NEWS RELEASE

Terex Corporation to Acquire CMI Corporation

6/28/2001

WESTPORT, Conn., Jun 28, 2001 (BUSINESS WIRE) -- Terex Corporation (NYSE: TEX) announced today that it has signed a definitive merger agreement with CMI Corporation (NYSE: CMI).
The merger agreement provides for an exchange of all the outstanding shares of CMI, at an exchange rate of 0.16 share of Terex common stock for each share of CMI common stock, subject to a downward adjustment in the event the consolidated net debt of CMI exceeds $75.25 million at closing. As a result of this transaction, Terex is expected to issue a maximum of approximately 3.5 million shares of its common stock to CMI shareholders. The transaction, which is subject to customary closing conditions including CMI shareholder and regulatory approval, is expected to close during the third quarter of 2001.

CMI is a leading manufacturer of a broad range of leading-edge automated machines for the construction and maintenance of highways, city streets and county roads, parking lots and bridges, with 2000 revenues in excess of $225 million. Products include asphalt and concrete mixing plants, road profiling and reclaiming equipment, concrete paving systems and landfill compactors and grinders. CMI has a strong competitive position with over 70 percent of its revenues derived from products that have either the number one or number two market share positions in their markets. The great majority of CMI products are marketed to customers engaged in road and bridge building and infrastructure development markets Terex already serves. In addition, CMI is the leading domestic manufacturer of lightweight concrete paving and maintenance equipment.

"The acquisition of CMI is an excellent fit with our strategy of continuing to build the quality of the Terex franchise and to diversify the product range available to our customer base," said Ronald M. DeFeo, Chairman and Chief Executive Officer. "CMI is a strong operational fit for our growing infrastructure business. The combination of Cedarapids and CMI's hot mix asphalt businesses will create a very strong number two player in this industry. CMI also has a recycling grinder and compactor business, a perfect fit with Terex Recycling's trommel screening

products. CMI would also put us into two new product categories: road profiling and reclaiming equipment and concrete paving and plants, which combined with Cedarapids pavers should give us the broadest roadbuilding product offering in the U.S."

Ron DeFeo added, "Following on the 1999 acquisitions of Powerscreen and Cedarapids, CMI provides Terex with leading positions in several growing markets, including the construction and maintenance of highways and bridges, road infrastructure development and airport runway expansion. This transaction is expected to be slightly dilutive for the remainder of this year and to be accretive to Terex's earnings in 2002, given the current performance and expected margin improvement opportunities at CMI. With revenues in excess of $225 million, we expect substantial operational and distribution synergies with the resulting improvements in CMI's cost structure as we initially improve operations at CMI and then integrate it with Terex and its North American infrastructure business."

Ron DeFeo continued, "While the near-term revenue performance for most construction-related equipment is challenging, improved fiscal conditions at all levels of government and mandated increases in federal road and infrastructure spending over the next several years should allow for continued growth in demand for road-building and infrastructure equipment."

Fil Filipov, Terex Executive Vice President, will assume full responsibility for CMI as President. This is the first acquisition under the new Terex organization structure, which will initially place separate operational focus on the business prior to full integration with the balance of the operations. This will allow Terex to both capture and maintain the unique cultural and operational advantages of CMI while simultaneously allowing the Terex business model and philosophy to be introduced and implemented. Commented Fil Filipov, "CMI has excellent long-term customer relationships that stem from its outstanding sales and service support. CMI also has a tradition of product innovation and has also recently introduced lean manufacturing in their operations. Terex has the ability to build on this strong foundation while improving the operating efficiency of the overall enterprise."

Additional Information and Where to Find It

Terex intends to file a registration statement with the SEC on Form S-4 in connection with the merger and Terex and CMI expect to mail a proxy statement/prospectus to CMI's shareholders containing information about the merger. Investors and security holders are urged to read the registration statement and the proxy statement/prospectus carefully when they are available.
The registration statement and the proxy statement/prospectus will contain important information about Terex, CMI, the merger, and related matters. Investors and security holders will be able to obtain free copies of these documents, when available, through the web site maintained by the SEC at http://www.sec.gov. In addition to the

registration statement and the proxy statement/prospectus, Terex and CMI file annual, quarterly, and special reports, proxy statements, and other information with the SEC. You may read and copy any reports, statements, and other information filed by Terex and CMI at the SEC public reference rooms at 450 Fifth Street, NW, Washington, D.C. 20549 or at the SEC's other public reference rooms in New York, New York and Chicago, Illinois. Please call the SEC at 800-SEC-0330 for further information on public reference rooms. Terex's and CMI's filings with the SEC are also available to the public from commercial document-retrieval services and the web site maintained by the SEC at http://www.sec.gov.

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, the sensitivity of construction and mining activity to interest rates, government spending, downward economic cycles 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 ability of suppliers to timely provide parts and components on a cost competitive basis, and the ability of Terex to timely manufacture and deliver cost competitive products to customers; the effect of changes in laws and regulations, including environmental 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 2000 revenues in excess of $2 billion. Terex is involved in a broad range of construction, infrastructure, recycling and mining-related capital equipment under the brand names of Terex, Unit Rig, Payhauler, O&K, Fermec, Benford, Powerscreen, Finlay, B.L. Pegson, Simplicity, Cedarapids, Grayhound, Jaques, Canica-Jaques, Lorain, PPM, P&H, Franna, Marklift, Koehring, Bendini, RO, Telelect, Square Shooter, American, Italmacchine, Peiner, Comedil, Matbro, Amida, Bartell, Coleman, Muller and Morrison. More information on Terex can be found at www.terex.com

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