹⁾ Refer to Table 2 for schedule of adjusting items.

Forum Energy Technologies, Inc.
Condensed consolidated balance sheets
(Unaudited)

(in millions of dollars)

	June 30, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 57.8	\$ 76.6
Accounts receivable—trade, net	199.6	287.0
Inventories, net	522.8	461.5
Other current assets	81.4	70.0
Total current assets	<u>861.6</u>	<u>895.1</u>
Property and equipment, net of accumulated depreciation	202.4	190.0
Goodwill and other intangibles, net	1,074.2	1,070.2
Investment in unconsolidated subsidiary	55.3	49.7
Other long-term assets	15.9	16.6
Total assets	<u>\$ 2,209.4</u>	<u>\$ 2,221.6</u>
Liabilities and Equity		
Current liabilities		
Current portion of long-term debt	\$ 0.6	\$ 0.8
Other current liabilities	215.6	281.4
Total current liabilities	<u>216.2</u>	<u>282.2</u>
Long-term debt, net of current portion	437.7	428.0
Other long-term liabilities	120.2	115.4
Total liabilities	<u>774.1</u>	<u>825.6</u>
Total stockholders' equity	1,434.8	1,395.4
Noncontrolling interest in subsidiary	0.5	0.6
Total equity	<u>1,435.3</u>	<u>1,396.0</u>
Total liabilities and equity	<u>\$ 2,209.4</u>	<u>\$ 2,221.6</u>

Forum Energy Technologies, Inc.
Condensed consolidated cash flow information
(Unaudited)

<i>(in millions of dollars)</i>	Six months ended June 30,	
	2015	2014
Cash flows from operating activities		
Net income	\$ 37.6	\$ 76.1
Depreciation and amortization	32.7	32.2
Other, primarily working capital	(15.2)	4.8
Net cash provided by operating activities	\$ 55.1	\$ 113.1
Cash flows from investing activities		
Capital expenditures for property and equipment	\$ (18.9)	\$ (28.7)
Proceeds from sale of business, property and equipment and other	1.4	8.6
Acquisition of businesses, net of cash acquired	(60.8)	(37.7)
Net cash used in investing activities	\$ (78.3)	\$ (57.8)
Cash flows from financing activities		
Borrowings of long-term debt, including borrowings due to acquisitions	\$ 79.9	\$ —
Repayment of long-term debt	(70.6)	(75.5)
Other	(3.8)	11.0
Net cash provided by (used in) financing activities	\$ 5.5	\$ (64.5)
Effect of exchange rate changes on cash	(1.1)	2.2
Net decrease in cash and cash equivalents	\$ (18.8)	\$ (7.0)

Forum Energy Technologies, Inc.
Supplemental schedule - Segment information
(Unaudited)

<i>(in millions of dollars)</i>	As Reported			As Adjusted ⁽⁵⁾		
	Three months ended			Three months ended		
	June 30, 2015	June 30, 2014	March 31, 2015	June 30, 2015	June 30, 2014	March 31, 2015
Revenue						
Drilling & Subsea	\$ 169.7	\$ 279.2	\$ 215.1	\$ 169.7	\$ 279.2	\$ 215.1
Production & Infrastructure	114.9	149.4	133.2	114.9	149.4	133.2
Eliminations	(0.2)	(0.3)	(0.2)	(0.2)	(0.3)	(0.2)
Total revenue	\$ 284.4	\$ 428.3	\$ 348.1	\$ 284.4	\$ 428.3	\$ 348.1
Operating income						
Drilling & Subsea	\$ 15.4	\$ 50.3	\$ 29.2	\$ 18.1	\$ 50.4	\$ 33.7
<i>Operating income margin %</i>	9.1%	18.0%	13.6%	10.7%	18.1%	15.7%
Production & Infrastructure ⁽¹⁾	15.2	26.6	19.2	14.2	26.9	19.6
<i>Operating income margin %</i>	13.2%	17.8%	14.4%	12.4%	18.0%	14.7%
Corporate	(8.1)	(10.7)	(8.3)	(7.8)	(10.4)	(8.3)
Total Segment operating income	22.5	66.2	40.1	24.5	66.9	45.0
Other items not in segment operating income ⁽²⁾	(0.1)	(0.4)	0.1	—	0.3	0.3
Total operating income	\$ 22.4	\$ 65.8	\$ 40.2	\$ 24.5	\$ 67.2	\$ 45.3
<i>Operating income margin %</i>	7.9%	15.4%	11.5%	8.6%	15.7%	13.0%
EBITDA ⁽³⁾						
Drilling & Subsea	\$ 22.4	\$ 59.5	\$ 48.4	\$ 29.4	\$ 62.3	\$ 45.4
<i>Percentage of D&S revenue %</i>	13.2%	21.3%	22.5%	17.3%	22.3%	21.1%
Production & Infrastructure	18.9	30.0	21.8	18.0	30.2	23.0
<i>Percentage of P&I revenue %</i>	16.4%	20.1%	16.4%	15.7%	20.2%	17.3%
Corporate	(6.5)	(9.8)	(6.8)	(6.3)	(9.6)	(6.7)
Other items ⁽⁴⁾	—	(0.7)	(0.2)	—	—	—
Total EBITDA	\$ 34.8	\$ 79.0	\$ 63.2	\$ 41.1	\$ 82.9	\$ 61.7
<i>Percentage of total revenue %</i>	12.2%	18.4%	18.2%	14.5%	19.4%	17.7%

⁽¹⁾ Includes earnings from equity investment.

⁽²⁾ Includes transaction expenses and gain/(loss) on sale of assets.

⁽³⁾ The Company believes that the presentation of EBITDA is useful to the Company's investors because EBITDA is an appropriate measure of evaluating the company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, EBITDA is a widely used benchmark in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

⁽⁴⁾ Includes transaction expenses.

⁽⁵⁾ Refer to Table 1 for schedule of adjusting items.

Forum Energy Technologies, Inc.
Supplemental schedule - Segment information
(Unaudited)

<i>(in millions of dollars)</i>	As Reported		As Adjusted ⁽⁵⁾	
	Six months ended		Six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenue				
Drilling & Subsea	\$ 384.8	\$ 540.9	\$ 384.8	\$ 540.9
Production & Infrastructure	248.1	292.0	248.1	292.0
Eliminations	(0.4)	(0.7)	(0.4)	(0.7)
Total revenue	\$ 632.5	\$ 832.2	\$ 632.5	\$ 832.2
Operating income				
Drilling & Subsea	\$ 44.6	\$ 97.3	\$ 51.8	\$ 97.4
<i>Operating income margin %</i>	11.6%	18.0%	13.5%	18.0%
Production & Infrastructure ⁽¹⁾	34.4	50.5	33.8	50.8
<i>Operating income margin %</i>	13.9%	17.3%	13.6%	17.4%
Corporate	(16.4)	(19.4)	(16.1)	(19.1)
Total Segment operating income	62.6	128.4	69.5	129.1
Other items not in segment operating income ⁽²⁾	—	(1.2)	0.3	0.4
Total operating income	\$ 62.6	\$ 127.2	\$ 69.8	\$ 129.5
<i>Operating income margin %</i>	9.9%	15.3%	11.0%	15.6%
EBITDA ⁽³⁾				
Drilling & Subsea	\$ 70.8	\$ 117.6	\$ 74.8	\$ 121.2
<i>Percentage of D&S revenue %</i>	18.4%	21.7%	19.4%	22.4%
Production & Infrastructure	40.7	56.1	41.0	57.0
<i>Percentage of P&I revenue %</i>	16.4%	19.2%	16.5%	19.5%
Corporate	(13.3)	(17.3)	(13.0)	(17.1)
Other items ⁽⁴⁾	(0.2)	(1.6)	—	—
Total EBITDA	\$ 98.0	\$ 154.8	\$ 102.8	\$ 161.1
<i>Percentage of total revenue %</i>	15.5%	18.6%	16.3%	19.4%

⁽¹⁾ Includes earnings from equity investment.

⁽²⁾ Includes transaction expenses, loss on sale of business and gain/(loss) on sale of assets.

⁽³⁾ The Company believes that the presentation of EBITDA is useful to the Company's investors because EBITDA is an appropriate measure of evaluating the company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, EBITDA is a widely used benchmark in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

⁽⁴⁾ Includes transaction expenses and loss on sale of business.

⁽⁵⁾ Refer to Table 2 for schedule of adjusting items.

Forum Energy Technologies, Inc.
Reconciliation of GAAP to non-GAAP financial information
(Unaudited)

Table 1 - Adjusting items

<i>(in millions, except per share information)</i>	Three months ended								
	June 30, 2015			June 30, 2014			March 31, 2015		
	Operating income	EBITDA ⁽¹⁾	Diluted EPS	Operating income	EBITDA ⁽¹⁾	Diluted EPS	Operating income	EBITDA ⁽¹⁾	Diluted EPS
As reported	\$ 22.4	\$ 34.8	\$ 0.10	\$ 65.8	\$ 79.0	\$ 0.41	\$ 40.2	\$ 63.2	\$ 0.31
<i>% of revenue</i>	7.9%	12.2%		15.4%	18.4%		11.5%	18.2%	
Restructuring charges and other	2.1	2.1		0.7	0.7		4.9	4.9	
Transaction expenses	—	—		0.7	0.7		0.2	0.2	
Loss (gain) on foreign exchange, net ⁽²⁾	—	4.2		—	2.5		—	(6.6)	
As adjusted ⁽¹⁾	\$ 24.5	\$ 41.1	\$ 0.16	\$ 67.2	\$ 82.9	\$ 0.44	\$ 45.3	\$ 61.7	\$ 0.30
<i>% of revenue</i>	8.6%	14.5%		15.7%	19.4%		13.0%	17.7%	

Table 2 - Adjusting items

<i>(in millions, except per share information)</i>	Six months ended					
	June 30, 2015			June 30, 2014		
	Operating income	EBITDA ⁽¹⁾	Diluted EPS	Operating income	EBITDA ⁽¹⁾	Diluted EPS
As reported	\$ 62.6	\$ 98.0	\$ 0.41	\$ 127.2	\$ 154.8	\$ 0.80
<i>% of revenue</i>	9.9%	15.5%		15.4%	18.6%	
Restructuring charges and other	7.0	7.0		0.7	0.7	
Transaction expenses	0.2	0.2		0.8	0.8	
Loss on sale of business	—	—		0.8	0.8	
Loss (gain) on foreign exchange, net ⁽²⁾	—	(2.4)		—	4.0	
As adjusted ⁽¹⁾	\$ 69.8	\$ 102.8	\$ 0.45	\$ 129.5	\$ 161.1	\$ 0.85
<i>% of revenue</i>	11.0%	16.3%		15.6%	19.4%	

⁽¹⁾ The Company believes that the presentation of EBITDA, adjusted EBITDA, adjusted operating income and adjusted Diluted EPS is useful to the Company's investors because (i) EBITDA is an appropriate measure of evaluating the Company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions and (ii) each of adjusted EBITDA, adjusted operating income and adjusted Diluted EPS is useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the Company's normal operating results. In addition, EBITDA is a widely used benchmark in the investment community. See the attached separate schedule for the reconciliation of GAAP to non-GAAP financial information.

⁽²⁾ Foreign exchange, net primarily relates to receivables billed in U.S. dollars by some of our non-U.S. subsidiaries that report in a local currency, and therefore the loss has no economic impact in dollar terms.

Forum Energy Technologies, Inc.
Reconciliation of GAAP to non-GAAP financial information
(Unaudited)

Table 3 - Adjusting Items

<i>(in millions of dollars)</i>	Three months ended		
	June 30, 2015	June 30, 2014	March 31, 2015
EBITDA reconciliation ⁽¹⁾			
Net income attributable to common stockholders	\$ 8.9	\$ 39.6	\$ 28.7
Interest expense	7.6	7.7	7.6
Depreciation and amortization	16.4	16.3	16.3
Income tax expense	1.9	15.4	10.6
EBITDA	\$ 34.8	\$ 79.0	\$ 63.2

Table 4 - Adjusting Items

<i>(in millions of dollars)</i>	Six months ended	
	June 30, 2015	June 30, 2014
EBITDA reconciliation ⁽¹⁾		
Net income attributable to common stockholders	\$ 37.6	\$ 76.1
Interest expense	15.2	15.5
Depreciation and amortization	32.7	32.2
Income tax expense	12.5	31.0
EBITDA	\$ 98.0	\$ 154.8

⁽¹⁾ The Company believes that the presentation of EBITDA is useful to the Company's investors because EBITDA is an appropriate measure of evaluating the company's operating performance and liquidity that reflects the resources available for strategic opportunities including, among others, investing in the business, strengthening the balance sheet, repurchasing the Company's securities and making strategic acquisitions. In addition, EBITDA is a widely used benchmark in the investment community.

Table 5 - Adjusting items

<i>(in millions of dollars)</i>	Six months ended	
	June 30, 2015	June 30, 2014
Free cash flow, before acquisitions, reconciliation ⁽²⁾		
Net cash provided by operating activities	\$ 55.1	\$ 113.1
Capital expenditures for property and equipment	(18.9)	(28.7)
Proceeds from sale of property and equipment	1.4	2.3
Free cash flow, before acquisitions	\$ 37.6	\$ 86.7

⁽²⁾ The Company believes free cash flow, before acquisitions is an important measure because it encompasses both profitability and capital management in evaluating results.