NEWS RELEASE

Terex Announces Resolution of IRS Audit; Resolution Will Require Estimated Payment of $7.6 Million in Tax Deductible Interest

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WESTPORT, Conn.--(BUSINESS WIRE)--Nov. 18, 1999--Terex Corporation (NYSE:TEX) today announced that it has resolved the Internal Revenue Service (IRS) audit regarding its Federal income tax returns for the years 1987 through 1989. The resolution of this audit will not require payment of tax and the outcome will not be material either to the Company's financial condition or to the results of operations.

As a result of the completion of the audit, the IRS will no longer challenge the Company's right to use certain net operating loss carryovers (NOLs). Furthermore, because of the existence of substantial NOLs, Terex will not owe any tax. However, due to timing issues associated with NOL carrybacks and the substantial amount of time which has elapsed since the years in question, Terex will owe an estimated $7.6 million in accumulated interest, all of which will be tax deductible. Following this settlement, the Company will still retain approximately $250 million in NOLs worldwide.

"We are pleased that this issue has finally been resolved," said Joseph F. Apuzzo, Chief Financial Officer. "Terex has been operating under this cloud for too many years and the resolution of this matter provides the Company with the opportunity to further strengthen its balance sheet and reduce risk."

In December 1994, the Company had received an examination report from the IRS proposing a large tax deficiency. The examination report raised several issues including the substantiation for certain tax deductions and whether the Company was able to use certain NOLs to offset taxable income. In April 1995, the Company filed an administrative appeal to the examination. The completion of this audit resolves this long-standing issue.

Terex Corporation is a diversified global manufacturer based in Westport, Connecticut, with pro forma annual revenues in excess of $2 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, Italmacchine, Peiner, Comedil, Matbro, Moffett and Princeton.