NEWS RELEASE

Terex Expands Scope of Restructuring Savings Anticipated to Exceed $40 Million

10/9/2001

WESTPORT, Conn.--(BUSINESS WIRE)--Oct. 9, 2001--Terex Corporation (NYSE: TEX) today announced that it has expanded the scope of its previously announced restructuring efforts to include a series of actions that are expected to result in cost reductions in excess of $40 million annually, with recognition of the benefits expected to begin early in 2002.

These actions include the consolidation of production activities of eleven facilities (four from the recently acquired CMI Corporation) and personnel reductions at several of the Company's other business units. The estimated restructuring charge is between $30 and $35 million (cash portion estimated at less than $10 million) and will be recorded over the third and fourth quarters of 2001.

"This restructuring is the next step in a process which began with the announcement of Terex's new operating structure back in April of this year," said Ronald M. DeFeo, Terex Chairman and Chief Executive Officer. "Given the number of acquisitions we have made over the past few years and current market conditions, it makes sense for us to step back and adjust our structure. The actions announced today are designed to improve our manufacturing efficiency and our competitiveness in today's challenging business environment. We have significant opportunities to grow market share if we remain lean, profitable and customer oriented."

Of the eleven facilities to be affected, four are former CMI Corporation operations that will be consolidated into CMI's Oklahoma City location. These include plants in Brownwood, Texas, Champaign, Illinois, Cedar Falls, Iowa, and Opglabbeek, Belgium. Within Europe, three facilities are being impacted - Terex Lifting U.K. (Matbro) in Tetbury, England, Terex Aerials Limited in Cork, Ireland, and Benford Limited in Warwick, England. In the United States, four facilities are being consolidated - Terex Lifting-Conway in Conway, South Carolina, Royer Industries and Re-Tech in

Lebanon, Pennsylvania, Standard Havens in Glasgow, Missouri, and Canica-Jaques in Vancouver, Washington.

In addition to the facility consolidations, the restructuring charges also include personnel reductions and other cost reduction programs across the Company, primarily in North America. Including the impact of the announced facility relocations, personnel reductions in the current restructuring approximate 1,225 or 16% of the Company's workforce as of June 30, 2001, adjusting for the CMI acquisition. The year to date personnel reductions amount to approximately 22%.

Commenting on the CMI restructuring, Fil Filipov, Terex Executive Vice President and President of CMI, stated, "We reviewed the CMI business during the months leading up to the acquisition so we would be in a position to hit the ground running. The implementation of our 100-day plan will focus on consolidating four of the existing CMI facilities into the Oklahoma City location, which has excess capacity to absorb these businesses, as well as simplifying the functional organization and streamlining responsibilities at the plant locations. We will also be consolidating our Standard Havens facility, which makes hot mix asphalt plants, into the Oklahoma City location as well. We are committed to attaining cost savings in excess of $20 million and these quick and decisive decisions are part of our overall plan to attain that goal."

"The restructuring in the Americas is a combination of several strategic decisions, as well as executing the Terex business model," commented Ernie Verebelyi, President of Terex Americas. "One of the advantages of our variable cost structure is that it allows us to react quickly to market conditions and size the business appropriately for the current environment. This helps us maintain our profit margin and remain competitive even in a down market." Mr. Verebelyi stated, "The consolidation of our hydraulic crane operations currently conducted in Conway, South Carolina into our facility in Waverly, Iowa also provides some strategic benefits related to purchasing, engineering and marketing, as well as cost saving opportunities related to manufacturing efficiencies, overhead reductions and improved capacity utilization."

"In Terex Europe, three facilities are impacted as a result of the restructuring," stated Colin Robertson, President of Terex Europe. "Terex Aerials Limited in Cork is being closed as we continue to de-emphasize the aerials business within Terex. We have also decided to relocate our Matbro and Benford locations into our Manchester location, which we obtained as part of the Fermec acquisition late in 2000. The Manchester production facility, which produces loader backhoes, is modern and efficient and currently under-utilized. These actions will improve manufacturing utilization to enable all Manchester based products to be produced more cost effectively and to improve our competitiveness."

"The restructuring efforts underway at Terex are strategic and reflect continued execution of the Terex business model, both from the perspective of how we handle acquisitions and how we strive to maintain Terex's variable

cost structure," commented Mr. DeFeo. "We realize that we have a lot of work ahead of us to ensure the successful execution of these restructuring plans."

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, CMI, Bid-Well, Load King, Cifali, 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.

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 and 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 effect of changes in laws and regulations, including environmental laws and regulations; the effect of debt and restrictive covenants; and other factors, risks, 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.

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