



NEWS RELEASE

Terex Corporation Completes Acquisition of Demag

8/30/2002

WESTPORT, Conn., Aug 30, 2002 (BUSINESS WIRE) -- Terex Corporation (NYSE: TEX) today announced that it has completed the acquisition of Demag Mobile Cranes GmbH & Co KG, a leading manufacturer of mobile telescopic and lattice boom cranes.

"We are pleased to welcome Demag to the Terex group," commented Ronald M. DeFeo, Terex's Chairman and Chief Executive Officer. "Besides being financially attractive, the Demag acquisition fills certain strategic needs within our Crane group. Demag improves our position in the all-terrain crane market, a market category that has seen growth over the past several years, and provides leading market positions in the 300-ton to 1,600-ton lattice boom crane category. The Demag acquisition not only strengthens the Terex franchise, which has become one of the leaders in the construction and mining equipment sector, but also positions us to compete as a leading worldwide global crane company."

Fil Filipov, President of Terex Cranes, will assume responsibility for Demag as it becomes part of the Terex Cranes Group. "We are very excited about the opportunity at Demag," commented Mr. Filipov. "Demag has a reputation in the market place for its engineering, product innovation and excellent quality, which we will look to leverage throughout the Terex Cranes Group. The addition of Demag also enables us to offer our customers a full range of cranes to meet their needs, including the larger and higher technology cranes where we have not had a significant market presence. This acquisition also provides us with substantial opportunities for cost savings, and we have currently targeted \$20 million of cost savings through synergies, outsourcing of non-core activities, streamlining of the organization and production processes, improvements in purchasing and management of working capital, all without sacrificing product support or other customer needs."

Mr. DeFeo concluded by stating, "We expect Demag to add approximately \$360 million in pro forma annual

revenues and be accretive by \$0.20 to \$0.30 per share after planned cost reductions are implemented."

Terex Corporation is a diversified global manufacturer based in Westport, Connecticut, with 2001 annual revenues in excess of \$1.8 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, 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. More information on Terex can be found at www.terex.com.

CONTACT: Terex Corporation, Westport Kevin O'Reilly, 203/222-5943