



NEWS RELEASE

Terex Corporation Acquires Fermec From CNH

1/3/2001

WESTPORT, Conn.--(BUSINESS WIRE)--Jan. 3, 2001--Terex Corporation (NYSE: TEX) announced today that it has acquired Fermec Holdings Limited, a leading European manufacturer of loader backhoes based in the UK. Fermec was sold by CNH as a condition for the European Commission to approve the Case-New Holland merger.

"This acquisition is an excellent fit with Terex's strategy of diversifying both the products and geographic range of our customer offerings," said Ronald M. DeFeo, Terex's Chairman and Chief Executive Officer. "With approximately \$80 million in revenues, this acquisition gives us the opportunity to implement our low cost operating model in a new product line. The Fermec loader backhoe product line has a long history and reputation for quality. Furthermore, the Fermec product line is sold to many of the same rental and construction customers as other Terex equipment in Europe."

Ernie Verebelyi, President of Terex Earthmoving added, "Similar to other small to medium-sized construction lines, loader backhoes are increasingly being sold both through traditional channels of distribution as well as through rental fleets. This evolution in distribution channels requires a simpler and lower cost product design. The Fermec brand provides an excellent platform from which to develop a cost-effective line under Terex ownership that represents a compelling value to these customers."

"The acquisition of Fermec provides Terex with the opportunity to expand our presence not only in Europe, but also in North America," said Colin Robertson, Managing Director of Terex Construction. "We expect to generate significant cost reductions as we implement our 100-day plan and integrate Fermec within the Terex group of companies."

Safe Harbor Statement

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. In particular, market conditions for Terex products are variable, and there can be no assurance that market conditions will develop as anticipated. These risks and uncertainties, many of which are beyond Terex's control, include, among others: the sensitivity of construction and mining activity to interest rates and oil prices; government and construction 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; consolidation of customer base; commodity pricing; the effect of changes in laws and regulations; the continuing use of net operating loss carryovers; 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 is a diversified global manufacturer based in Westport, Connecticut, with expected 2000 revenues in excess of \$2 billion. Terex is involved in a broad range of construction, infrastructure 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 entered the infrastructure building business in 1999 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, truck mounted cranes, and related products, under the brand names Terex, Lorain, PPM, P&H, Franna, Marklift, Koehring, Bendini, Simon, RO, Telelect, Square Shooter, Holland Lift, American, Italmacchine, Peiner, Comedil and Matbro.

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