

# JOY GLOBAL INC

## FORM 10-Q (Quarterly Report)

Filed 03/04/11 for the Period Ending 01/28/11

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Symbol	JOYG
SIC Code	3532 - Mining Machinery and Equipment, Except Oil and Gas Field Machinery and Equipment
Industry	Constr. & Agric. Machinery
Sector	Capital Goods
Fiscal Year	10/28

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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 January 28, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD from \_\_\_\_\_ to \_\_\_\_\_

Commission File number 001-09299

**JOY GLOBAL INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State of Incorporation)

39-1566457  
(I.R.S. Employer Identification No.)

100 East Wisconsin Ave, Suite 2780  
Milwaukee, Wisconsin 53202  
(Address of principal executive offices)  
(Zip Code)

(414) 319-8500  
(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 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 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 definitions of "accelerated filer," "large 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class  
Common Stock, \$1 par value

Outstanding at February 24, 2011  
104,786,946

**JOY GLOBAL INC.**

**FORM 10-Q -- INDEX**  
**January 28, 2011**

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## **Forward-Looking Statements**

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements are identified by forward-looking terms such as “anticipate,” “believe,” “estimate,” “expect,” “indicate,” “may be,” “objective,” “plan,” “predict,” “should,” “will be,” and similar expressions. Forward-looking statements are based on our expectations and assumptions at the time they are made and are subject to risks and uncertainties, that may cause actual results to differ materially from the forward-looking statements. In addition, certain market outlook information is based on third party sources that we cannot independently verify, but that we believe to be reliable. Important factors that could cause our actual results to differ materially from the results anticipated by the forward-looking statements include general economic and industry conditions in the markets in which we operate, risks associated with conducting business in foreign countries, and the risks discussed in Item 1A, “Risk Factors,” of our Annual Report on Form 10-K for our fiscal year ended October 29, 2010, and in other filings that we make with the SEC. Any or all of these factors could cause our actual results and financial or legal status for future periods to differ materially from those expressed or referred to in any forward-looking statement. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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## PART I. - FINANCIAL INFORMATION

## Item 1. Financial Statements

**JOY GLOBAL INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**(Unaudited)**  
**(In thousands except per share amounts)**

	<b>Quarter Ended</b>	
	<b>January 28, 2011</b>	<b>January 29, 2010</b>
Net sales	\$ 869,532	\$ 729,220
Costs and expenses:		
Cost of sales	584,131	502,438
Product development, selling and administrative expenses	132,130	110,015
Other income	(527)	(793)
Operating income	153,798	117,560
Interest income	3,445	2,864
Interest expense	(7,831)	(7,460)
Reorganization items	(35)	(50)
Income before income taxes	149,377	112,914
Provision for income taxes	47,145	36,697
Net income	<u>\$ 102,232</u>	<u>\$ 76,217</u>
Basic earnings per share	<u>\$ 0.98</u>	<u>\$ 0.74</u>
Diluted earnings per share	<u>\$ 0.96</u>	<u>\$ 0.73</u>
Dividends per share	<u>\$ 0.175</u>	<u>\$ 0.175</u>
Weighted average shares outstanding:		
Basic	<u>104,158</u>	<u>102,759</u>
Diluted	<u>106,043</u>	<u>104,383</u>

See Notes to Condensed Consolidated Financial Statements.

**JOY GLOBAL INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(In thousands)

	<b>January 28, 2011</b>	<b>October 29, 2010</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 819,546	\$ 815,581
Accounts receivable, net	670,473	674,135
Inventories	836,972	764,945
Other current assets	115,757	107,266
Total current assets	<u>2,442,748</u>	<u>2,361,927</u>
Property, plant and equipment, net	394,754	378,024
Other intangible assets, net	176,797	178,831
Goodwill	125,920	125,686
Deferred income taxes	138,700	162,682
Other non-current assets	76,958	76,891
Total assets	<u>\$ 3,355,877</u>	<u>\$ 3,284,041</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term notes payable, including current portion of long-term obligations	\$ 4,711	\$ 1,550
Trade accounts payable	257,036	291,742
Employee compensation and benefits	76,148	128,132
Advance payments and progress billings	454,906	376,300
Accrued warranties	61,479	62,351
Other accrued liabilities	125,260	163,249
Total current liabilities	<u>979,540</u>	<u>1,023,324</u>
Long-term obligations	396,283	396,326
Accrued pension costs	394,338	428,348
Other liabilities	81,418	80,649
Total liabilities	<u>1,851,579</u>	<u>1,928,647</u>
Shareholders' equity	<u>1,504,298</u>	<u>1,355,394</u>
Total liabilities and shareholders' equity	<u>\$ 3,355,877</u>	<u>\$ 3,284,041</u>

See Notes to Condensed Consolidated Financial Statements.

**JOY GLOBAL INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**  
**(In thousands)**

	<b>Quarter Ended</b>	
	<b>January 28, 2011</b>	<b>January 29, 2010</b>
<b>Operating Activities:</b>		
Net income	\$ 102,232	\$ 76,217
Depreciation and amortization	15,862	13,874
Change in deferred income taxes	829	74
Excess income tax benefit from share-based payment awards	(14,260)	(3,175)
Contributions to retiree benefit plans	(43,774)	(7,439)
Retiree benefit plan expense	12,800	13,681
Other, net	548	3,562
<b>Changes in Working Capital Items:</b>		
Accounts receivable, net	12,132	39,124
Inventories	(70,818)	(433)
Other current assets	(9,010)	7,406
Trade accounts payable	(33,682)	(26,020)
Employee compensation and benefits	(52,408)	(44,943)
Advance payments and progress billings	77,305	16,970
Other accrued liabilities	(4,733)	(29,359)
Net cash (used) provided by operating activities	<u>(6,977)</u>	<u>59,539</u>
<b>Investment Activities:</b>		
Property, plant and equipment acquired	(28,402)	(14,081)
Other, net	53	(1,642)
Net cash used by investment activities	<u>(28,349)</u>	<u>(15,723)</u>
<b>Financing Activities:</b>		
Share-based payment awards	53,163	13,945
Dividends paid	(18,133)	(17,930)
Change in short and long-term obligations, net	3,030	(3,575)
Financing fees	(75)	-
Net cash provided (used) by financing activities	<u>37,985</u>	<u>(7,560)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>1,306</u>	<u>(2,891)</u>
Increase in Cash and Cash Equivalents	3,965	33,365
Cash and Cash Equivalents at Beginning of Period	<u>815,581</u>	<u>471,685</u>
Cash and Cash Equivalents at End of Period	<u>\$ 819,546</u>	<u>\$ 505,050</u>

See Notes to Condensed Consolidated Financial Statements.

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

**1. Description of Business**

Joy Global Inc. (the “Company”) is a worldwide leader in high productivity mining solutions, and we manufacture and market original equipment and aftermarket parts and services for both underground and surface mining and certain industrial applications. Our equipment is used in major mining regions throughout the world to mine coal, copper, iron ore, oil sands and other minerals. We operate in two business segments: underground mining machinery (Joy Mining Machinery or “Joy”) and surface mining equipment (P&H Mining Equipment or “P&H”). Joy is a major manufacturer of underground mining equipment for the extraction of coal and other bedded minerals and offers comprehensive service locations near major mining regions worldwide. P&H is a major producer of surface mining equipment for the extraction of ores and minerals and provides extensive operational support for many types of equipment used in surface mining.

**2. Basis of Presentation**

The Condensed Consolidated Financial Statements presented in this quarterly report on Form 10-Q are unaudited and have been prepared by us in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission. In our opinion, all adjustments necessary for the fair presentation on a going concern basis of the results of operations, cash flows and financial position for all periods presented have been made. All adjustments made are of a normal recurring nature. The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from the estimates.

These financial statements should be read in conjunction with the financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended October 29, 2010. The results of operations for any interim period are not necessarily indicative of the results to be expected for the full year.

**3. Derivatives**

We enter into derivative contracts, primarily foreign currency forward contracts, to hedge the risks of certain identified and anticipated transactions in currencies other than the functional currency of the respective operating unit. The types of risks hedged are those arising from the variability of future earnings and cash flows caused by fluctuations in foreign currency exchange rates. We have designated substantially all of these contracts as cash flow hedges. These contracts are for forecasted transactions and committed receivables and payables denominated in foreign currencies and are not entered into for speculative purposes.

We are exposed to certain foreign currency risks in the normal course of our global business operations. For derivative contracts that are designated and qualify for a cash flow hedge, the effective portion of the gain or loss of the derivative contract is recorded as a component of other comprehensive income, net of tax. This amount is reclassified into the income statement on the line associated with the underlying transaction for the period(s) in which the hedged transaction affects earnings. The amounts recorded in accumulated other comprehensive income for existing cash flow hedges are generally expected to be reclassified into earnings within one year and all of the existing hedges will be reclassified into earnings by February 2012.

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

For derivative contracts that are designated and qualify as a fair value hedge, gain or loss is recorded in the Consolidated Statement of Income under the heading Cost of Sales. For the quarters ended January 28, 2011 and January 29, 2010 we recorded \$0.2 million loss and an immaterial gain, respectively, in the Consolidated Statement of Income related to fair value hedges which was offset by foreign exchange fluctuations of the underlying receivable.

We are exposed to credit-related losses in the event of non-performance by counterparties to our forward exchange contracts. We currently have a concentration of these contracts held with Bank of America, N.A., which maintains an investment grade rating as of quarter end. We do not expect any counterparties, including Bank of America, N.A., to fail to meet their obligations. A contract is generally subject to credit risk only when it has a positive fair value and the maximum exposure is the amount of the positive fair value.

Forward exchange contracts are entered into to protect the value of forecasted transactions and committed future foreign currency receipts and disbursements and consequently any market-related loss on the forward contract would be offset by changes in the value of the hedged item. As a result, we are generally not exposed to net market risk associated with these instruments.

The following table summarizes the effect of cash flow hedges on the Consolidated Statement of Income:

<u>In thousands</u>	<u>Effective Portion</u>		<u>Ineffective Portion</u>		
<u>Derivative Hedging Relationship</u>	<u>Amount of Gain/ (Loss) Recognized in OCI</u>	<u>Location of Gain/ (Loss) Reclassified from AOCI into Earnings</u>	<u>Amount of Gain/ (Loss) Reclassified from AOCI into Earnings</u>	<u>Location of Gain/ (Loss) Reclassified from AOCI into Earnings</u>	<u>Amount of Gain/ (Loss) Reclassified from AOCI into Earnings</u>
<b>Quarter ended January 28, 2011</b>					
Foreign currency forward contracts	\$ 1,469	Cost of sales	\$ (822)	Cost of sales	\$ 22
		Sales	2,939		
<b>Quarter ended January 29, 2010</b>					
Foreign currency forward contracts	\$ (4,958)	Cost of sales	\$ 329	Cost of sales	\$ 2,550
		Sales	(100)		

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

**4. Borrowings and Credit Facilities**

Direct borrowings and capital lease obligations consisted of the following:

<b>In thousands</b>	<b>January 28, 2011</b>	<b>October 29, 2010</b>
6.0% Senior Notes due 2016	\$ 247,758	\$ 247,677
6.625% Senior Notes due 2036	148,423	148,417
Short-term notes payable and bank overdrafts	4,362	1,208
Capital leases and other	451	574
	<u>400,994</u>	<u>397,876</u>
Less: Amounts due within one year	<u>(4,711)</u>	<u>(1,550)</u>
Long-term obligations	<u>\$ 396,283</u>	<u>\$ 396,326</u>

We have a \$500.0 million unsecured revolving credit facility ("Credit Agreement") set to expire November 3, 2014. Outstanding borrowings bear interest equal to the London Interbank Offered Rate ("LIBOR") (defined as applicable LIBOR rate for the equivalent interest period plus 1.75% to 2.75%) or the Base Rate (defined as the higher of the Prime Rate, Federal Funds Effective Rate plus 0.5%, or Eurodollar Rate plus 1.0%) at our option. We pay a commitment fee ranging from 0.25% to 0.5% on the unused portion of the revolving credit facility based on our credit rating. The Credit Agreement requires the maintenance of certain financial covenants, including leverage and interest coverage ratios. The Credit Agreement also restricts payments of dividends or other return of capital when the consolidated leverage ratio exceeds a stated level amount. At January 28, 2011, we were in compliance with all financial covenants in the Credit Agreement and had no restrictions on the payment of dividends or return of capital.

At January 28, 2011, there was \$294.3 million available for borrowings under the Credit Agreement. Outstanding letters of credit issued under the Credit Agreement, which count toward the \$500.0 million credit limit, totaled \$205.7 million. At January 28, 2011, there were no outstanding direct borrowings under the Credit Agreement.

**5. Warranties**

The following table reconciles the changes in the product warranty reserve:

<b>In thousands</b>	<b>Quarter Ended</b>	
	<b>January 28, 2011</b>	<b>January 29, 2010</b>
Balance, beginning of period	\$ 62,351	\$ 58,947
Accrual for warranty expensed during the period	6,565	8,264
Settlements made during the period	(8,430)	(5,331)
Change in liability for pre-existing warranties during the period, including expirations	144	(115)
Effect of foreign currency translation	849	(368)
Balance, end of period	<u>\$ 61,479</u>	<u>\$ 61,397</u>

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

**6. Basic and Diluted Net Income Per Share**

Basic net income per share is computed based on the weighted-average number of shares outstanding during each period. Diluted net income per share is computed based on the weighted-average number of shares outstanding during each period, plus dilutive potential shares considered outstanding during the period.

The following table sets forth the computation of basic and diluted net income per share:

<b>In thousands except per share data</b>	<b>Quarter Ended</b>	
	<b>January 28, 2011</b>	<b>January 29, 2010</b>
<b>Numerator:</b>		
Net income	\$ 102,232	\$ 76,217
<b>Denominator:</b>		
Denominator for basic net income per share -		
Weighted average shares	104,158	102,759
Effect of dilutive securities:		
Stock options, restricted stock units and performance shares	1,885	1,624
Denominator for diluted net income per share -		
Adjusted weighted average shares and assumed conversions	106,043	104,383
Basic earnings per share:	\$ 0.98	\$ 0.74
Diluted earnings per share:	\$ 0.96	\$ 0.73

**7. Contingent Liabilities**

We and our subsidiaries are involved in various unresolved legal matters that arise in the normal course of operations, the most prevalent of which relate to product liability (including over 1,000 asbestos and silica-related cases), employment, and commercial matters. Also, as a normal part of operations, our subsidiaries undertake contractual obligations, warranties, and guarantees in connection with the sale of products or services. Although the outcome of these matters cannot be predicted with certainty and favorable or unfavorable resolutions may affect the results of operations on a quarter-to-quarter basis, we believe that the outcome of such legal and other matters will not have a materially adverse effect on our consolidated financial position, results of operations, or liquidity.

During the Chapter 11 reorganization of Harnischfeger Industries, Inc. (our "Predecessor Company"), in 1999 through the filing of a voluntary petition under Chapter 11 of the United States Bankruptcy Code, the Wisconsin Department of Workforce Development ("DWD") filed claims against Beloit Corporation ("Beloit"), a former majority owned subsidiary, and us in federal bankruptcy court seeking "at least" \$10 million in severance benefits and penalties, plus interest, on behalf of former Beloit employees. DWD's claim against Beloit included unpaid severance pay due under a severance policy Beloit established in 1996. DWD alleges that Beloit violated its alleged contractual obligations under the 1996 policy when it amended the policy in 1999. The Federal District Court for the District of Delaware removed DWD's claims from the bankruptcy court and granted summary judgment in our favor on all of DWD's claims in December 2001. DWD appealed the decision and the judgment was ultimately vacated in part and remanded. Following further proceedings, DWD's only remaining claim against us is that our Predecessor Company tortiously interfered with Beloit's decision to amend its severance policy. We concluded a trial on DWD's remaining claim during the week of March 1, 2010. On September 21, 2010, the court granted judgment in our favor. DWD then filed a post-judgment motion asking the court to change its decision. We await a ruling on DWD's latest motion. If the court denies DWD's motion, we expect that DWD will file an appeal with the United States Court of Appeals for the Third Circuit. We do not believe these proceedings will have a significant effect on our financial condition, results of operations, or liquidity.

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

Because DWD's claims were still being litigated as of the effective date of our plan of reorganization, the plan of reorganization provided that the claim allowance process with respect to DWD's claims would continue as long as necessary to liquidate and determine these claims.

On January 28, 2011, we were contingently liable to banks, financial institutions, and others for approximately \$228.7 million for outstanding letters of credit, bank guarantees, and surety bonds securing performance of sales contracts and other guarantees in the ordinary course of business. Of the \$228.7 million, approximately \$14.2 million relates to surety bonds and \$12.4 million relates to outstanding letters of credit or other guarantees issued by non-U.S. banks for non-U.S. subsidiaries under locally provided credit facilities.

From time to time we and our subsidiaries become involved in proceedings relating to environmental matters. We believe that the resolution of such environmental matters will not have a materially adverse effect on our consolidated financial position, results of operations or liquidity.

**8. Fair Value Measurements**

GAAP establishes a three-level fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability as follows:

*Level 1:* Observable inputs such as quoted prices in active markets

*Level 2:* Inputs, other than quoted prices in active markets that are observable either directly or indirectly

*Level 3:* Unobservable inputs where there is little or no market data, which requires the reporting entity to develop its own assumptions

GAAP requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

The following tables present the fair value hierarchy for those assets and liabilities measured at fair value and disclose the fair value of certain other liabilities. As of January 28, 2011 and October 29, 2010 we did not have any level 3 assets or liabilities.

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

**Fair Value Measurements  
at January 28, 2011**

<u>In thousands</u>	<u>Carrying Value</u>	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 819,546	\$ 819,546	\$ 819,546	\$ -
<b>Other Current Assets</b>				
Derivatives	\$ 8,322	\$ 8,322	\$ -	\$ 8,322
<b>Other Accrued Liabilities</b>				
Derivatives	\$ 1,765	\$ 1,765	\$ -	\$ 1,765
<b>Long-term Obligations</b>				
6.0 % Senior Notes	\$ 247,758	\$ 277,500	\$ 277,500	\$ -
6.625% Senior Notes	\$ 148,423	\$ 150,720	\$ 150,720	\$ -

**Fair Value Measurements  
at October 29, 2010**

<u>In thousands</u>	<u>Carrying Value</u>	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 815,581	\$ 815,581	\$ 815,581	\$ -
<b>Other Current Assets</b>				
Derivatives	\$ 10,643	\$ 10,643	\$ -	\$ 10,643
<b>Other Accrued Liabilities</b>				
Derivatives	\$ 4,212	\$ 4,212	\$ -	\$ 4,212
<b>Long-term Obligations</b>				
6.0 % Senior Notes	\$ 247,677	\$ 273,125	\$ 273,125	\$ -
6.625% Senior Notes	\$ 148,417	\$ 152,438	\$ 152,438	\$ -

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents : The carrying value approximates fair value because of the short maturity of those instruments.

Derivatives : The fair value of forward foreign exchange contracts represents the estimated amounts receivable (payable) to terminate such contracts at the respective period end based on foreign exchange market prices at that date.

Senior Notes : The fair market value of the Senior Notes is estimated based on market quotations at the respective period end.

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

**9. Share-Based Compensation**

We recognized total share-based compensation expense for the quarter ended January 28, 2011 and January 29, 2010 of approximately \$6.0 million and \$5.2 million, respectively.

*Stock Options*

	<u>Number of Options</u>	<u>Weighted- Average Exercise Price per Share</u>	<u>Aggregate Intrinsic Value (In Millions)</u>
Outstanding at October 29, 2010	2,846,686	\$ 35.09	\$ 102.1
Options granted	500,500	80.62	
Options exercised	(1,061,990)	36.63	52.1
Options forfeited and cancelled	(17,499)	31.47	
Outstanding at January 28, 2011	<u>2,267,697</u>	<u>\$ 44.44</u>	<u>\$ 92.8</u>
Exercisable at January 28, 2011	<u>863,308</u>	<u>\$ 34.72</u>	<u>\$ 43.7</u>

The fair value of the stock awards is the estimated fair value at grant date using the Black-Scholes valuation model and is recognized as expense on a straight line basis over the vesting period, which is three years. The weighted average assumptions and resulting estimated fair value is as follows:

	<u>Quarter Ended January 28, 2011</u>
Risk free interest rate	0.78%
Expected volatility	41.07%
Expected life in years	3.83
Dividend yield	0.90%
Weighted average estimated fair value at grant date	\$ 24.20

*Restricted Stock Units*

	<u>Number of Units</u>	<u>Weighted- Average Grant Date Fair Value</u>	<u>Aggregate Intrinsic Value (In Millions)</u>
Outstanding at October 29, 2010	681,501	\$ 35.03	
Units granted	238,250	80.63	
Units earned from dividends	1,771	86.63	
Units settled	(26,446)	46.15	\$ 2.1
Units deferred	(14,251)	51.08	1.1
Units forfeited	(6,345)	36.27	
Outstanding at January 28, 2011	<u>874,480</u>	<u>\$ 47.78</u>	

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

*Performance Shares*

	Number of Shares	Weighted- Average Grant Date Fair Value	Aggregate Intrinsic Value (In Millions)
Outstanding at October 29, 2010	762,611	\$ 36.57	
Shares granted	75,000	80.69	
Shares distributed	(158,970)	56.87	\$ 13.7
Shares forfeited	(7,650)	30.84	
Outstanding at January 28, 2011	<u>670,991</u>	<u>\$ 36.76</u>	

**10. Inventories**

Consolidated inventories consisted of the following:

<u>In thousands</u>	<u>January 28, 2011</u>	<u>October 29, 2010</u>
Finished goods	\$ 560,786	\$ 503,356
Work in process and purchased parts	206,389	183,658
Raw materials	69,797	77,931
	<u>\$ 836,972</u>	<u>\$ 764,945</u>

**11. Comprehensive Income**

Comprehensive income consisted of the following net of taxes where applicable:

<u>In thousands</u>	<u>Quarter Ended</u>	
	<u>January 28, 2011</u>	<u>January 29, 2010</u>
Net income	\$ 102,232	\$ 76,217
Other comprehensive income (loss):		
Pension & postretirement adjustments	5,886	8,084
Translation adjustments	4,653	(9,736)
Derivative fair value adjustments	(422)	(4,729)
Total other comprehensive income (loss)	<u>10,117</u>	<u>(6,381)</u>
Comprehensive income	<u>\$ 112,349</u>	<u>\$ 69,836</u>

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**(Unaudited)**

**12. Retiree Benefits**

The components of the net periodic pension and other post-retirement benefits expense recognized are as follows:

<b>In thousands</b>	<b>Pension Benefits</b>		<b>Postretirement Benefits</b>	
	<b>Quarter Ended</b>		<b>Quarter Ended</b>	
	<b>January 28, 2011</b>	<b>January 29, 2010</b>	<b>January 28, 2011</b>	<b>January 29, 2010</b>
Service cost	\$ 5,135	\$ 5,273	\$ 285	\$ 258
Interest cost	21,191	21,316	406	410
Expected return on assets	(22,884)	(21,593)	(92)	(67)
Amortization of:				
Prior service cost	344	290	12	-
Actuarial loss (gain)	8,787	8,146	(384)	(352)
Net periodic benefit cost	<u>\$ 12,573</u>	<u>\$ 13,432</u>	<u>\$ 227</u>	<u>\$ 249</u>

The actuarial loss (gain) arises from differences in estimates and actual experiences for certain assumptions including changes in discount rate, expected return on assets and future salary rate increases. For 2011, we expect to contribute approximately \$135.0 to \$145.0 million to our defined benefit employee pension plans globally.

**13. Segment Information**

We operate in two reportable segments: Underground Mining Machinery and Surface Mining Equipment. Crushing and conveying operating results related to surface applications are reported as part of the Surface Mining Equipment segment, while total crushing and conveying operating results are included with the Underground Mining Machinery segment. Eliminations include the surface applications of crushing and conveying included in both operating segments.

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<b>In thousands</b>	<b>Underground Mining Machinery</b>	<b>Surface Mining Equipment</b>	<b>Corporate</b>	<b>Eliminations</b>	<b>Total</b>
<b>First Quarter 2011</b>					
Net sales	\$ 510,938	\$ 385,843	\$ -	\$ (27,249)	\$ 869,532
Operating income (loss)	95,371	75,885	(10,714)	(6,744)	153,798
Interest and reorganization items	-	-	(4,421)	-	(4,421)
Income before income taxes	<u>\$ 95,371</u>	<u>\$ 75,885</u>	<u>\$ (15,135)</u>	<u>\$ (6,744)</u>	<u>\$ 149,377</u>
Depreciation and amortization	\$ 10,188	\$ 5,617	\$ 57	\$ -	\$ 15,862
Capital expenditures	\$ 19,703	\$ 8,699	\$ -	\$ -	\$ 28,402
<b>First Quarter 2010</b>					
Net sales	\$ 423,731	\$ 328,000	\$ -	\$ (22,511)	\$ 729,220
Operating income (loss)	\$ 68,223	\$ 65,384	\$ (10,250)	\$ (5,797)	\$ 117,560
Interest and reorganization items	-	-	(4,646)	-	(4,646)
Income before income taxes	<u>\$ 68,223</u>	<u>\$ 65,384</u>	<u>\$ (14,896)</u>	<u>\$ (5,797)</u>	<u>\$ 112,914</u>
Depreciation and amortization	\$ 8,736	\$ 5,111	\$ 27	\$ -	\$ 13,874
Capital expenditures	\$ 8,332	\$ 5,635	\$ 114	\$ -	\$ 14,081

#### 14. Subsequent Event

On February 16, 2011, our Board of Directors declared a cash dividend of \$0.175 per outstanding share of common stock. The dividend will be paid on March 18, 2011 to all shareholders of record at the close of business on March 4, 2011.

#### 15. Recent Accounting Pronouncements

In December 2009, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2009-17, “*Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*.” ASU No. 2009-17 clarifies how a company determines when an entity that is insufficiently capitalized or is not controlled through voting should be consolidated. This ASU is effective for us beginning in the first quarter of fiscal 2011 (October 30, 2010). The adoption of ASU No. 2009-17 did not have a material impact on our consolidated financial statements.

In October 2009, FASB issued ASU No. 2009-13, “*Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements — a consensus of the FASB Emerging Issues Task Force*.” ASU No. 2009-13 establishes the accounting and reporting guidance for arrangements under which a vendor will perform multiple revenue-generating activities. Specifically, this ASU addresses how to separate deliverables and how to measure and allocate arrangement consideration to one or more units of accounting. This ASU is effective for us beginning in the first quarter of fiscal 2011 (October 30, 2010). The adoption ASU No. 2009-13 did not have a material impact on our consolidated financial statements.

**JOY GLOBAL INC.**  
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**16. Subsidiary Guarantors**

The following tables present condensed consolidated financial information as of January 28, 2011 and October 29, 2010 and for the quarters ended January 28, 2011, January 29, 2010 and October 29, 2010 for: (a) the parent company; (b) on a combined basis, the guarantors of the Credit Agreement and Senior Notes issued in November 2006, which include the significant domestic operations of Joy Technologies Inc., P&H Mining Equipment Inc., N.E.S. Investment Co., and Continental Crushing & Conveying Inc. (“Subsidiary Guarantors”); and (c) on a combined basis, the non-guarantors, which include all of our foreign subsidiaries and a number of small domestic subsidiaries (“Non-Guarantor Subsidiaries”). Separate financial statements of the Subsidiary Guarantors are not presented because the guarantors are unconditionally, jointly, and severally liable under the guarantees, and we believe such separate statements or disclosures would not be useful to investors.

**Condensed Consolidating Statement of Income**  
**Quarter Ended January 28, 2011**  
**(In thousands)**

	<u>Parent Company</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net sales	\$ -	\$ 532,140	\$ 518,202	\$ (180,810)	\$ 869,532
Cost of sales	-	358,535	368,832	(143,236)	584,131
Product development, selling and administrative expenses	10,688	64,009	57,433	-	132,130
Other (income) expense	-	19,113	(19,640)	-	(527)
Operating income (loss)	(10,688)	90,483	111,577	(37,574)	153,798
Intercompany items	11,634	(14,430)	(16,213)	19,009	-
Interest income (expense) - net	(7,483)	870	2,227	-	(4,386)
Reorganization items	(35)	-	-	-	(35)
Income (loss) before income taxes and equity	(6,572)	76,923	97,591	(18,565)	149,377
Provision (benefit) for income taxes	(6,830)	33,848	20,127	-	47,145
Equity in income of subsidiaries	101,974	28,667	-	(130,641)	-
Net income	<u>\$ 102,232</u>	<u>\$ 71,742</u>	<u>\$ 77,464</u>	<u>\$ (149,206)</u>	<u>\$ 102,232</u>

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

**Condensed Consolidating Statement of Income**  
**Quarter Ended January 29, 2010**  
**(In thousands)**

	<u>Parent Company</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Net sales	\$ -	\$ 445,793	\$ 416,602	\$ (133,175)	\$ 729,220
Cost of sales	-	307,378	303,279	(108,219)	502,438
Product development, selling and administrative expenses	10,252	56,844	42,919	-	110,015
Other income	-	16,173	(16,966)	-	(793)
Operating income (loss)	(10,252)	65,398	87,370	(24,956)	117,560
Intercompany items	9,649	(15,932)	(14,650)	20,933	-
Interest income (expense) - net	(7,164)	866	1,702	-	(4,596)
Reorganization items	(50)	-	-	-	(50)
Income (loss) before income taxes and equity	(7,817)	50,332	74,422	(4,023)	112,914
Provision (benefit) for income taxes	(5,538)	34,342	7,893	-	36,697
Equity in income (loss) of subsidiaries	78,496	40,148	-	(118,644)	-
Net income	<u>\$ 76,217</u>	<u>\$ 56,138</u>	<u>\$ 66,529</u>	<u>\$ (122,667)</u>	<u>\$ 76,217</u>

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

**Condensed Consolidating Balance Sheets:**  
**As of January 28, 2011**  
**(In thousands)**

	Parent Company	Subsidiary Guarantors	Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>					
Current assets	\$ 539,167	\$ 804,903	\$ 1,199,820	\$ (101,142)	\$ 2,442,748
Property, plant and equipment-net	907	194,011	199,836	-	394,754
Intangible assets-net	-	282,995	19,722	-	302,717
Other assets	1,752,973	516,562	1,042,262	(3,096,139)	215,658
<b>Total assets</b>	<b>\$ 2,293,047</b>	<b>\$ 1,798,471</b>	<b>\$ 2,461,640</b>	<b>\$ (3,197,281)</b>	<b>\$ 3,355,877</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities	\$ (5,647)	\$ 479,042	\$ 537,443	\$ (31,298)	\$ 979,540
Long-term debt	396,181	-	102	-	396,283
Accrued pension costs	379,277	8,016	7,045	-	394,338
Other non-current liabilities	18,938	13,095	49,385	-	81,418
Shareholders' equity	1,504,298	1,298,318	1,867,665	(3,165,983)	1,504,298
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,293,047</b>	<b>\$ 1,798,471</b>	<b>\$ 2,461,640</b>	<b>\$ (3,197,281)</b>	<b>\$ 3,355,877</b>

**As of October 29, 2010**  
**(In thousands)**

	Parent Company	Subsidiary Guarantors	Non- Guarantor Subsidiaries	Eliminations	Consolidated
<b>ASSETS</b>					
Current assets	\$ 488,248	\$ 744,525	\$ 1,236,264	\$ (107,110)	\$ 2,361,927
Property, plant and equipment-net	964	185,073	191,987	-	378,024
Intangible assets-net	-	284,993	19,524	-	304,517
Other assets	1,727,028	501,526	963,265	(2,952,246)	239,573
<b>Total assets</b>	<b>\$ 2,216,240</b>	<b>\$ 1,716,117</b>	<b>\$ 2,411,040</b>	<b>\$ (3,059,356)</b>	<b>\$ 3,284,041</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Current liabilities	\$ 21,885	\$ 477,105	\$ 561,519	\$ (37,185)	\$ 1,023,324
Long-term debt	396,094	-	232	-	396,326
Accrued pension costs	413,302	7,926	7,120	-	428,348
Other non-current liabilities	29,565	13,794	37,290	-	80,649
Shareholders' equity	1,355,394	1,217,292	1,804,879	(3,022,171)	1,355,394
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,216,240</b>	<b>\$ 1,716,117</b>	<b>\$ 2,411,040</b>	<b>\$ (3,059,356)</b>	<b>\$ 3,284,041</b>

**JOY GLOBAL INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**January 28, 2011**  
**(Unaudited)**

**Condensed Consolidating Statement of Cash Flows:**  
**Quarter Ended January 28, 2011**  
**(In thousands)**

	<u>Parent Company</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Consolidated</u>
Net cash provided (used) by operating activities	\$ 9,276	\$ 33,613	\$ (49,866)	\$ (6,977)
Net cash used by investing activities	(109)	(16,536)	(11,704)	(28,349)
Net cash provided by financing activities	34,955	-	3,030	37,985
Effect of exchange rate changes on cash and cash equivalents	-	-	1,306	1,306
Increase (decrease) in cash and cash equivalents	44,122	17,077	(57,234)	3,965
Cash and cash equivalents at beginning of period	439,295	16,262	360,024	815,581
Cash and cash equivalents at end of period	<u>\$ 483,417</u>	<u>\$ 33,339</u>	<u>\$ 302,790</u>	<u>\$ 819,546</u>

**Quarter Ended January 29, 2010**  
**(In thousands)**

	<u>Parent Company</u>	<u>Subsidiary Guarantors</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Consolidated</u>
Net cash provided (used) by operating activities	\$ 57,714	\$ (5,951)	\$ 7,776	\$ 59,539
Net cash used by investing activities	(154)	(4,827)	(10,742)	(15,723)
Net cash (used) provided by financing activities	(8,360)	4	796	(7,560)
Effect of exchange rate changes on cash and cash equivalents	-	-	(2,891)	(2,891)
Increase (decrease) in cash and cash equivalents	49,200	(10,774)	(5,061)	33,365
Cash and cash equivalents at beginning of period	146,223	19,028	306,434	471,685
Cash and cash equivalents at end of period	<u>\$ 195,423</u>	<u>\$ 8,254</u>	<u>\$ 301,373</u>	<u>\$ 505,050</u>

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion should be read in conjunction with our Condensed Consolidated Financial Statements and the related notes to the Condensed Consolidated Financial Statements in Part I of this report. Dollar amounts are in thousands, except share and per share data and as indicated.*

### **Overview**

Joy Global Inc. is a worldwide leader in high-productivity mining solutions. We manufacture and market original equipment and aftermarket parts and services for both underground and surface mining and certain industrial applications through two business segments: Underground Mining Machinery (Joy Mining Machinery or "Joy") and Surface Mining Equipment (P&H Mining Equipment or "P&H"). Our principal manufacturing facilities are located in the United States, including facilities in Pennsylvania, Wisconsin, and Alabama, and in China, the United Kingdom, South Africa, Chile and Australia.

### *Operating Results*

Bookings in the first quarter of 2011 were \$1.2 billion, an increase of 52% from the prior year first quarter. Aftermarket bookings increased \$90.5 million or 18% from the prior year first quarter as parts orders were up across most regions. Original equipment bookings increased \$328.9 million or 106% from the prior year driven by a significant underground order in Australia and room and pillar equipment orders in the United States.

Net sales in the first quarter of 2011 were \$869.5 million, an increase of 19% from the prior year. Sales growth was driven by aftermarket parts and services from both the underground and surface divisions. Original equipment sales were up 12% in the first quarter of 2011.

Operating profit in the first quarter of 2011 was \$153.8 million, an increase of 31% from the prior year. Operating profit margins increased to 17.7%, as compared to 16.1% in the prior year first quarter due from a favorable mix effect with a higher proportion of aftermarket sales, partially offset by increased product development, selling and administrative expense.

Net sales and operating profit were unfavorably impacted by \$24.0 million and \$7.9 million, respectively, from delays in shipments associated with flooding in Queensland, Australia. All delayed shipments are expected to be caught up over the remainder of 2011.

The weaker U.S. dollar in the first quarter of 2011 as compared to the prior year first quarter provided a benefit to orders, net sales and operating income of \$57.2 million, \$14.5 million and \$2.5 million, respectively.

### *Market Outlook*

International commodity markets continue to be driven by strong growth in emerging markets and recovery in industrialized economies. Industrial sector inventory levels that were drawn down in 2009 have remained at historically low levels. With the improved outlook, companies are planning to increase inventory levels to support higher sales. This restocking effect will add another element to global commodity demand. In the emerging markets, China and India have announced major infrastructure projects as they continue on their path of industrialization. These infrastructure projects will continue to drive high demand for commodities such as coal, copper and iron ore.

Global steel production was essentially flat during much of 2010, but growth resumed in the fourth quarter and production is expected to be up in 2011. Supply constraints have kept upward pressure on both iron ore and metallurgical coal prices. Iron ore supply has been limited by export restrictions from India and rapidly declining ore grades in China. Although contract prices for iron ore at the end of 2010 were up from the year prior, they are below spot prices and are set to increase further in 2011. The major seaborne iron ore producers have plans to increase production, but markets should remain tight for the next several years as these expansions will take five to six years to complete. Metallurgical coal prices were also on the rise in 2010, moving from \$200 per tonne at the end of 2009 to \$225 in the fourth quarter of 2010.

The seaborne market for thermal coal continues to be driven by demand from China and India. China and India's share of seaborne coal trade has doubled in the last three years. China's domestic coal production has been growing over 15% per year and is expected to continue that growth. India produced about 550 million tonnes of coal in 2010 and has plans to grow to 700 million tonnes in five years. Despite this strong domestic growth, imports will continue to grow in China and India. China coal imports are expected to grow in 2011 and India's imports are expected to grow over the same period. This continued growth in demand has raised contract prices for seaborne thermal coal from \$98 per tonne last year to \$125 per tonne for the first quarter of 2011. As a result, there are a large number of mine expansion projects in seaborne exporting countries such as Australia, South Africa and South America.

Flooding and cyclones disrupted coal supplies from Australia, which supplies 50% of seaborne metallurgical coal and 8% of seaborne thermal coal. Prices have spiked in response to supply shortages estimated to be 10 to 20 million tonnes for the year. Metallurgical coal prices increased to \$380 per tonne and thermal coal to \$145 per tonne. However, mines were better prepared after the flooding in 2008 and are expected to return to full production sooner. Coal prices are expected to moderate in the second half of this year, but still show significant year over year growth based on longer term supply-demand fundamentals.

The U.S. coal market improved during 2010, driven by increased coal burn for power generation, declining utility stockpiles, increasing exports and rising prices. Demand for coal grew in 2010. Electricity demand was up 5.5% in 2010 and two-thirds of that increase was fueled by coal. Utility stockpiles declined in 2010, and they should decline again in 2011 at current supply levels. In addition, there are 22 gigawatts of new coal fired capacity that will come on line by 2012. Exports increased in 2010, and export growth is expected to continue. Producers in the Powder River Basin ("PRB") are investing in capacity to increase their exports from West Coast ports. As a result of this improved outlook, prices for Eastern and PRB coal are up more than 30% and 50%, respectively. U.S. customers are renewing and expanding their equipment fleets, with some new mine projects being discussed.

While China primarily supported the copper market through 2009, the rest of the world created 60% of demand growth in 2010. Global copper demand was in excess of supply in 2010 and the annual deficit is expected to grow in 2011. Copper has the longest lead time and highest risk associated with new green field capacity, and this adds support for copper prices. Today's prices of \$4.50 per pound are expected to top \$5.00 later this year. The long-term strong demand and pricing outlook is driving expansion projects in low cost regions such as South America and in higher cost regions such as North America. In addition, there is an increasing pace of investment in longer term capacity from Central Africa and Mongolia.

With rising oil prices, the oil sands continue to increase production via brown field expansion. In addition, several delayed projects should be reactivated in 2011. And finally, aftermarket activity will increase as shovels delivered in the past three to four years reach their first rebuild cycle.

The strong outlook for commodity demand is increasing commodity prices to levels needed to support broad based expansion, including expansion in high cost regions. Customer capital expenditures are expected to be up in 2011, after rising last year. There is a strong correlation between customer capital expenditures and our bookings for original equipment.

## Company Outlook

We expect continued strength in the demand for mining equipment and aftermarket services as our customers increase their production levels and add to their mine expansion plans. This outlook is supported by two underlying trends. First, the list of qualified machine prospects continues to increase even with the strong growth in original equipment bookings. As a result, the prospect list is growing faster than bookings, and this provides the basis for an expectation of continued increases in order rates. Secondly, our customers are moving discussions from single projects to expansion programs that span four to five years and involve multiple projects. In combination, these underlying trends provide confidence that we are in the early stages of a long-term growth phase.

We have been projecting our original equipment order rate to grow modestly through the first half of this year, with stronger increases in the second half. This was driven by our view that the transition from brown field to green field projects would occur later because of the longer lead time for the green field projects. We are now seeing the impact of certain green field projects that were previously deferred. We therefore expect a blended transition, with sustainable increases in order rates that are representative of the earlier stages of the prior growth cycle, but not a rapid acceleration of order rates.

## Results of Operations

### Quarter Ended January 28, 2011 to Quarter Ended January 29, 2010

#### Net Sales

The following table sets forth the combined net sales included in our Condensed Consolidated Statement of Income:

In thousands	Quarter Ended		\$ Change	% Change
	January 28, 2011	January 29, 2010		
Net Sales				
Underground Mining Machinery	\$ 510,938	\$ 423,731	\$ 87,207	20.6
Surface Mining Equipment	385,843	328,000	57,843	17.6
Eliminations	(27,249)	(22,511)	(4,738)	(21.0)
Total	<u>\$ 869,532</u>	<u>\$ 729,220</u>	<u>\$ 140,312</u>	<u>19.2</u>

First quarter of 2011 Underground Mining Machinery net sales were \$510.9 million compared to the prior year first quarter of \$423.7 million, which included a \$64.8 million increase in aftermarket sales and \$22.4 million increase in original equipment sales. Aftermarket sales were driven by parts sales and rebuilds. Parts sales increased in most regions globally, led by increases of \$13.4 million and \$13.9 million in the United States and China, respectively. Rebuilds increased in the United States, Africa and the United Kingdom. Original equipment sales increases were primarily related to the Chinese and United States markets. Original equipment sales increased in China by \$39.5 million primarily due to longwall application equipment while in the United States a \$12.6 million increase was driven by room and pillar and conveyor equipment. Original equipment sales decreased in the United Kingdom, Africa and Australia, led by an \$11.7 million decrease in the United Kingdom primarily due to decreased longwall application equipment sales.

First quarter of 2011 Surface Mining Equipment net sales were \$385.8 million compared to the prior year first quarter of \$328.0 million, which included a \$44.5 million increase in aftermarket sales and a \$13.3 million increase in original equipment sales. The increase in aftermarket sales was primarily related to activity in North and South America coal and copper markets. Original equipment sales increased primarily due to increased alliance sales of \$9.2 million.

### *Operating Income*

The following table sets forth the operating income (loss) included in our Condensed Consolidated Statement of Income:

<b>In thousands</b>	<b>Quarter Ended</b>			
	<b>January 28, 2011</b>		<b>January 29, 2010</b>	
	<b>Operating Income (loss)</b>	<b>% of Net Sales</b>	<b>Operating Income (loss)</b>	<b>% of Net Sales</b>
Underground Mining Machinery	\$ 95,371	18.7%	\$ 68,223	16.1%
Surface Mining Equipment	75,885	19.7%	65,384	19.9%
Corporate Expense	(10,714)	-	(10,250)	-
Eliminations	(6,744)	-	(5,797)	-
<b>Total</b>	<b>\$ 153,798</b>	<b>17.7%</b>	<b>\$ 117,560</b>	<b>16.1%</b>

Operating income for Underground Mining Machinery was \$95.4 million in the first quarter of 2011 compared to operating income of \$68.2 million in the first quarter of 2010. Operating income was favorably impacted by \$34.7 million associated with higher sales volumes and \$7.4 million from a favorable mix effect with a higher proportion of aftermarket sales. Partially offsetting these increases was \$12.9 million of increased selling, product and administrative expenses.

Operating income for Surface Mining Equipment was \$75.9 million in the first quarter of 2011 compared to operating income of \$65.4 million in the first quarter of 2010. Operating income was favorably impacted by \$19.1 million associated with higher sales volumes and \$5.0 million from a favorable mix effect with a higher proportion of aftermarket sales. Partially offsetting these increases was \$8.8 million of increased selling, product and administrative expenses.

### *Product Development, Selling and Administrative Expense*

Product development, selling and administrative expense was \$132.1 million, or 15.2% of sales, in the first quarter of 2011, compared to \$110.0 million, or 15.1% of sales, in the first quarter of 2010. Product development, selling and administrative expense increased in the first quarter of 2011 due to increased administrative expense of \$11.4 million, selling expense of \$8.5 million and increased product development costs of \$2.8 million. Product development costs increased from the first quarter of 2010 primarily due to the funding of certain research and developments costs as these projects move into the final testing phase. Increased selling and administrative costs are associated with initiatives, such as operational excellence programs, which are creating efficiencies on the shop floor, through the onsite erection process. Selling and administrative costs also were up in the first quarter of 2011 due to increased activity in China and other emerging markets.

### Provision for Income Taxes

Income tax expense was \$47.1 million in the first quarter of 2011 as compared to \$36.7 million in the first quarter of 2010, with effective income tax rates for the first quarter of 2011 and 2010 of 31.6% and 32.5%, respectively. The decrease in the effective tax rate in the first quarter of 2011 primarily relates to a higher proportion of sales in the quarter into lower tax jurisdictions. The effective income tax rate differs from the United States federal corporate income tax rate primarily due to foreign and state differentials.

### Bookings and Backlog

Bookings for the first quarter of 2011 and 2010 are the following:

<b>In thousands</b>	<b>Quarter Ended</b>	
	<b>January 28, 2011</b>	<b>January 29, 2010</b>
Underground Mining Machinery	\$ 821,430	\$ 473,975
Surface Mining Equipment	436,063	355,783
Eliminations	(30,019)	(21,696)
Total Bookings	<u>\$ 1,227,474</u>	<u>\$ 808,062</u>

Underground Mining Machinery original equipment orders increased by \$326.7 million and were led by an Australian green field longwall project and room and pillar equipment orders in the United States. The longwall order was a full scope, turnkey solution, which includes all of the ancillary equipment needed to operate the longwall. United States original equipment order rates remain strong as customers continue to upgrade and expand their fleets. Original equipment orders for Surface Mining Equipment were essentially flat with the prior year and primarily consisted of electric mining shovels destined for Australia, Canada, Chile and India.

Aftermarket orders in Underground Mining Machinery increased by \$20.8 million in the quarter. Compared to the first quarter of 2010, parts demand increased across all regions, but rebuild bookings decreased in the United States. Surface Mining Equipment aftermarket orders increased by \$76.0 million in the quarter compared to the prior year quarter, led by increased demand for parts and service across all regions.

Backlog as of January 28, 2011 and October 29, 2010 is as follows:

<b>In thousands</b>	<b>January 28, 2011</b>	<b>October 29, 2010</b>
Underground Mining Machinery	\$ 1,524,761	\$ 1,208,181
Surface Mining Equipment	687,270	637,050
Eliminations	(34,992)	(24,973)
Total Backlog	<u>\$ 2,177,039</u>	<u>\$ 1,820,258</u>

The increase in backlog was due to the increase in bookings for both businesses for both original equipment and aftermarket products. Backlog does not include anticipated revenues from long-term maintenance and repair contracts.

## Liquidity and Capital Resources

The following table reconciles trade working capital to working capital as of January 28, 2011 and October 29, 2010, respectively:

<b>In thousands</b>	<b>January 28, 2011</b>	<b>October 29, 2010</b>
Accounts receivable	\$ 670,473	\$ 674,135
Inventories	836,972	764,945
Accounts payable	(257,036)	(291,742)
Advance payments	(454,906)	(376,300)
<b>Trade Working Capital</b>	<b>\$ 795,503</b>	<b>\$ 771,038</b>
Other current assets	115,757	107,266
Short-term notes payable	(4,711)	(1,550)
Employee compensation and benefits	(76,148)	(128,132)
Accrued warranties	(61,479)	(62,351)
Other current liabilities	(125,260)	(163,249)
<b>Working Capital Excluding Cash and Cash Equivalents</b>	<b>\$ 643,662</b>	<b>\$ 523,022</b>
Cash and Cash Equivalents	819,546	815,581
<b>Working Capital</b>	<b>\$ 1,463,208</b>	<b>\$ 1,338,603</b>

We currently use trade working capital and cash flow from operations as two financial measurements to evaluate the performance of our operations and our ability to meet our financial obligations. We require trade working capital investment because our service model requires us to maintain certain inventory levels in order to maximize our customers' machine availability. This information also provides focus on our receivable terms and collectability efforts and our ability to obtain advance payments on original equipment orders. As part of our continuous improvement of purchasing and manufacturing processes, we continue to strive for alignment of inventory levels with customer demand and current production schedules.

During the first quarter of 2011 cash used by operating activities was \$7.0 million compared to cash provided by operating activities of \$59.5 million in the first quarter of 2010. The change in operating cash flow was primarily associated with increased contributions to U.S. pension plans of \$35.0 million and a \$44.7 million increase in cash used for trade working capital. Cash provided by advanced payments increased by \$60.3 million on the higher level of new orders. This was offset by a \$97 million use of cash attributable to increases in accounts receivable and inventory. Accounts receivable increased from higher sales in the quarter, especially in January. Inventory was added to support increasing production plans for the balance of this year.

During the first quarter of 2011 cash used by investing activities was \$28.3 million compared to cash used by investing activities of \$15.7 million during the first quarter of 2010. Capital expenditures increased to \$28.4 million during the first quarter of 2011 as compared to \$14.1 million during the first quarter of 2010 as we continue to invest in our repair and rebuild facilities to support the expanding installed original equipment base.

During the first quarter of 2011 cash provided by financing activities was \$38.0 million compared to cash used by financing activities of \$7.6 million in the first quarter of 2010. The change was primarily due to increased proceeds from equity award activity.

On February 16, 2011, our Board of Directors declared a cash dividend of \$0.175 per outstanding share of common stock. The dividend will be paid on March 18, 2011 to all shareholders of record at the close of business on March 4, 2011.

### ***Retiree Benefits***

For the first quarter of 2011 we have recognized \$12.6 million of defined benefit pension expense as compared to \$13.4 million for the comparable prior year period. During 2011, we expect to contribute approximately \$135.0 to \$145.0 million to our defined benefit employee pension plans globally. The investment performance of the pension plans' assets along with the movement in the discount rate used to calculate the pension plans' liabilities will determine the amount and timing of additional contributions to the pension plans in subsequent years.

### ***Share Repurchase Program***

Under our share repurchase program, management has remaining authorization to repurchase up to \$883.4 million in shares of common stock in the open market or through privately negotiated transactions until December 31, 2011. At the current time, we are not engaged in share repurchases as other uses of cash, such as manufacturing and service expansion projects and for potential acquisition opportunities, associated with the planned growth of the business are taking a priority.

### ***Financial Condition***

As of January 28, 2011, we had \$819.5 million in cash and cash equivalents and \$298.0 million available for borrowings under the Credit Agreement. Our current cash requirements include working capital, defined benefit pension contributions, capital expenditures, dividends, and interest payments. We will also continue to evaluate strategic acquisitions, including mining-related product line additions or service extensions. Based upon our current and forecasted level of operations, we believe that cash flows from operations, together with cash and cash equivalents on hand, available borrowings under the Credit Agreement and access to global credit markets will be adequate to meet our anticipated future cash requirements.

### ***Off-Balance Sheet Arrangements***

We lease various assets under operating leases. No significant changes to lease commitments have occurred since our year ended October 29, 2010. We have no other off-balance sheet arrangements, other than noted as in Note 7 to the Condensed Consolidated Financial Statements.

### **Critical Accounting Estimates, Assumptions and Policies**

Our discussion and analysis of financial condition and results of operations are based upon our Condensed Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these Condensed Consolidated Financial Statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. We evaluate, on an ongoing basis, our estimates and judgments, including those related to bad debts, excess inventory, warranty, intangible assets, income taxes, pension and postretirement benefits and costs, and contingencies. We base our estimates on historical experience and assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

We believe our accounting policies for revenue recognition, inventories, goodwill and other intangible assets, accrued warranties, pension and post-retirement benefits and costs, and income taxes are the ones that most frequently require us to make estimates and judgments, and therefore are critical to the understanding of our results of operations. See Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended October 29, 2010 for a discussion of these policies. There were no material changes to these policies during the first quarter of 2011.

***Recent Accounting Pronouncements***

Our new accounting pronouncements are set forth under Part I, Item 1 of this Form 10-Q and are incorporated by reference.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As more fully described in our Annual Report on Form 10-K for the year ended October 29, 2010, we are exposed to various types of market risks, primarily foreign currency risks. We monitor our risks in this area on a continuous basis and generally enter into forward foreign currency contracts to minimize these exposures. We do not engage in speculation in our derivative strategies. Gains and losses from foreign currency contract activities are offset by changes in the underlying costs of the transactions being hedged. There have been no material changes to our primary market risk exposures or how such risks are managed since our year ended October 29, 2010.

**Item 4. Controls and Procedures**

We have established disclosure controls and procedures to ensure that material information relating to us, including our consolidated subsidiaries, is made known on a timely basis to the officers who certify our financial reports and to other members of senior management and the Board of Directors.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures are effective (1) in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in the reports that we file or submit under the Exchange Act and (2) to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There have not been any changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during our quarter ended January 28, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

No change.

**Item 1A. Risk Factors**

No change.

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

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.

**Item 3. Defaults upon Senior Securities**

Not applicable.

**Item 4. Reserved**

**Item 5. Other Information**

Not applicable.

**Item 6. Exhibits**

10.1	Form of Nonqualified Stock Option Agreement, dated December 6, 2010, between the registrant and each of its executive officers in connection with nonqualified stock options granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.2	Form of Performance Share Agreement, dated December 6, 2010, between the registrant and each of its executive officers in connection with performance share awards granted under the Joy Global Inc. 2007 Stock Incentive Plan.
10.3	Form of Restricted Stock Unit Award Agreement, dated December 6, 2010, between the registrant and each of its executive officers in connection with performance share awards granted under the Joy Global Inc. 2007 Stock Incentive Plan.
31.1	Chief Executive Officer Rule 13a-14(a)/15d-14(a) Certifications
31.2	Chief Financial Officer Rule 13a-14(a)/15d-14(a) Certifications
32	Section 1350 Certifications

**SIGNATURE**

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

JOY GLOBAL INC.  
(Registrant)

Date: March 4, 2011

/s/ Michael S. Olsen  
\_\_\_\_\_  
Michael S. Olsen  
Executive Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)

Date: March 4, 2011

/s/ Ricky T. Dillon  
\_\_\_\_\_  
Ricky T. Dillon  
Vice President, Controller and Chief Accounting Officer  
(Principal Accounting Officer)

**NONQUALIFIED STOCK OPTION AGREEMENT**

THIS AGREEMENT is entered into as of December 6, 2010, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”). In consideration of the mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and the Employee agree as follows:

1. Grant of Stock Option.
  - (a) Subject to the provisions of this Agreement and the provisions of the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), the Company hereby grants to the Employee as of December 6, 2010, (the “Grant Date”) the right and option (the “Stock Option”) to purchase shares of common stock of the Company, par value \$1.00 per share (“Common Stock”), at the exercise price of \$80.50 per share, which was the Fair Market Value of one share of Common Stock on the Grant Date (the “Exercise Price”). The Stock Option is a Nonqualified Stock Option. Unless earlier terminated pursuant to the terms of this Agreement, the Stock Option shall expire on the tenth anniversary of the Grant Date. Capitalized terms used and not defined in this Agreement have the meanings given to them in the Plan.
  - (b) Employee agrees to comply with the Company’s Executive Leadership Team Stock Ownership Policy, which is attached as Exhibit 1, with respect to Stock Options awarded under this Agreement.
  - (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on December 5, 2011, then (1) the Employee shall be considered to have declined the grant of the Stock Option, (2) the Company’s grant of the Stock Option shall be deemed automatically rescinded and the Stock Option shall be null and void and (3) the Employee’s acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.

2. Exercisability of the Stock Option . The Stock Option shall become vested and exercisable as follows: one-third of the shares covered thereby (rounded up to the next whole share) on December 6, 2011 an additional one-third of such shares (rounded up to the next whole share) on December 6, 2012, and the remainder of such shares on December 6, 2013, subject in each case to the prior termination of the Stock Option. Notwithstanding the foregoing, the Stock Option, to the extent outstanding, shall become immediately vested and fully exercisable upon (a) a Change in Control or (b) a Termination of Employment due to death or Disability. Upon the effective date of the Employee's Termination of Employment for any reason other than death or Disability, any portion of the Stock Option that is not vested as of such date in accordance with the foregoing provisions of this Paragraph 2 shall cease vesting and terminate immediately.

3. Method of Exercise of the Stock Option .

- (a) The portion of the Stock Option as to which the Employee is vested shall be exercisable by delivery to the Secretary of the Company of a written notice stating the number of whole shares to be purchased pursuant to this Agreement and the date on which the Employee elects to exercise the Stock Option and shall be accompanied by payment of the full Exercise Price of the shares of Common Stock to be purchased.
- (b) The full Exercise Price of the Stock Option shall be paid in cash, by wire transfer, or by certified check or bank draft payable to the order of the Company, by exchange of shares of unrestricted Common Stock of the Company already owned by the Employee (that were purchased on the open market by the Employee or held for at least six months prior to exercise) and having an aggregate Fair Market Value equal to the full Exercise Price, or by any other procedure approved by the Committee, or by a combination of the foregoing.
- (c) Notice and payment of the Exercise Price may also be made through a brokerage firm pursuant to an arrangement approved by the Company in advance.

4. Terminations of Employment .

- (a) If the Employee incurs a Termination of Employment due to Disability, the Stock Option, to the extent outstanding at the time of such Termination of Employment, shall become immediately vested and fully exercisable and may be exercised by the Employee at any time prior to the first to occur of (i) one year after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire.
- (b) If the Employee incurs a Termination of Employment due to death, the Stock Option, to the extent outstanding at the time of such Termination of Employment, shall become immediately vested and fully exercisable and may be exercised by the Employee's estate or by a person who acquired the right to exercise such Stock Option by bequest, inheritance or otherwise by reason of the death of the Employee at any time prior to the first to occur of (i) one year after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire.

- (c) If the Employee incurs a Termination of Employment due to Retirement, the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) three years after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.
- (d) If the Employee incurs a voluntary Termination of Employment by the Employee (other than Retirement), the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) 30 days after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.
- (e) If the Employee incurs a Termination of Employment by the Company without Cause, the portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment may be exercised at any time prior to the first to occur of (i) 90 days after such Termination of Employment or (ii) the expiration date of the Stock Option, and shall thereafter expire. Any portion of the Stock Option that is not exercisable at the time of such Termination of Employment shall expire as of such Termination of Employment.
- (f) If the Employee incurs a Termination of Employment by the Company for Cause, the entire Stock Option shall immediately expire as of such Termination of Employment.

5. Nontransferability. The Stock Option is not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Stock Option made, or any attachment, execution, garnishment, or lien issued against or placed upon the Stock Option, except as provided in the Plan, shall be void.

6. No Shareholder Rights Before Exercise. The Employee or a transferee of the Stock Option shall have no rights as a shareholder with respect to any shares covered by the Stock Option until the Employee or transferee has given written notice of exercise, has paid in full for such shares and, if requested by the Company, has given the representation described in Section 12(a) of the Plan. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date the events set forth above in this Paragraph 6 have occurred.

7. Adjustment in the Event of Change in Stock. In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of shares subject to the Stock Option and the exercise price per share shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to the Stock Option shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding) or a corporate transaction, such as any merger, consolidation or separation or any partial or complete liquidation of the Company, the number and kind of shares subject to the Stock Option and/or the exercise price per share may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; *provided, however*, that the number of shares subject to the Stock Option shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

8. Event of Restatement

- (a) If the Company restates any previously reported financial statements and such restatement is required as a result of the Company's material noncompliance with any financial reporting requirement under the federal securities laws:
- (i) the Employee shall pay to the Company any gain the Employee received in connection with the award under this Agreement to the extent, determined by the Board or Committee, that the Employee would have received less gain based upon the restated financial results, and "gain" for this purpose shall include the proceeds of any sale of stock of the Company, even if such sale occurred after the award has been settled;
  - (ii) the amount of the award under this Agreement shall be reduced to the extent, determined by the Board or Committee, such amount would have been lower based upon the restated financial results;
  - (iii) the Employee shall be required to reimburse or repay to the Company any other amount that the Company determines to be due pursuant to any policy the Board or Committee adopts pursuant to section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or pursuant to any regulation, rule, stock exchange listing standard or other guidance implementing such section).
- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including, to the extent permitted by law, seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement as described in this Paragraph 8 shall be final and conclusive. This Paragraph 8 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law.

9. Payment of Transfer Taxes, Fees and Other Expenses. The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares acquired pursuant to exercise of the Stock Option, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith.

10. Other Restrictions on Exercisability. The exercise of the Stock Option and the delivery of share certificates upon such exercise shall be subject to the requirement that, if at any time the Committee shall determine that (a) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law or (b) the consent or approval of any government regulatory body is, in the case of (a) or (b), necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, then in any such event such exercise shall not be effective unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

11. Taxes and Withholdings. No later than the date of exercise of the Stock Option granted hereunder, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the exercise of such Stock Option, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the exercise of such Stock Option.

12. Confidential Information; Noncompetition; Nonsolicitation.

Nothing in this Agreement or that follows limits the Company's or Affiliates' rights with respect to Trade Secrets which are defined by and protected by Wis. Stat. § 134.90. Each of the following provisions impose covenants on the Employee that are to be interpreted and applied independent of the other covenants contained in this Agreement.

- (a) (i) The Employee acknowledges he or she will hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that (x) is not public knowledge or (y) became public knowledge as a result of the Employee's violation of this Paragraph 12(a) ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and includes, without limitation: product design information, product specifications and tolerances, manufacturing processes and methods, information regarding new product or new feature development, information regarding how to satisfy particular customer needs, expectations and applications, information regarding strategic or tactical planning, information regarding pending or planned competitive bids, information regarding costs, margins, and methods of estimating, and information regarding personnel matters of key employees. The Employee shall not use, communicate, divulge or disseminate Confidential Information to any person, firm, corporation, partnership or entity of any kind whatsoever under any circumstances reasonably likely to result in the use of such Confidential Information to the Company or any of its Affiliates. This Paragraph 12(a)(i) shall apply only in geographic areas in which such use or disclosure of Confidential Information as defined above would competitively harm the Company or its Affiliates and only for a period of two (2) years following the Termination of Employment, except with the prior written consent of the Company or as otherwise required by law or legal process.

(ii) All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company (or the applicable Affiliate, if the Employee is employed outside the United States), without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.

- (b) The Employee acknowledges that his or her employment may place him or her in a position of contact and trust with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such relationships are of substantial value to the Company and its Affiliates and that it is reasonable for the Company to seek to prevent Employee from giving competitors unfair access to such relationships. Employee further acknowledges that the Company and its Affiliates and their competitors operate and compete worldwide.
- (c) Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, consult with or advise or, directly or indirectly, as owner, partner, officer or employee, engage in business with any company or entity in competition with the Company or any of its Affiliates in the business of manufacturing, selling, servicing, or repairing equipment or parts within the Company's industry, (which are defined only as those entities and their affiliates set forth in the attached Exhibit 2) in a capacity where the Employee's knowledge of Confidential Information or Trade Secrets of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage. Notwithstanding the foregoing, the Employee may make and retain investments in not more than three percent of the equity of any such company if such equity is listed on a national securities exchange or regularly traded in an over-the-counter market.
- (d) Prior to and through a two-year period following the Termination of Employment ~~date~~, the Employee will not, directly or indirectly solicit or induce for employment on behalf of any company or entity in competition with the Company or any of its Affiliates in the business of manufacturing, selling, servicing or repairing mining equipment or parts which are defined only as those entities and their affiliates set forth in the attached Exhibit 2 (other than any personal assistant hired to work directly for the Employee), any individual employed by the Company or any of its Affiliates on the Termination of Employment date or any person who was so employed by the Company or any of its Affiliates at any time during the preceding three months.

- (e) Prior to and through a one-year period following the Termination of Employment, the Employee will not, directly or indirectly, interfere with, or endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind whatsoever which is a customer of Company or any of its Affiliates, or which was a customer of Company or any of its Affiliates, within one year prior to the Termination of Employment date, and, which the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, and the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (f) In the event of a breach of the Employee's covenants under this Paragraph 12, the entire Stock Option shall immediately expire as of the date of such breach. The Employee acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 12(g) or at law.
- (g) In the event of a breach of the Employee's covenants under this Paragraph 12, it is understood and agreed that the Company and any Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in Paragraphs 12(a), (b), (c), (d) and (e) of this Agreement relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.
- (h) The Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the courts of Wisconsin and the federal court of the United States of America, located in Milwaukee, Wisconsin, in respect of all disputes involving Confidential Information, trade secrets or the violation of the provisions of this Paragraph 12 and the interpretation and enforcement of this Paragraph 12, and the parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 12.

13. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8520

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 13. Notice and communications shall be effective when actually received by the addressee.

14. Successors. Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company, and to any transferee or successor of the Employee pursuant to Paragraph 8.

15. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws with the exception of Paragraph 12, which will be interpreted, enforced, and governed by the laws of the State of Wisconsin.

16. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law.

17. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

18. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

19. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

20. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

21. Miscellaneous.

- (a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.
- (b) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.

Sean D. Major  
Executive Vice President, General Counsel and Secretary

EMPLOYEE:

By: \_\_\_\_\_

**EXECUTIVE LEADERSHIP TEAM  
STOCK OWNERSHIP POLICY**

Members of the Company's Executive Leadership Team are subject to the following minimum ownership requirements for shares of the Company's common stock:

- CEO: Five times annual salary. Until the five times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 50% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the five times annual salary requirement has been met, the CEO is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the CEO from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the five times annual salary requirement.
- Other Executive Officers: Two and one-half times annual salary. Until the two and one-half times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the two and one-half times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the two and one-half times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock (i) until the respective ownership requirement has been met or (ii) after the respective ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Nonqualified Stock Option Agreement, entered into as of December 6, 2010, between Joy Global Inc. and Employee.

1. Caterpillar, Inc.
2. Bucyrus International, Inc.
3. Cogar Manufacturing Inc.
4. Eickhoff Corporation
5. FMC Technologies Inc.
6. Fletcher International or Fletcher Asset Management
7. Longwall Associates, Inc.
8. Sandvik AB
9. SANY Group Co. Ltd.

**PERFORMANCE SHARE AGREEMENT**

THIS AGREEMENT is entered into as of December 6, 2010, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Participant”).

WHEREAS, the Company maintains the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), which is incorporated into and forms a part of this Agreement. Capitalized terms used and not otherwise defined in this Agreement have the meanings given to them in the Plan, and

WHEREAS, the Participant has been selected by the Committee to receive an award of Performance Shares under the Plan.

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. Terms of Award. The following terms used in this Agreement shall have the following meanings:
  - (a) The “Target Number of Performance Shares” is .
  - (b) The “Performance Shares Earned” shall be the number of Performance Shares earned by the Participant determined in accordance with the provisions of Exhibit 1, which is attached to and forms a part of this Agreement.
  - (c) The “Award Cycle” is the period beginning on the first day of the Company’s fiscal year 2011 and ending on the last day of the Company’s fiscal year 2013.
2. Award.
  - (a) Subject to the terms of this Agreement and the Plan, the Participant is hereby granted the Target Number of Performance Shares set forth in Paragraph 1(a). The award is a Qualified Performance-Based Award.
  - (b) Participant agrees to comply with the Company’s Executive Leadership Team Stock Ownership Policy, which is attached as Exhibit 2, with respect to this award.
  - (c) If for any reason the Participant does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on December 5, 2011, then (1) the Participant shall be considered to have declined the grant of the Performance Shares, (2) the Company’s grant of the Performance Shares shall be deemed automatically rescinded and the Performance Shares shall be null and void and (3) the Participant’s acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.

3. Distribution of Awards . The Company shall distribute to the Participant one share of Common Stock (or cash equal to the Fair Market Value of one share of Common Stock) for each Performance Share Earned. Subject to Paragraph 7, Performance Shares Earned shall be distributed solely in shares of Common Stock, solely in cash based on the Fair Market Value of the Common Stock, or in a combination of the two, as determined by the Committee in its sole discretion, except that any fractional share of Common Stock will be rounded to the nearest whole share.

4. Time of Distribution . Except as otherwise provided in this Agreement, shares and/or cash distributable in respect of Performance Shares Earned in accordance with the provisions of Paragraph 3 will be distributed as soon as practicable before than January 14, 2014.

5. Termination of Employment Due to Retirement, Disability, Death, or Involuntary Termination of Employment Without Cause During Award Cycle . If the Participant experiences a Termination of Employment during the Award Cycle because of the Participant's Retirement, disability, death, or involuntary Termination of Employment without Cause, the Participant shall be entitled to a portion of the Performance Shares Earned in accordance with Exhibit 1, determined at the end of the Award Cycle. Such portion shall equal the number of Performance Shares Earned that would have been earned by the Participant had the Participant remained employed through the end of the Award Cycle (determined in accordance with Exhibit 1), multiplied by the quotient equal to (A) the number of full fiscal months the Participant was employed during the Award Cycle divided by (B) the total number of fiscal months in the Award Cycle.

6. Other Termination of Employment During Award Cycle . If the Participant experiences a Termination of Employment during the Award Cycle for any reason other than the Participant's Retirement, disability, death, or involuntary Termination of Employment without Cause, the award granted under this Agreement will be forfeited on the date of such Termination of Employment; *provided, however* , that in such circumstances the Committee, in its discretion, may determine that the Participant will be entitled to receive a pro rata or other portion of the Performance Shares Earned, determined at the end of the Award Cycle.

7. Change in Control .

- (a) If a Change in Control occurs during the Award Cycle, and the Participant has not experienced a Termination of Employment before the Change in Control, the Participant shall be entitled to the greater of (i) the Performance Shares Earned that would have been earned by the Participant had the Participant remained employed through the end of the Award Cycle in accordance with Exhibit 1 if the Performance Goal set forth in Exhibit 1 had been achieved, multiplied by the quotient equal to the number of full fiscal months the Participant was employed during the Award Cycle through the date of the Change in Control, divided by the total number of fiscal months in the Award Cycle, or (ii) the Performance Shares Earned as of the date of the Change in Control (based on the Average Return on Equity for the Award Cycle through and including such date).

- (b) Notwithstanding the provisions of Paragraph 3, the value of Performance Shares Earned in accordance with Paragraph 7(a) shall be distributed to the Participant in a lump sum cash payment, based on a value per Performance Share equal to the Change in Control Price, as soon as practicable (but no more than 30 days) after the occurrence of a Change in Control (unless such Change in Control does not qualify as an event described in Section 409A(a)(2)(A)(v) of the Code and the regulations thereunder, in which case such distribution shall occur in accordance with Paragraph 4).
- (c) Distributions to the Participant under Paragraph 3 shall not be affected by payments under this Paragraph 7, except that before distributions are made under Paragraph 3, and after all computations required under Paragraph 3 have been made, the number of Performance Shares Earned by the Participant shall be reduced by the number of Performance Shares Earned with respect to which payment was made to the Participant under this Paragraph 7.
- (d) The Participant shall not be required to repay any amounts to the Company on account of any distribution made under this Paragraph 7 for any reason, including failure to achieve the Performance Goal, other than as provided in Paragraph 8.

8. Event of Restatement.

- (a) If the Company restates any previously reported financial statements and such restatement is required as a result of the Company's material noncompliance with any financial reporting requirement under the federal securities laws:
  - (i) the Participant shall pay to the Company any gain the Participant received in connection with the award under this Agreement to the extent, determined by the Board or Committee, that the Participant would have received less gain based upon the restated financial results, and "gain" for this purpose shall include the proceeds of any sale of stock of the Company, even if such sale occurred after the award has been settled;
  - (ii) the amount of the award under this Agreement shall be reduced to the extent, determined by the Board or Committee, such amount would have been lower based upon the restated financial results;
  - (iii) the Participant shall be required to reimburse or repay to the Company any other amount that the Company determines to be due pursuant to any policy the Board or Committee adopts pursuant to section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or pursuant to any regulation, rule, stock exchange listing standard or other guidance implementing such section).

- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including, to the extent permitted by law, seeking direct repayment from the Participant, withholding such amount from other amounts owed by the Company to the Participant (or with respect to the Participant), and causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement as described in this Paragraph 8 shall be final and conclusive. This Paragraph 8 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law.

9. Heirs and Successors. This Agreement shall be binding upon, and inure to the benefit of, the Company, its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business. Subject to the terms of the Plan, any benefits distributable to the Participant under this Agreement that are not distributed at the time of the Participant's death shall be distributed at the time and in the form determined in accordance with the provisions of this Agreement and the Plan to the beneficiary designated by the Participant in writing filed with the Committee in such form and at such time as the Committee shall require. If the Participant fails to designate a beneficiary prior to his or her death, or if the designated beneficiary of the Participant dies before the Participant dies or before complete distribution of the amounts distributable under this Agreement, the amounts to be distributed under this Agreement shall be distributed to the legal representative or representatives of the estate of the last to die of the Participant and the beneficiary.

10. Administration. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of this Agreement by the Committee and any decision made by it with respect to this Agreement are final and binding.

11. Plan Terms. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the office of the Secretary of the Company.

12. Confidential Information; Noncompetition; Nonsolicitation.

Nothing in this Agreement or that follows limits the Company's or Affiliates' rights with respect to Trade Secrets which are defined by and protected by Wis. Stat. § 134.90. Each of the following provisions impose covenants on the Participant that are to be interpreted and applied independent of the other covenants contained in this Agreement.

- (a) (i) The Participant acknowledges he or she will hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Participant obtains during the Participant's employment by the Company or any of its Affiliates and that (x) is not public knowledge or (y) became public knowledge as a result of the Participant's violation of this Paragraph 12(a) ("Confidential Information"). The Participant acknowledges that the Confidential Information is highly sensitive and proprietary and includes, without limitation: product design information, product specifications and tolerances, manufacturing processes and methods, information regarding new product or new feature development, information regarding how to satisfy particular customer needs, expectations and applications, information regarding strategic or tactical planning, information regarding pending or planned competitive bids, information regarding costs, margins, and methods of estimating, and information regarding personnel matters of key employees. The Participant shall not use, communicate, divulge or disseminate Confidential Information to any person, firm, corporation, partnership or entity of any kind whatsoever under any circumstances reasonably likely to result in the use of such Confidential Information to the Company or any of its Affiliates. This Paragraph 12(a)(i) shall apply only in geographic areas in which such use or disclosure of Confidential Information as defined above would competitively harm the Company or its Affiliates and only for a period of two (2) years following the Termination of Employment, except with the prior written consent of the Company or as otherwise required by law or legal process.

(ii) All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Participant shall deliver to the Company (or the applicable Affiliate, if the Participant is employed outside the United States), without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.

- (b) The Participant acknowledges that his or her employment may place him or her in a position of contact and trust with customers of the Company or its Affiliates, and that in the course of employment the Participant may be given access to and asked to maintain and develop relationships with such customers. The Participant acknowledges that such relationships are of substantial value to the Company and its Affiliates and that it is reasonable for the Company to seek to prevent Participant from giving competitors unfair access to such relationships. Participant further acknowledges that the Company and its Affiliates and their competitors operate and compete worldwide.
- (c) Prior to and through an eighteen-month period following the Termination of Employment date, the Participant will not within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, consult with or advise or, directly or indirectly, as owner, partner, officer or employee, engage in business with any company or entity in competition with the Company or any of its Affiliates in the business of manufacturing, selling, servicing, or repairing equipment or parts within the Company's industry, (which are defined only as those entities and their affiliates set forth in the attached Exhibit 3) in a capacity where the Participant's knowledge of Confidential Information or Trade Secrets of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage. Notwithstanding the foregoing, the Participant may make and retain investments in not more than three percent of the equity of any such company if such equity is listed on a national securities exchange or regularly traded in an over-the-counter market.

- (d) Prior to and through a two-year period following the Termination of Employment ~~date~~, the Participant will not, directly or indirectly solicit or induce for employment on behalf of any company or entity in competition with the Company or any of its Affiliates in the business of manufacturing, selling, servicing or repairing mining equipment or parts which are defined only as those entities and their affiliates set forth in the attached Exhibit 3 (other than any personal assistant hired to work directly for the Participant), any individual employed by the Company or any of its Affiliates on the Termination of Employment date or any person who was so employed by the Company or any of its Affiliates at any time during the preceding three months.
- (e) Prior to and through a one-year period following the Termination of Employment, the Participant will not, directly or indirectly, interfere with, or endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind whatsoever which is a customer of Company or any of its Affiliates, or which was a customer of Company or any of its Affiliates, within one year prior to the Termination of Employment date, and, which the Participant regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, and the Participant obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Participant's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (f) In the event of a breach of the Participant's covenants under this Paragraph 12, the entire Stock Option shall immediately expire as of the date of such breach. The Participant acknowledges and agrees that such expiration is not expected to adequately compensate the Company and its Affiliates for any such breach and that such expiration shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 12(g) or at law.
- (g) In the event of a breach of the Participant's covenants under this Paragraph 12, it is understood and agreed that the Company and any Affiliate(s) that employed the Participant shall be entitled to injunctive relief, as well as any other legal or equitable remedies. The Participant acknowledges and agrees that the covenants, obligations and agreements of the Participant in Paragraphs 12(a), (b), (c), (d) and (e) of this Agreement relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Participant agrees that the Company and any Affiliate(s) that employed the Participant shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Participant from committing any violation of such covenants, obligations or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.

- (h) The Company and the Participant hereby irrevocably submit to the exclusive jurisdiction of the courts of Wisconsin and the federal court of the United States of America, located in Milwaukee, Wisconsin, in respect of all disputes involving Confidential Information, trade secrets or the violation of the provisions of this Paragraph 12 and the interpretation and enforcement of this Paragraph 12, and the parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 12.

13. Taxes and Withholdings. No later than the applicable distribution date for any distribution of shares and/or cash made under Paragraph 3, the Participant shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state or local taxes, and any non-U.S. taxes applicable to the Participant, of any kind required by law to be withheld upon such distribution, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Participant federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon such distribution.

14. No Shareholder Rights Before Settlement. The Participant shall not be entitled to any privileges of ownership of shares of Common Stock with respect to this award unless and until shares of Common Stock are actually delivered to the Participant pursuant to this Agreement.

15. Adjustments. In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of Performance Shares subject to the award shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however*, that the number of Performance Shares subject to the award shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), or a corporate transaction, such as any merger, consolidation, separation, or any partial or complete liquidation of the Company, the number and kind of Performance Shares subject to the award may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; *provided, however*, that the number of Performance Shares subject to the award shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

16. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Participant:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8520

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 16. Notice and communications shall be effective when actually received by the addressee.

17. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law.

18. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

19. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

20. Section 409A. If any distribution or settlement of a Performance Share pursuant to the terms of this Agreement or the Plan would subject the Participant to tax under Section 409A of the Code, the Company shall be entitled (but not required) to modify this Agreement and/or the Plan (in each case, without the consent of the Participant) in the least restrictive manner necessary in order to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without any material diminution in the value of the payments to the Participant.

21. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws with the exception of Paragraph 12, which will be interpreted, enforced, and governed by the laws of the State of Wisconsin.

22. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

23. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

24. Nontransferability. Performance Shares are not transferable by the Participant, whether voluntarily or involuntarily, by operation of law or otherwise, during the Award Cycle, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Performance Shares made, or any attachment, execution, garnishment, or lien issued against or placed upon the Performance Shares, except as provided in the Plan, shall be void.

25. Miscellaneous.

- (a) This Agreement shall not confer upon the Participant any right to continue as an employee of the Company or any of its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Participant at any time.
- (b) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

IN WITNESS WHEREOF, the Participant has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.

Michael W. Sutherlin  
President and Chief Executive Officer

PARTICIPANT

By: \_\_\_\_\_

**PERFORMANCE MEASURES**

1. Purpose. This Exhibit sets forth the performance measures that will be applied to determine the Performance Shares Earned by the Participant under the 2011 Performance Share Program (the “2011 Program”) under the terms of the Performance Share Agreement entered into as of December 6, 2010.
  2. Performance Goal. The Performance Goal applicable to the Participant under the 2011 Program is Average Return on Equity of 10% for the Award Cycle.
  3. Determination of Average Return on Equity. Average Return on Equity for the Award Cycle shall be determined as follows:
    - (A) Average Return on Equity shall be calculated as the mean of the Return on Equity in each of the three fiscal years in the Award Cycle;
    - (B) Return on Equity for each fiscal year shall be calculated by dividing (1) the Company’s consolidated net income for such fiscal year (as reflected in the Company’s annual report on Form 10-K filed with the Securities and Exchange Commission) by (2) the Company’s Average Shareholders’ Equity for such fiscal year;
    - (C) Average Shareholders’ Equity for a fiscal year shall be calculated as the mean of five data points consisting of the balance in Shareholders’ Equity (1) at the end of each fiscal quarter of such fiscal year and (2) at the end of the prior fiscal year; and
    - (D) Shareholders’ Equity shall be determined in accordance with generally accepted accounting principles, but shall exclude any adjustments to shareholders’ equity since the beginning of the Award Cycle due to pension accounting adjustments or decreases in deferred tax valuation reserves.
  4. Determination of Performance Shares Earned. If Average Return on Equity for the Award Cycle equals or exceeds 10% for the Award Cycle, the number of Performance Shares Earned distributable to the Participant under the Agreement shall be (a) 180% of the Target Number of Performance Shares or (b) at the discretion of the Committee, any lower number that, expressed as a percentage of the Target Number of Performance Shares, is not less than the percentage of target number of performance shares generally awarded to participants in the 2011 Program for whom the Performance Goal was average EPS.
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**EXECUTIVE LEADERSHIP TEAM  
STOCK OWNERSHIP POLICY**

Members of the Company's Executive Leadership Team are subject to the following minimum ownership requirements for shares of the Company's common stock:

- CEO: Five times annual salary. Until the five times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 50% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the five times annual salary requirement has been met, the CEO is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the CEO from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the five times annual salary requirement.
- Other Executive Officers: Two and one-half times annual salary. Until the two and one-half times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the two and one-half times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the two and one-half times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock (i) until the respective ownership requirement has been met or (ii) after the respective ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Performance Share Agreement entered into as of December 6, 2010, between Joy Global Inc. and Participant.

1. Caterpillar, Inc.
2. Bucyrus International, Inc.
3. Cogar Manufacturing Inc.
4. Eickhoff Corporation
5. FMC Technologies Inc.
6. Fletcher International or Fletcher Asset Management
7. Longwall Associates, Inc.
8. Sandvik AB
9. SANY Group Co. Ltd.

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**Exhibit 10.3**

**RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AGREEMENT is entered into as of December 6, 2010, between Joy Global Inc., a Delaware Corporation, (the “Company”) and (the “Employee”). In consideration of the mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and the Employee agree as follows:

Subject to the provisions of this Agreement and the provisions of the Joy Global Inc. 2007 Stock Incentive Plan (as amended from time to time, the “Plan”), the Company hereby grants to the Employee restricted stock units (the “Restricted Stock Units”) as of December 6, 2010, (the “Grant Date”). This grant constitutes an “other stock-based award” under Section 8 of the Plan. Capitalized terms not defined in this Agreement have the meanings given to them in the Plan.

1. Vesting.

- (a) Subject to the provisions of Paragraph 5(a) of this Agreement, the Restricted Stock Units will vest, become non-forfeitable and be settled as follows: one-third on December 6, 2013 (with fractional units rounded up to the next whole unit); one-third on December 6, 2014, (with fractional units rounded up to the next whole unit); and the remainder on December 6, 2015, (each such date, an “Original Settlement Date” with respect to the applicable units).
- (b) Employee agrees to comply with the Company’s Executive Leadership Team Stock Ownership Policy, which is attached as Exhibit 1, with respect to this award.
- (c) If for any reason the Employee does not acknowledge and accept this Agreement by 5:00 p.m. Milwaukee time on December 5, 2011, then (1) the Employee shall be considered to have declined the grant of the Restricted Stock Units, (2) the Company’s grant of the Restricted Stock Units shall be deemed automatically rescinded and the Restricted Stock Units shall be null and void and (3) the Employee’s acceptance of this Agreement after such time shall have no legal effect and the Company shall not be bound by any such acceptance.

2. Restriction Period. The Restriction Period with respect to each Restricted Stock Unit is the time between the Grant Date and the date such Restricted Stock Unit vests.

3. No Shareholder Rights Before Settlement. The Employee shall not be entitled to any rights or privileges of ownership of shares of Common Stock with respect to any Restricted Stock Unit unless and until a share of Common Stock is actually delivered to the Employee in settlement of such Restricted Stock Unit pursuant to this Agreement.

4. Dividends. On each payment date with respect to any dividend or distribution to holders of Common Stock with a record date occurring during a Restriction Period, the Employee will be credited with additional Restricted Stock Units (rounded to the nearest whole unit) having a value equal to the amount of the dividend or distribution that would have been payable with respect to the unvested Restricted Stock Units if they had been actual shares of Common Stock on such record date, based on the Fair Market Value of a share of Common Stock on the applicable payment date. Such additional Restricted Stock Units shall also be credited with additional Restricted Stock Units as further dividends or distributions are declared, and all such additional Restricted Stock Units shall be subject to the same restrictions and conditions as the Restricted Stock Units with respect to which they were credited.

5. Forfeiture and Settlement of Units.

- (a) If the Employee incurs a Termination of Employment for any reason, any Restricted Stock Units that had not become non-forfeitable prior to the date of such Termination of Employment shall be forfeited; *provided, however*, that if such Termination of Employment is by reason of the Employee's death or Disability, the Restricted Stock Units shall become non-forfeitable; and *provided further* that if such Termination of Employment is due to Retirement, the Committee shall have the discretion to determine as of the date of such Retirement that any Restricted Stock Units that had not become non-forfeitable prior to the date of such Termination of Employment due to Retirement shall become non-forfeitable. If the Restricted Stock Units become nonforfeitable on account of the Employee's death or Disability (provided that, on account of the Disability, the Employee is disabled within the meaning of Section 409A(a)(2)(C) of the Code and the regulations thereunder) (a "409A Disability"), the Restricted Stock Units shall be settled as soon as practicable (but no more than 30 days) after the Employee's death or the 409A Disability. If the Restricted Stock Units become nonforfeitable on account of Disability (other than a 409A Disability) or, in the discretion of the Committee, on account of Retirement, the Restricted Stock Units shall continue to vest and be settled in accordance with the schedule in Paragraph 1 of this Agreement. If, in the event of the Employee's death, the Employee fails to designate a beneficiary, or if the designated beneficiary of the Employee dies before the Employee dies or before the complete payment of the amounts payable under this Agreement, the amounts to be paid under this Agreement shall be paid to the legal representative or representatives of the estate of the last to die of the Employee and the beneficiary.
- (b) Unless earlier forfeited or settled pursuant to Paragraph 5(a) of this Agreement, each Restricted Stock Unit shall be settled at the end of the Restriction Period applicable to such Restricted Stock Unit. Each Restricted Stock Unit settled pursuant to this Paragraph 5 shall be settled by delivery of one share of Common Stock. Any fractional Restricted Stock Units shall be rounded to the nearest whole number.

6. Change in Control and Corporate Events.

- (a) Notwithstanding any other provision of this Agreement, in the event of a Change in Control (unless such Change in Control does not qualify as an event described in Section 409A(a)(2)(A)(v) of the Code and the regulations thereunder), all outstanding Restricted Stock Units held by the Employee on the effective date of the Change in Control, whether or not then vested, shall be settled as soon as practicable (but no more than 30 days) after the Change in Control by payment to the Employee of an amount in cash equal to the Fair Market Value of a share of Common Stock on the date of the Change in Control times the number of such Restricted Stock Units.

- (b) In the event of a stock split, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code), the number of Restricted Stock Units subject to the award shall be equitably adjusted by the Committee as it determines to be appropriate in its sole discretion; *provided, however*, that the number of Restricted Stock Units subject to the award shall always be a whole number. In the event of any other change in corporate capitalization (including, but not limited to, a change in the number of shares of Common Stock outstanding), or a corporate transaction, such as any merger, consolidation, or separation, or any partial or complete liquidation of the Company, the number and kind of Restricted Stock Units subject to the award may be adjusted by the Board or Committee as the Board or Committee may determine to be appropriate in its sole discretion; *provided, however*, that the number of Restricted Stock Units subject to the award shall always be a whole number. The determination of the Board or Committee regarding any adjustment will be final and conclusive.

7. Event of Restatement.

- (a) If the Company restates any previously reported financial statements and such restatement is required as a result of the Company's material noncompliance with any financial reporting requirement under the federal securities laws:
- (i) the Employee shall pay to the Company any gain the Employee received in connection with the award under this Agreement to the extent, determined by the Board or Committee, that the Employee would have received less gain based upon the restated financial results, and "gain" for this purpose shall include the proceeds of any sale of stock of the Company, even if such sale occurred after the award has been settled;
  - (ii) the amount of the award under this Agreement shall be reduced to the extent, determined by the Board or Committee, such amount would have been lower based upon the restated financial results;
  - (iii) the Employee shall be required to reimburse or repay to the Company any other amount that the Company determines to be due pursuant to any policy the Board or Committee adopts pursuant to section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or pursuant to any regulation, rule, stock exchange listing standard or other guidance implementing such section).

- (b) The Company may seek recovery of the amounts due under subsection (a) by all legal means available, including, to the extent permitted by law, seeking direct repayment from the Employee, withholding such amount from other amounts owed by the Company to the Employee (or with respect to the Employee), and causing the cancellation of any outstanding incentive award.
- (c) The determination of the Board or Committee regarding the consequence of any event of restatement as described in this Paragraph 7 shall be final and conclusive. This Paragraph 7 does not affect the Company's ability to pursue any and all available legal rights and remedies under governing law

8. Nontransferability. Restricted Stock Units granted under this Agreement are not transferable by the Employee, whether voluntarily or involuntarily, by operation of law or otherwise, during the Restriction Period, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Restricted Stock Units made, or any attachment, execution, garnishment, or lien issued against or placed upon the Restricted Stock Units, except as provided in the Plan, shall be void.

9. Administration. This Agreement and the rights of the Employee hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Employee.

10. Taxes and Withholdings. No later than the applicable date of settlement of the Restricted Stock Units, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state, local, and applicable non-U.S. taxes, of any kind required by law to be withheld upon the settlement of such Restricted Stock Units, and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind due to the Employee federal, state, local and applicable non-U.S. taxes of any kind required by law to be withheld upon the settlement of such Restricted Stock Units.

11. Confidential Information; Noncompetition; Nonsolicitation.

Nothing in this Agreement or that follows limits the Company's or Affiliates' rights with respect to Trade Secrets which are defined by and protected by Wis. Stat. § 134.90. Each of the following provisions impose covenants on the Employee that are to be interpreted and applied independent of the other covenants contained in this Agreement.

- (a) (i) The Employee acknowledges he or she will hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its Affiliates and their respective businesses that the Employee obtains during the Employee's employment by the Company or any of its Affiliates and that (x) is not public knowledge or (y) became public knowledge as a result of the Employee's violation of this Paragraph 11(a) ("Confidential Information"). The Employee acknowledges that the Confidential Information is highly sensitive and proprietary and includes, without limitation: product design information, product specifications and tolerances, manufacturing processes and methods, information regarding new product or new feature development, information regarding how to satisfy particular customer needs, expectations and applications, information regarding strategic or tactical planning, information regarding pending or planned competitive bids, information regarding costs, margins, and methods of estimating, and information regarding personnel matters of key employees. The Employee shall not use, communicate, divulge or disseminate Confidential Information to any person, firm, corporation, partnership or entity of any kind whatsoever under any circumstances reasonably likely to result in the use of such Confidential Information to the Company or any of its Affiliates. This Paragraph 11(a)(i) shall apply only in geographic areas in which such use or disclosure of Confidential Information as defined above would competitively harm the Company or its Affiliates and only for a period of two (2) years following the Termination of Employment, except with the prior written consent of the Company or as otherwise required by law or legal process.

(ii) All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, records, files and know-how acquired while an employee of the Company or any of its Affiliates are acknowledged to be the property of the Company or the applicable Affiliate(s) and shall not be duplicated, removed from the possession or premises of the Company or such Affiliate(s) or made use of other than in pursuit of the business of the Company and its Affiliates or as may otherwise be required by law or any legal process, and, upon Termination of Employment for any reason, Employee shall deliver to the Company (or the applicable Affiliate, if the Employee is employed outside the United States), without further demand, all such items and any copies thereof which are then in his or her possession or under his or her control.

- (b) The Employee acknowledges that his or her employment may place him or her in a position of contact and trust with customers of the Company or its Affiliates, and that in the course of employment the Employee may be given access to and asked to maintain and develop relationships with such customers. The Employee acknowledges that such relationships are of substantial value to the Company and its Affiliates and that it is reasonable for the Company to seek to prevent Employee from giving competitors unfair access to such relationships. Employee further acknowledges that the Company and its Affiliates and their competitors operate and compete worldwide.
- (c) Prior to and through an eighteen-month period following the Termination of Employment date, the Employee will not within the geographic area where the Company or any of its Affiliates do business, except upon prior written permission signed by the President or an Executive Vice President of the Company, consult with or advise or, directly or indirectly, as owner, partner, officer or employee, engage in business with any company or entity in competition with the Company or any of its Affiliates in the business of manufacturing, selling, servicing, or repairing equipment or parts within the Company's industry, (which are defined only as those entities and their affiliates set forth in the attached Exhibit 2) in a capacity where the Employee's knowledge of Confidential Information or Trade Secrets of the Company or any of its Affiliates would reasonably be likely to place the Company or any of its Affiliates at a competitive disadvantage. Notwithstanding the foregoing, the Employee may make and retain investments in not more than three percent of the equity of any such company if such equity is listed on a national securities exchange or regularly traded in an over-the-counter market.

- (d) Prior to and through a two-year period following the Termination of Employment ~~date~~, the Employee will not, directly or indirectly solicit or induce for employment on behalf of any company or entity in competition with the Company or any of its Affiliates in the business of manufacturing, selling, servicing or repairing mining equipment or parts which are defined only as those entities and their affiliates set forth in the attached Exhibit 2 (other than any personal assistant hired to work directly for the Employee), any individual employed by the Company or any of its Affiliates on the Termination of Employment date or any person who was so employed by the Company or any of its Affiliates at any time during the preceding three months.
- (e) Prior to and through a one-year period following the Termination of Employment, the Employee will not, directly or indirectly, interfere with, or endeavor to entice away from Company or any of its Affiliates, any person, firm, corporation, partnership or entity of any kind whatsoever which is a customer of Company or any of its Affiliates, or which was a customer of Company or any of its Affiliates, within one year prior to the Termination of Employment date, and, which the Employee regularly performed services for, or regularly dealt with, or regularly had contact with such customer on behalf of the Company or any of its Affiliates, and the Employee obtained knowledge, as a result of his or her position with the Company or any of its Affiliates, which would be beneficial to Employee's efforts to convince such customer to cease doing business with the Company or any of its Affiliates, in whole or in part.
- (f) In the event of a breach of the Employee's covenants under this Paragraph 11, the Restricted Stock Units shall immediately be forfeited as of the date of such breach. The Employee acknowledges and agrees that such forfeiture is not expected to adequately compensate the Company and its Affiliates for any such breach and that such forfeiture shall not substitute for or adversely affect the remedies to which the Company or any of its Affiliates is entitled under Paragraph 11(f) or at law .
- (g) In the event of a breach of the Employee's covenants under this Paragraph 11, it is understood and agreed that the Company and any Affiliate(s) that employed the Employee shall be entitled to injunctive relief, as well as any other legal or equitable remedies. The Employee acknowledges and agrees that the covenants, obligations and agreements of the Employee in Paragraphs 11(a), (b), (c), (d) and (e) of this Agreement relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants, obligations or agreements will cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, the Employee agrees that the Company and any Affiliate(s) that employed the Employee shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain the Employee from committing any violation of such covenants, obligations or agreements. These injunctive remedies are cumulative and in addition to any other rights and remedies that the Company or its Affiliates may have.

- (h) The Company and the Employee hereby irrevocably submit to the exclusive jurisdiction of the courts of Wisconsin and the federal court of the United States of America, located in Milwaukee, Wisconsin, in respect of all disputes involving Confidential Information, trade secrets or the violation of the provisions of this Paragraph 11 and the interpretation and enforcement of this Paragraph 11, and the parties hereto hereby irrevocably agree that (i) the sole and exclusive appropriate venue for any suit or proceeding relating to such matters shall be in such a court, (ii) all claims with respect to any such matters shall be heard and determined exclusively in such court, (iii) such court shall have exclusive jurisdiction over the person of such parties and over the subject matter of any such dispute, and (iv) each hereby waives any and all objections and defenses based on forum, venue or personal or subject matter jurisdiction as they may relate to any suit or proceeding brought before such a court in accordance with the provisions of this Paragraph 11 .

12. Notices. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by facsimile, overnight courier, or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

If to the Company: Joy Global Inc.  
100 East Wisconsin Avenue, Suite 2780  
Milwaukee, WI 53202  
Attention: Corporate Secretary  
Facsimile: 414-319-8520

or to such other address or facsimile number as any party shall have furnished to the other in writing in accordance with this Paragraph 12. Notice and communications shall be effective when actually received by the addressee.

13. Successors. Except as otherwise provided hereunder, this Agreement shall be binding upon and shall inure to the benefit of any successor or successors of the Company, and to any transferee or successor of the Employee pursuant to Paragraph 8.

14. Laws Applicable to Construction. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware as applied to contracts executed in and performed wholly within the State of Delaware, without reference to principles of conflict of laws with the exception of Paragraph 11, which will be interpreted, enforced, and governed by the laws of the State of Wisconsin.

15. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected by that provision and that provision shall be enforced to the greatest extent permitted by law.

16. Conflicts and Interpretation. In the event of any conflict between this Agreement and the Plan, the Plan shall control. In the event of any ambiguity in this Agreement, any term which is not defined in this Agreement, or any matters as to which this Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (a) interpret the Plan, (b) prescribe, amend and rescind rules and regulations relating to the Plan, and (c) make all other determinations deemed necessary or advisable for the administration of the Plan.

17. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not affect the meaning or interpretation of any of the provisions of this Agreement.

18. Amendment. This Agreement may not be modified, amended or waived except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

19. Section 409A of the Code. This Agreement and the Plan are intended, and shall be construed, to comply with the requirements of Section 409A of the Code. However, neither the Agreement nor the Plan transfers to the Company or any entity or other individual any tax or penalty that is the responsibility of the Employee. If any distribution or settlement of a Restricted Stock Unit or Deferred Stock Unit pursuant to the terms of this Agreement or the Plan would subject the Employee to tax under Section 409A of the Code, the Company shall modify this Agreement and/or the Plan (in each case, without the consent of the Employee) in the least restrictive manner necessary in order to comply with the provisions of Section 409A, other applicable provision(s) of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without any material diminution in the value of the payments to the Employee.

20. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

21. Miscellaneous .

- (a) This Agreement shall not confer upon the Employee any right to continue as an employee of the Company or its Affiliates, nor shall this Agreement interfere in any way with the right of the Company or its Affiliates to terminate the employment of the Employee at any time.
- (b) This Agreement shall be subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or national securities exchanges as may be required.

IN WITNESS WHEREOF, the Employee has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first written above.

JOY GLOBAL INC.

Sean D. Major  
Executive Vice President, General Counsel and Secretary

EMPLOYEE:

By: \_\_\_\_\_

**EXECUTIVE LEADERSHIP TEAM  
STOCK OWNERSHIP POLICY**

Members of the Company's Executive Leadership Team are subject to the following minimum ownership requirements for shares of the Company's common stock:

- CEO: Five times annual salary. Until the five times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 50% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the five times annual salary requirement has been met, the CEO is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock received by the CEO from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the five times annual salary requirement.
- Other Executive Officers: Two and one-half times annual salary. Until the two and one-half times annual salary requirement has been met, the executive is required to retain shares of Common Stock having a market value at least equal to 25% of the pre-tax compensation realized upon settlement of any restricted stock units, payment of any performance shares, exercise of any stock options or settlement of any other stock awards. After the two and one-half times annual salary requirement has been met, the executive is required to retain, at the retention rate specified in the preceding sentence, a sufficient number of shares of Common Stock from subsequent settlements of restricted stock units, payments of performance shares, exercises of stock options and settlements of other stock awards as may be necessary at that time to satisfy the two and one-half times annual salary requirement.
- Each executive shall not sell, transfer or otherwise dispose of shares of Common Stock (i) until the respective ownership requirement has been met or (ii) after the respective ownership requirement has been met, to the extent that the executive would no longer satisfy the ownership requirement immediately following such sale, transfer or other disposition.
- For the purposes of this policy, restricted stock units, performance shares and stock options shall not be considered to be shares of Common Stock.

**COMPANIES**

This Exhibit forms a part of the Restricted Stock Unit Award Agreement, entered into as of December 6, 2010, between Joy Global Inc. and Employee.

1. Caterpillar, Inc.
2. Bucyrus International, Inc.
3. Cogar Manufacturing Inc.
4. Eickhoff Corporation
5. FMC Technologies Inc.
6. Fletcher International or Fletcher Asset Management
7. Longwall Associates, Inc.
8. Sandvik AB
9. SANY Group Co. Ltd.

## CERTIFICATIONS

I, Michael W. Sutherlin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Joy Global Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2011

/s/ Michael W. Sutherlin

Michael W. Sutherlin

President and Chief Executive Officer

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## CERTIFICATIONS

I, Michael S. Olsen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Joy Global Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2011

/s/ Michael S. Olsen

Michael S. Olsen,  
Executive Vice President, Chief Financial  
Officer, and Treasurer  
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Joy Global Inc. (the "registrant") on Form 10-Q for the quarter ended January 28, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "report"), we, Michael W. Sutherlin and Michael S. Olsen, Chief Executive Officer and Chief Financial Officer, respectively, of the registrant, certify, pursuant to 18 U.S.C. § 1350, that to our knowledge:

- (1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: March 4, 2011

/s/ Michael W. Sutherlin  
Michael W. Sutherlin  
President and  
Chief Executive Officer

/s/ Michael S. Olsen  
Michael S. Olsen,  
Executive Vice President,  
Chief Financial Officer,  
and Treasurer  
(Principal Financial Officer)

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