NEWS RELEASE

Terex Announces Its American Truck Company Subsidiary Has Signed an Agreement Worth $54 Million to Supply 302 Trucks

1/7/2004

WESTPORT, Conn.--(BUSINESS WIRE)--Jan. 7, 2004--Terex Corporation (NYSE: TEX) today announced that its joint venture, American Truck Company (ATC), of which Terex is a two-thirds owner, has been awarded and entered into a contract with the U.S. Army Tank-armaments and Automotive Command (TACOM) to supply the Ministry of Defense of Israel (IMOD) with 302 medium tactical trucks and associated logistics support. The trucks are being supplied to Israel by the United States under the U.S. Foreign Military Sales program. The initial value of this order is approximately $54 million before options. IMOD also has options to purchase an additional 243 trucks for value in excess of $40 million. The announcement follows the conclusion of a lengthy competition between ATC and other U.S. military truck manufacturers that included extended testing of vehicles and an evaluation of after-market support capabilities, as well as lengthy formal discussions with TACOM and IMOD to finalize the contract details.

The procurement includes a combination of cargo carriers (some with material handling cranes) incorporating ATC's high mobility 12.5 metric ton payload 6x6 tactical vehicles. Additionally, ATC will provide extensive driver and maintenance training, in-country service and spare parts. Delivery of trucks and training materials will be performed over the next 12-14 months.

ATC trucks are based on the proprietary design developed and tested over many years by Terex's subsidiary, Tatra a.s., and features a "central backbone" chassis design with an all-wheel drive suspension that can be configured as 4x4, 6x6, 8x8, 10x10, and even 12x12. This modularity of the chassis and suspension design lends itself to a diverse range of vehicle configurations, including cargo carriers, load handling systems, weapon platforms, tankers, firefighting vehicles, aerial work platforms and more in a payload range from 5 to 40 tons.

"First, it is important to mention that Terex is both proud and grateful for this opportunity to supply one of the military's most discriminating customers with our trucks and services," commented Ronald M. DeFeo, Terex's Chairman and Chief Executive Officer. "Terex made the decision to invest in Tatra and ATC in January 2002 with a belief that the Tatra design, combined with Terex's knowledge and experience in manufacturing, sourcing, and assembly, would provide superior value and performance for our military customers."

"ATC has come together as planned. With Terex solidly driving this process today we expect to learn about doing business with various military establishments around the world so that we can offer a full complement of rugged transport vehicles," continued Mr. DeFeo. "Terex has a lot of interest in this area and are well-positioned to meet or exceed the demanding requirements of this customer base. We have significant off-road vehicle experience that we can bring to this market and we know how to deliver value. We look forward to competing for additional business in the future."

Safe Harbor Statement

The above contains forward-looking information based on Terex's current expectations. Because forward-looking statements involve risks and uncertainties, actual results could differ materially. Such risks and uncertainties, many of which are beyond Terex's control, include among others: Terex's business is highly cyclical and weak general economic conditions may affect the sales of its products and its financial results; the sensitivity to interest rates and government spending; the retention of key management personnel; Terex's businesses are very competitive and may be affected by pricing, product initiatives and other actions taken by competitors; the effects of changes in laws and regulations; Terex's business is international in nature and is subject to changes in exchange rates between currencies, as well as international politics; the ability of suppliers to timely supply Terex parts and components at competitive prices; the financial condition of suppliers and customers, and their continued access to capital; Terex's ability to timely manufacture and deliver products to customers; compliance with applicable environmental laws and regulations; and other factors, risks, uncertainties more specifically set forth in Terex's public filings with the SEC. Actual events or the actual future results of Terex may differ materially from any forward looking statement due to those and other risks, uncertainties and significant factors. The forward-looking statements herein speak only as of the date of this release. Terex expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement included in this release to reflect any changes in Terex's expectations with regard thereto or any changes in events, conditions, or circumstances on which any such statement is based.

Terex Corporation is a diversified global manufacturer based in Westport, Connecticut, with 2002 revenues of $2.8 billion. Terex is involved in a broad range of construction, infrastructure, recycling and mining-related capital equipment under the brand names of Advance, American, Amida, Atlas, Bartell, Bendini, Benford, Bid-Well, B.L.

Pegson, Canica, Cedarapids, Cifali, CMI, Coleman Engineering, Comedil, CPV, Demag, Fermec, Finlay, Franna, Fuchs, Genie, Grayhound, Hi-Ranger, Italmacchine, Jaques, Johnson-Ross, Koehring, Lectra Haul, Load King, Lorain, Marklift, Matbro, Morrison, Muller, O&K, Payhauler, Peiner, Powerscreen, PPM, Re-Tech, RO, Royer, Schaeff, Simplicity, Square Shooter, Telelect, Terex, and Unit Rig. Terex offers a complete line of financial products and services to assist in the acquisition of Terex equipment through Terex Financial Services. More information on Terex can be found at www.terex.com.

CONTACT: Terex Corporation
Tom Gelston, Director, Investor Relations
203-222-5943

SOURCE: Terex Corporation