NEWS RELEASE

Terex Announces Record Third Quarter Earnings of $1.07 Per Share, Up 22%

10/28/1999

Net sales increased 56 percent to $496 million

Net income increased 52 percent to $29.9 million

WESTPORT, Conn.--(BUSINESS WIRE)--Oct. 28, 1999--Terex Corporation (NYSE: TEX) today reported third quarter net income of $29.9 million, or $1.07 per share, up $10.2 million over 1998's third quarter net income of $19.7 million, or $0.88 per share. Net sales for this quarter reached $495.6 million, up $176.9 million, or 56%, over the third quarter of 1998. For the nine-month period ended September 30, 1999, Terex reported net income of $86.3 million, or $3.49 per share, up $31.6 million over 1998's net income of $54.7(a) million or $2.44(a) per share. Year-to-date, net sales grew to $1,367.0 million, up $454.2 million or 50% over the comparable period of 1998.

(a) Before extraordinary charges of $38.3 million, or $1.71 per share, related to debt retirement in 1998. A financial summary is shown below:

Terex Corporation Third Quarter

(dollars in millions, except per share amounts)

	1999		1998	
		% of sales		% of sales
Net sales	$ 495.6	---	$ 318.7	---

Gross profit	$ 88.5	17.9%	$ 58.7	18.4%
SG&A	38.7	7.8%	26.0	8.2%
Operating profit	49.8	10.0%	32.7	10.3%
Interest and other	(19.9)	4.0%	(13.0)	4.1%
Income before extraordinary Items(b)	$ 29.9	6.0%	$ 19.7	6.2%
Earnings per share	$ 1.07	---	$ 0.88	---
EBITDA	$ 57.3	11.6%	$ 36.7	11.5%

Year-to-Date

(dollars in millions, except per share amounts)

	1999		1998	
	% of sales		% of sales	
Net sales	$ 1,367.0	---	$ 912.8	---
Gross profit	$ 236.1	17.3%	$ 164.1	18.0%
SG&A	98.8	7.2%	74.4	8.2%
Operating profit	137.3	10.0%	89.7	9.8%
Interest and other	(51.0)	3.7%	(35.0)	3.8%
Income before extraordinary Items(b)	$ 86.3	6.3%	$ 54.7	6.0%
Earnings per share	$ 3.49	---	$ 2.44	---
EBITDA	$ 155.5	11.4%	$ 100.7	11.0%

(b) Before extraordinary charges in 1998 for retirement of debt

"We are pleased with our results," said Ronald M. DeFeo, Chairman and CEO. "We continue to deliver strong performance despite a constantly changing environment. The acquisitions of the Cedarapids and Powerscreen businesses provide additional product and geographic diversity, and we are already starting to deliver on our commitments to generate over $20 million of annualized cost savings at these businesses over the next 12 months. We remain confident that our earnings momentum will continue and we believe we are in a good position to continue to grow and reduce our financial leverage."

Net sales for the third quarter reached $495.6 million, compared with $318.7 million during the third quarter of 1998, another quarter of strong top line growth. Operating profit increased 52% to $49.8 million and operating margin was 10.0% during the third quarter. Operating expenses as a percentage of sales dropped to 7.8% in the third quarter of 1999 from 8.2% in the third quarter of 1998, despite the acquisitions of Powerscreen and Cedarapids which had SG&A to sales ratio at the time of acquisition of 11% to 14%. This intense focus on costs is further evidence of Terex's commitment to control operating expenses while continuing to grow its Lifting and Earthmoving franchises. Terex's 22% increase in diluted earnings per share for the third quarter of 1999 was achieved despite a 24% increase in diluted shares outstanding versus last year. Diluted shares increased to 28.0 million during the quarter, reflecting the offering of 3.5 million shares late in the second quarter of this year and the sale in late July 1999 of 2.0 million shares to a fund managed by Wellington Management Company, LLP.

Net sales for the first nine months of 1999 were $1,367.0 million, or a 50% increase over last year's $912.8 million. Internally generated growth represented approximately $210 million of this revenue increase while the acquired companies contributed about $244 million of the total $454 million revenue increase. Operating profit of $137.3 million grew 53%, reflecting increased volumes in both the Lifting and Earthmoving segments, the impact of acquisitions and strict expense control in both segments. As a result, operating margin year-to-date reached 10.0% versus 9.8% in the comparable period of 1998.

Powerscreen and Cedarapids Acquisitions

On August 26, 1999, the Company closed on the acquisition of Cedarapids, Inc., and as of October 21, 1999, Terex owned 100 percent of the issued share capital of Powerscreen International plc. The Company has moved very quickly to start eliminating non-value-added functions and costs from these two organizations.

As of the end of October 1999, the corporate functions of Powerscreen that were necessary when Powerscreen was an independent company were eliminated, creating annualized savings of approximately $6 million. At the same time, both the management and operational structure of Powerscreen were reorganized, which is already providing better accountability and greater customer response. The next phase at Powerscreen, which has already started, will include the consolidation of the manufacturing and distribution infrastructure in North America and the

integration of the screening and crushing manufacturing processes in Europe.

Similarly, Cedarapids has initiated a major cost reduction effort, which has already resulted in the elimination of approximately $12 million in costs annually. The product offering of Cedarapids is being streamlined, resulting in improved efficiency and in substantial inventory reduction. Since the end of August, over 1500 tons of scrap has been eliminated, allowing for a better material flow. The next phase at Cedarapids, which has already started, will include a concerted effort to increase outsourcing of non-critical components in order to reduce the vertical integration of the manufacturing process currently used at Cedarapids.

Segment Performance

Terex Earthmoving

	Third Quarter			
	(dollars in millions)			
	1999		1998	
	% of sales		% of sales	
Net sales	$ 244.2	---	$ 130.0	---
Gross profit	48.5	19.9%	27.6	21.2%
SG&A	22.4	9.2%	15.2	11.7%
Operating profit	26.1	10.7%	12.4	9.5%
Backlog	204.2	---	62.3	---

	Year-to-Date			
	(dollars in millions)			
	1999		1998	
	% of sales		% of sales	
Net sales	$ 599.5	---	$ 347.4	---
Gross profit	112.9	18.8%	69.8	20.1%
SG&A	50.3	8.4%	38.8	11.2%
Operating profit	62.6	10.4%	31.0	88.9%
Backlog	204.2	---	62.3	---

Net sales in the Earthmoving segment, which now includes the impact of the acquisitions of Cedarapids and the screening and crushing segments of Powerscreen, reached $244.2 million in the third quarter, an 88% increase from last year's $130.0 million. Excluding the impact of the above acquisitions, net sales for this segment grew 35% to $175.8 million. These results were driven by the strong performance of the surface mining truck business and the construction truck business. Terex's off-highway truck business continues to deliver strong performance with sales up 42%, on substantially higher volumes, versus the third quarter of 1998, thus growing market share.

Operating profit more than doubled to $26.1 million during the quarter, driven by improved volumes and margins at Unit Rig, higher volumes and margins in the off-highway truck business, improved margins in the hydraulic excavator business and the impact of the acquisitions. Operating margins benefited from all of the above improvements and increased to 10.7% this quarter from 9.5% last year. Excluding the acquisitions of Powerscreen and Cedarapids, operating expenses as a percent of sales continued to show further improvement, dropping to 8.2% for the third quarter of 1999 from 11.7% for the comparable period of 1998.

Production of the Coal India order remains ahead of schedule. As of mid-October, 118 trucks had been shipped with 152 trucks already built. Terex expects to complete the manufacturing of this order by the end of October and to ship all the remaining trucks before year-end.

"We are delighted with our performance," said Ernie Verebelyi, President of Terex Earthmoving. " Our mining business posted another quarterly record in terms of sales and operating profit and our hydraulic excavator business started to bounce back after a weak second quarter. The recovery of some commodity prices combined with our success in providing new and current customers with a cost-effective solution to their productivity needs should allow the mining business to continue to show further improvement next year."

Terex Lifting

	Third Quarter			
	(dollars in millions)			
	1999		1998	
	% of sales		% of sales	
Net sales.....$	242.5	---	187.2	---

Gross profit.....	38.2	15.8%	30.9	16.5%
SG&A.....	15.6	6.4%	10.4	5.6%
Operating profit.....	22.6	9.3%	20.5	11.0%
Backlog.....	179.5	---	169.5	---

	Year-to-Date			
	(dollars in millions)			
	1999		1998	
	% of sales		% of sales	
Net sales.....$	746.9	---	$ 560.9	---
Gross profit.....	119.4	16.0%	93.5	16.7%
SG&A.....	44.1	5.9%	33.1	5.9%
Operating profit.....	75.3	10.1%	60.4	10.8%
Backlog.....	179.5	---	169.5	---

Net sales in the Lifting segment, which now includes the impact of Powerscreen's Matbro and Moffett units, grew to $242.5 million in the third quarter, a 30% increase from last year's $187.2 million. Excluding the impact of these two units, net sales for this segment increased 25% to $233.8 million. These results were driven by the continued strong performance of the North American utility aerial devices and lattice boom cranes. Utility aerial devices posted a 52% increase in revenues, while hydraulic mobile crane sales were essentially flat. The European lifting business continues to improve led by the performance of the material handling and tower crane businesses.

Operating profit in the third quarter of 1999 grew 10.2% to $22.6 million from last year's $20.5 million, led by manufacturing efficiencies, the impact of acquisitions and continued cost reduction efforts. Operating margin was 9.3% for the third quarter versus 11.0% last year. The lifting results were negatively affected by the impact of the North American aerial work platform business, which lost money during the quarter. The Company will implement an action plan in the near future to address the difficult competitive structure of this business in North America.

"We continue to find new ways to grow and improve our market penetration in the Lifting business," said Fil Filipov, President of Terex Lifting. "We operate in a dynamic environment and we fully expect continued changes in the relative strength of our different product lines domestically and internationally. In fact, for the first nine months of this year, our internal growth reached 13 percent."

New Acquisitions

On September 16, 1999, Terex announced a definitive agreement to acquire the Material Handling Business of Teledyne Specialty Equipment, a division of Allegheny Teledyne Incorporated. This business, which manufactures truck-mounted lift trucks, has sales of approximately $50 million split evenly between the U.S. and Europe.

Ron DeFeo commented, "The Material Handling Business of Teledyne, with its well recognized brand names of Princeton in the United States and Kooi Aap in Europe, will augment our offering in the point of delivery lifting market, which includes our Moffett material handlers, RO boom trucks and Square Shooter and Italmacchine rough terrain telescopic handlers. This business has factories in the U.S. and Holland and will benefit from the integration with our Terex Lifting segment. This acquisition will be immediately accretive to earnings upon closing of the transaction." The transaction is expected to close in early November.

Capital Structure

During the third quarter, Terex issued 2.0 million shares of common stock for approximately $59 million and raised about $411 million in debt capital. This capital was used to fund the acquisitions of Powerscreen and Cedarapids for a combined total of $460 million. After savings, Terex expects to generate a return on this capital of 20% or more. Net debt at the end of the third quarter was approximately $970 million. The annualized interest coverage of 3.25 times and debt to EBITDA of 3.7 times continue the trend of improving credit statistics. Cash flow from operations was $40 million for the quarter as a decline in receivables was offset by a decline in payables, leaving working capital flat, after adjusting for the acquisitions. At quarter end, Terex had overall liquidity of approximately $200 million.

Outlook

"We remain optimistic about the prospects for our Company in the year 2000," commented Ron DeFeo. "As Terex competes in markets that are cyclical, our management strategy has been to diversify by product and geography while improving our customer franchises. This diversity and franchise development strategy has enabled Terex to simultaneously grow, accelerate earnings, reduce leverage, and improve credit statistics, thereby creating shareholder value. The financial stability and growth which Terex has achieved over the past several years has given customers renewed confidence in Terex's long-term ability to produce cost-effective, quality products. For example, this week we received a $20 million commitment from a large domestic quarry customer consisting of a package of Cedarapids crushing equipment, O&K hydraulic shovels and Terex rigid off-highway trucks. No other equipment manufacturer could have provided this package of interrelated equipment now all within the Terex Group. Terex has also previously reported on similar successes with Coal India, Rio Tinto, Cleveland Cliffs and others. Terex's business model, which is built around a low cost bundling of products to deliver customers with system solutions

that provide a better return on their investment than the competition is working despite constant changes in the business environment in which we operate. There remain many future opportunities for Terex to employ its strategy and model to continue its growth and create shareholder value, both internally and through acquisition."

Terex Corporation is a diversified global manufacturer based in Westport, Connecticut, with pro forma annual revenues in excess of $2.0 billion. Terex is involved in a broad range of construction and mining-related capital equipment operating in two segments -- Terex Earthmoving and Terex Lifting. Terex Earthmoving manufactures and sells heavy-duty off-road trucks and high-capacity surface mining trucks under the brand names of Terex, Unit Rig and Payhauler, as well as large hydraulic mining shovels under the brand name O&K. Terex recently entered the infrastructure building business with the acquisitions of Powerscreen and Cedarapids. Terex Lifting manufactures and sells telescopic mobile cranes, lattice boom cranes, tower cranes, aerial work platforms, utility aerial devices, telescopic material handlers and truck mounted cranes, and related products, under the brand names Terex, Lorain, PPM, P&H, Marklift, Koehring, Bendini, Simon, RO, Telelect, Square Shooter, Holland Lift, American Crane, Italmacchine, Peiner, Comedil, Moffett and Matbro.

The above contains forward-looking information based on the Company'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, the sensitivity of construction and mining activity to interest rates, government spending and general economic conditions; the success of the integration of acquired businesses; the retention of key management; foreign currency fluctuations; pricing, product initiatives, and other actions taken by competitors; the effect of changes in laws and regulations; and the continuing use of net operating loss carryovers; IRS audit; the effect of debt and restrictive covenants; and other factors, risks and uncertainties more specifically set forth in Terex's public filings with the SEC. 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 AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)
(unaudited)

	For the Three Months Ended September 30,	For the Nine Months Ended September 30,

	999	1998	1999	1998
Net sales	$ 495.6	$ 318.7	$ 1,367.0	$ 912.8
Cost of goods sold	407.1	260.0	1,130.9	748.7
Gross profit	88.5	58.7	236.1	164.1
Selling, general and administrative expenses	38.7	26.0	98.8	74.4
Income from operations	49.8	32.7	137.3	89.7
Other income (expense):				
Interest income	2.5	0.7	3.7	1.5
Interest expense	(20.0)	(12.6)	(48.9)	(33.6)
Other income (expense) - net	(1.3)	(0.8)	(3.2)	(2.0)
Income before income taxes and extraordinary items	31.0	20.0	88.9	55.6
Provision for income taxes	(1.1)	(0.3)	(2.6)	(0.9)
Income before extraordinary items	29.9	19.7	86.3	54.7
Extraordinary loss on retirement of debt	---	---	---	(38.3)
Net income	$ 29.9	$ 19.7	$ 86.3	$ 16.4
EARNINGS PER SHARE:				
Basic				
Income before extraordinary items	$ 1.12	$ 0.95	$ 3.74	$ 2.64
Extraordinary loss on retirement of debt	--	---	---	(1.85)
Net income	$ 1.12	$ 0.95	$ 3.74	$ 0.79

Diluted				
Income before extraordinary items	$ 1.07	$ 0.88	$ 3.49	$ 2.44
Extraordinary loss on retirement of debt	--	---	---	(1.71)
Net income	$ 1.07	$ 0.88	$ 3.49	$ 0.73
Weighted average number of common and common equivalent shares outstanding in per share calculation				
Basic	26.6	20.8	23.1	20.7
Diluted	28.0	22.5	24.7	22.4

TEREX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(in millions, except par value)
(unaudited)

	September 30, 1999	December 31, 1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 154.1	$ 25.1
Trade receivables (net of allowance of $5.5 at September 30, 1999 and $5.6 at December 31, 1998)	472.6	249.8
Net inventories	669.2	472.8
Other current assets	42.1	23.9
Total current assets	1,338.0	771.6
Long-term assets		
Property, plant and equipment - net	190.8	99.5
Goodwill - net	493.5	240.9
Other assets - net	55.5	39.2
Total assets	$ 2,077.8	$ 1,151.2

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Notes payable and current portion of long-term debt	$ 55.0	$ 44.7
Trade accounts payable	330.4	226.9
Accrued compensation and benefits	28.7	24.7
Accrued warranties and product liability	60.3	36.0
Other current liabilities	136.7	93.1
Total current liabilities	611.1	425.4
Non-current liabilities		
Long-term debt, less current portion	1,066.0	586.6
Other	47.8	41.1
Commitments and contingencies		
Stockholders' equity		
Warrants to purchase common stock.	0.8	0.8
Equity rights	0.8	3.1
Common stock, $.01 par value - authorized 150.0 shares; issued and outstanding 27.5 at September 30, 1999 and 20.8 at December 31, 1998.	0.3	0.2
Additional paid-in capital	354.8	179.0
Retained earnings (accumulated deficit)	5.4	(80.9)
Accumulated other comprehensive income	(9.2)	(4.1)
Total stockholders' equity	352.9	98.1
Total liabilities and stockholders' equity	$ 2,077.8	$ 1,151.2