NEWS RELEASE

Terex Reports 1999 Net Income of $173 Million or $6.75 Per Share, On Record Revenues of $1.86 Billion

2/25/2000

- Earnings per share in the fourth quarter, excluding special items, increased 28% to $1.04 pre-tax or $0.70 after-tax
- Earnings per share in 1999, including the fourth quarter on a pre-tax basis and excluding special items, increased 39% to $4.52, or $4.16 with the fourth quarter on an after-tax basis

- Terex starts reporting on an after-tax basis with a projected effective tax rate of 32%

WESTPORT, Conn.--(BUSINESS WIRE)--Feb. 25, 2000-- Terex Corporation (NYSE:TEX) today reported full year 1999 net income of $172.9 million, or $6.75 per share, up $138.4 million over 1998's net income of $34.5 million, or $1.54 per share. Results for 1998 include extraordinary charges of $1.71 per share for the retirement of debt. Results for 1999 include special items, which in the aggregate amounted to a net gain of $2.23 per share. During the fourth quarter of 1999, as a result of the favorable resolution of the IRS audit for the years 1987 through 1989, the Company was able to capitalize certain deferred tax assets, which allowed Terex to report on an after-tax basis starting with the fourth quarter. Earnings per share in 1999, including the results for the fourth quarter on a pre-tax basis and excluding special items, increased 39% percent and reached a record $4.52, compared with $3.25 in 1998. Net sales for 1999 reached a record $1,856.6 million, up $623.4 million or 51% over 1998.

Fourth quarter net income grew to $86.6 million, or $3.04 per share, up $68.5 million over 1998's fourth quarter of $18.1 million, or $0.81 per share. Excluding the impact of special items, fourth quarter net income increased to $20.0 million, or $0.70 per share. Earnings per share in the fourth quarter on a pre-tax basis, excluding special items, increased 28% to $1.04. Net sales for the fourth quarter were $489.6 million, up $169.2 million, or 53%, over last year's fourth quarter.

"We are pleased with our results," said Ronald M. DeFeo, Chairman and CEO. "We continue to deliver excellent performance in the midst of a challenging environment. We grew our net sales by over 50% during 1999 driven by operational improvements, penetration of new markets, market share gains and the impact of our recent acquisitions. We continued to generate excellent internal growth as our revenues, excluding acquisitions, grew in excess of 18% percent for the full year. The acquisitions of the Powerscreen and Cedarapids businesses added product and geographic diversity and an opportunity for meaningful value creation. These two businesses will help our financial performance in the face of a slowdown in the North American hydraulic crane and aerial business and a lack of recovery so far this year in the hydraulic shovel business. We made further progress in improving our capital structure in 1999 and we intend to focus our efforts in this particular area in 2000."

A financial summary is shown below:

Terex Corporation

	Three Months Ended		Twelve Months Ended	
	1999	1998	1999	1998
	(dollars in millions, except per share amounts)			
	% of Sales	% of Sales	% of Sales	% of Sales
Net Sales				
Earthmoving	279.4	109.0	878.9	456.4
Lifting	194.4	210.0	941.3	770.9
Corporate	12.2	1.4	32.8	5.9
Other (1)	3.6	---	3.6	---
	489.6	320.4	1,856.6	1,233.2
Gross Profit				
Earthmoving	51.1 18.3%	26.7 24.5%	164.0 18.7%	96.5 21.1%
Lifting	39.5 20.3%	35.0 16.7%	158.9 16.9%	128.5 16.7%
Corporate	2.9 23.8%	0.0 0.0%	6.7 20.4%	0.8 13.6%
Other (1)	(12.9)	---	(12.9)	---
	80.6 16.5%	61.7 19.3%	316.7 17.1%	225.8 18.3%
SG&A				
Earthmoving	24.2 8.7%	16.0 14.7%	74.5 8.5%	54.8 12.0%
Lifting	14.7 7.6%	13.3 6.3%	58.8 6.2%	46.4 6.0%

Corporate	1.3	10.7%	0.1	7.1%	5.7	17.4%	2.6	44.1%
Other (1)	(0.6)	---			(0.6)	---		
	39.6	8.1%	29.4	9.2%	138.4	7.5%	103.8	8.4%
Operating Profit								
Earthmoving	26.9	9.6%	10.7	9.8%	89.5	10.2%	41.7	9.1%
Lifting	24.8	12.8%	21.7	10.3%	100.1	10.6%	82.1	10.6%
Corporate	1.6	13.1%	(0.1)	(7.1%)	1.0	3.0%	(1.8)	(30.5%)
Other (1)	(12.3)	---			(12.3)	---		
	41.0	8.4%	32.3	10.1%	178.3	9.6%	122.0	9.9%
Interest (2)	(32.3)		(12.4)		(77.5)		(44.5)	
Other	0.8		(1.0)		(2.4)		(3.0)	
Income before income taxes and extraordinary items	9.5		18.9		98.4		74.5	
Provision for income taxes	77.1		(0.8)		74.5		(1.7)	
Income before extraordinary items	86.6		18.1		172.9		72.8	
Earnings per share	3.04		0.81		6.75		3.25	
Earnings per share, pre-tax and excluding special items	1.04				4.52			
Earnings per share excluding special items (3)	0.70				4.16			

(1) Other includes the operations of the Milwaukee facility for the fourth quarter of 1999, headcount reductions at O & K Germany, offset by a favorable legal settlement.
(2) Included in interest is $7.7 million related to the IRS settlement.
(3) EPS tax effected at a 32% rate for the fourth quarter of 1999.

Net sales for the fourth quarter reached $489.6 million, compared with $320.4 million during last year's fourth quarter. The increase in revenues generated during the quarter was accomplished despite the reduced level of scissor lift sales resulting from the closing of the Milwaukee aerial work platform facility and the 30-day strike at the Waverly hydraulic crane facility. Operating profit, excluding special items, increased 65% to $53.3 million and operating margin expanded to 11.0% during the quarter compared to 10.1% in last year's quarter. The reported fourth quarter operating profit of $41.0 million includes charges of $12.3 million, or $0.43 per share, related to the operations of the Milwaukee facility, headcount reductions at O&K in Germany, partially offset by the positive impact of a legal judgement in Terex's favor. Operating expenses as a percentage of net sales fell to 8.3% from 9.2 % in 1998 due to the positive impact of the Coal India order on revenues and of the integration of the fourth quarter 1998 acquisitions of Italmacchine, Comedil and Peiner. Net interest expense of $32.3 million included a one-time charge of $7.7 million, or $0.27 per share, due to the resolution of the IRS audit. As a result of the favorable resolution of the IRS audit, over $100 million of deferred tax assets were capitalized which allowed Terex to start reporting on an after-tax basis. The financial impact on the income statement of capitalizing the tax assets includes a $77.1 million tax benefit, or a $2.70 per share gain. Altogether the reported fourth quarter EPS includes $2.00 per share of special items, leaving fourth quarter operating earnings of $0.70 per share after-tax, and $1.04 per share pre-tax.

Net sales in 1999 increased 51% to $1,856.6 million over last year's $1,233.2 million. Internally generated growth represented approximately $234 million of this revenue increase while acquisitions contributed about $389 million of the total $623 million revenue increase. Terex's internally generated growth exceeded 18% and represented the fourth consecutive year of greater than 15% internal growth. Operating profit, excluding the special items of the fourth quarter, rose over 55% to $190.6 million, reflecting increased volumes in both the Lifting and Earthmoving segments as well as the impact of the recent acquisitions. As a result, operating margin, excluding special items, increased to 10.3% from 9.9% in 1998.

Business Unit Operating Performance

Terex Earthmoving

Fourth Quarter		Full Year	
(dollars in millions)			
1999	1998	1999	1998
% of	% of	% of	% of

	Sales		Sales		Sales		Sales	
Net sales	$279.4	---	$109.0	---	$878.9	---	$456.4	---
Gross profit	51.1	18.3%	26.7	24.5%	164.0	18.7%	96.5	21.1%
SG&A (1)	24.2	8.7%	16.0	14.7%	74.5	8.5%	54.8	12.0%
Operating profit (1)	26.9	9.6%	10.7	9.8%	89.5	10.2%	41.7	9.1%
Backlog	158.3	---	196.4	---	158.3	---	196.4	---

(1) Excludes non-recurring charge for headcount reductions at O & K Germany in the fourth quarter of 1999.

Net sales in the Earthmoving segment reached a new record of $878.9 million in 1999, a 93% increase over last year's $456.4 million. The surface mining truck business, the construction business worldwide, and the impact of the Powerscreen and Cedarapids acquisitions drove this strong performance. Unit Rig had a record year with sales of over $300 million. Terex's truck business delivered solid performance with sales up 18% for all of 1999. The Company's new TEL product line experienced good reception in the United States, Europe and the Far East. The infrastructure business of Powerscreen and Cedarapids generated over $170 million during the five months of ownership, driven by better than expected performance at Powerscreen. Fourth quarter net sales increased to $279.4 million compared to $109.0 million in the same period of 1998. The approximately $105 million of sales contribution from the acquisitions were affected by lower than expected shipments at Cedarapids as a result of the significant restructuring taking place at its two facilities.

Operating profit, excluding the impact of a headcount reduction at O&K, more than doubled to $89.5 million, led by improved volumes and margins at both Unit Rig and TEL, lower manufacturing costs and the impact of the recent acquisitions. Operating margins benefited from all of the above improvements and increased to 10.2% in 1999 from 9.1% last year. Operating expenses as a percent of revenues continued to show further improvement, dropping to 8.5% for all of 1999 from 12.0% in 1998. Operating profit in the fourth quarter also more than doubled to $26.9 million and operating margin was 9.6%.

"We had a terrific year," said Ernie Verebelyi, President of Terex Earthmoving. "The Coal India order was completed at the end of October, ahead of time and budget. Our customer is on record as being fully satisfied with the performance of the trucks and the delivery schedule. We were also successful during 1999 in securing over $200 million of new business in long term contracts with Rio Tinto and Cleveland Cliffs. Despite continued weakness in the mining industry, we posted record revenues and operating profit. The introduction of our newly redesigned articulated and rigid off-highway product was very well received by the marketplace and we believe we gained approximately five points of market share during 1999 on a worldwide basis. The integration of Powerscreen and

Cedarapids is proceeding well. During the first five months of ownership at Cedarapids we reduced headcount from approximately 1,100 to 570, eliminated over 3,000 tons of scrap and rationalized the manufacturing process by outsourcing to new suppliers and restructuring the bill of materials. At Powerscreen, significant restructuring and consolidation efforts have already started to deliver on the forecasted improvements and we expect to exceed the $22.5 million in combined cost reductions we committed to at the time of both acquisitions."

	Terex Lifting			
	Fourth Quarter		Full Year	
	(dollars in millions)			
	1999	1998	1999	1998
	% of Sales	% of Sales	% of Sales	% of Sales
Net sales (1)	$194.4	--- $210.0	--- $941.3	--- $770.9 ---
Gross profit (1)	39.5	20.3% 35.0	16.7% 158.9	16.9% 128.5 16.7%
SG&A (1)	14.7	7.6% 13.3	6.3% 58.8	6.2% 46.4 6.0%
Operating profit (1)	24.8	12.8% 21.7	10.3% 100.1	10.6% 82.1 10.6%
Backlog	167.0	--- 221.8	--- 167.0	--- 221.8 ---

(1) Excludes the operations of the Milwaukee facility for the fourth quarter of 1999.

Net sales in the Lifting segment reached a new record of $941.3 million in 1999, a 22% increase from last year's $770.9 million. These results were led by the strong performance of the utility aerial devices, the material handling, and the lattice boom and tower cranes businesses. The European aerial business grew in excess of 25%, driven by the increased penetration and usage of this particular product line within the European Community. The Telelect utility aerial devices posted another solid performance with a 38% increase in revenues as it continues to increase its penetration in North and Central America. The Square Shooter material handlers manufactured at the Baraga, Michigan facility generated a 51% increase in sales. This business had quadrupled its revenues since acquired in 1997. The Company anticipates another year of strong performance out of this unit as a result of Terex being named a preferred supplier of material handlers by the largest U.S. rental company for 2000. The hydraulic mobile crane business, which experienced a strong first half of 1999, weakened during the second half and declined about 5% for all of 1999 from an outstanding 1998. Fourth quarter net sales for the Lifting segment reached $194.4

million compared to $210.0 million in the same period of 1998. Excluding the impact of the closing of the Milwaukee facility in both periods, sales for the quarter were essentially unchanged. The strong performance of the lattice boom cranes, tower cranes and material handlers businesses were offset by the slowdown in the hydraulic crane business and the 30-day strike at the Waverly crane facility.

Operating profit in 1999, excluding the impact of the closing of the Milwaukee facility, increased 22% to $100.1 million, led by improved volumes and margins at several base operations, lower operating costs and the positive impact of the 1998 and 1999 acquisitions. Despite an almost 5% decline in revenues, Terex hydraulic cranes' operating margins remained at 10% due to the Terex model of low fixed costs and horizontal integration. Operating expenses as a percent of revenues increased from 6.0% in 1998 to 6.2% in 1999 as a result of additional investment in sales and marketing support. During the quarter, Terex initiated a new aftermarket program designed to provide faster and better service to its customers. The program created 30 mobile service centers in both North America and Europe, all of them connected to a central location with global positioning systems capability. The Company also strengthened its presence in the United Kingdom with the creation of Terex Lifting UK, a sales and service organization designed to grow its business in that country. Operating profit during the fourth quarter, excluding the operations of the Milwaukee facility, increased approximately 14% to $24.8 million and operating margin rose 2.5 percentage points from 10.3% in 1998 to 12.8% in 1999.

"We had a record year despite some challenges with two of our product lines," said Fil Filipov, President of Terex Lifting. "The substantial diversification we have implemented over the past several years is helping us to better navigate through different phases of the business cycle. We entered new markets in Central and South America and Australia and were very successful in obtaining new business in those areas with hydraulic and articulated cranes and utility aerial devices. We expanded our presence in the North American market for tower cranes and helped grow the market and our share. We aligned ourselves with a Japanese manufacturer to provide a more diversified and cost effective lattice boom crane product line to our customers. That strategy was successful as our lattice boom crane market share jumped from an estimated 2% in 1998 to over 10% in 1999. In our crane segment, we continued to provide our customers with a superior value for their investment and we managed to increase our market share in the United States for the sixth consecutive year. The acquisitions of Moffett, Princeton and Kooi truck-mounted material handlers gave us access to a new profitable niche with double-digit growth potential. Our main priority in the Lifting segment in 2000 is to make meaningful improvements in our product support."

Recent development

During the fourth quarter Terex announced the resolution of an Internal Revenue Service audit, which started in December 1994, regarding its Federal income tax returns for the years 1987 through 1989. The resolution of this audit did not require payment of tax. However, due to the timing issues associated with NOL carrybacks and the

substantial amount of time which has elapsed since the years in question, Terex estimates that it will owe approximately $7.7 million in accumulated interest, which amount was recorded in the fourth quarter. Following this settlement, Terex retains approximately $250 million in NOLs worldwide.

Outlook

"We remain optimistic about our prospects for the year 2000," commented Ron DeFeo. "Our increased product and geographic diversity should help us navigate through a more challenging North American environment. While we expect the great majority of Terex Lifting's product lines to experience single or double digit growth in both North America and Europe, we believe that our aerial work platforms and hydraulic mobile cranes sales in North America, which represent approximately 15% of our total revenues, will experience a slowdown. Terex Earthmoving is expected to enjoy continued growth driven by the performance of the construction unit and the impact of the acquisitions of Powerscreen and Cedarapids. However, the mining industry remains affected by weak commodity prices and we have not seen a rebound in the hydraulic shovel business as of yet. The Terex model of low fixed costs and horizontal integration should allow us to maintain our operating margins even in product lines with declining revenues and to deliver another year of record revenues and earnings. The continuing increase in interest rates has also reduced the amount of investment flowing into the capital goods sector of the equity market, severely affecting the valuation of our shares. As a result, we are launching a major effort to reduce our working capital during the next several quarters in order to pay down debt and continue to improve our capital structure. The combination of a substantial increase in free cash flow generation during 2000 combined with a meaningful decrease in working capital should reduce perceived risk associated with our equity and provide us with increased financial flexibility going forward."

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, 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, high-capacity surface mining trucks and motorized front dumpers under the brand names of Terex, Unit Rig, Payhauler and Benford, 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, which manufacture screening and crushing equipment under the brand names of Powerscreen, Finlay, Simplicity, BL Pegson, Royer, Re-Tech and Cedarapids. Terex Lifting manufactures and sells telescopic and articulated mobile cranes, lattice boom cranes, tower cranes, aerial work platforms, utility aerial devices, telescopic and truck mounted 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, Princeton, Kooi, Peiner, Comedil, Matbro, Moffett.

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. Such risks and uncertainties, many of which are beyond Terex's control, include, among others, the sensitivity of construction and mining activity to increases in interest rates, government 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; 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 AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in millions, except per share data)
(unaudited)

	For the Three Months Ended December 31,		Full Year Ended December 31,	
	1999	1998	1999	1998
Net sales	$ 489.6	$ 320.4	$1,856.6	$1,233.2
Cost of goods sold	409.0	258.7	1,539.9	1,007.4
Gross profit	80.6	61.7	316.7	225.8
Selling, general and administrative expenses	39.6	29.4	138.4	103.8
Income from operations	41.0	32.3	178.3	122.0
Other income (expense):				
Interest income	1.6	1.2	5.3	2.7
Interest expense	(33.9)	(13.6)	(82.8)	(47.2)
Other income (expense) - net	0.8	(1.0)	(2.4)	(3.0)

Income before income taxes and extraordinary items	9.5	18.9	98.4	74.5
Provision for income taxes	77.1	(0.8)	74.5	(1.7)
Income before extraordinary items	86.6	18.1	172.9	72.8
Extraordinary loss on retirement of debt	---	---	---	(38.3)
Net income	$ 86.6	$ 18.1	$ 172.9	$ 34.5
EARNINGS PER SHARE:				
Basic				
Income before extraordinary items	$ 3.15	$ 0.87	$ 7.14	$ 3.52
Extraordinary loss on retirement of debt	---	---	---	(1.85)
Net income	$ 3.15	$ 0.87	$ 7.14	$ 1.67
Diluted				
Income before extraordinary items	$ 3.04	$ 0.81	$ 6.75	$ 3.25
Extraordinary loss on retirement of debt	---	---	---	(1.71)
Net income	$ 3.04	$ 0.81	$ 6.75	$ 1.54
Weighted average number of common and common equivalent shares outstanding in per share calculation				
Basic	27.5	20.8	24.2	20.7
Diluted	28.5	22.3	25.6	22.4

TEREX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET

(in millions, except par value)
(unaudited)

	December 31, 1999	December 31, 1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 133.3	$ 25.1
Trade receivables, net	429.2	249.8
Net inventories	665.6	472.8
Other current assets	87.2	23.9
Total current assets	1,315.3	771.6
Long-term assets		
Property, plant and equipment - net	172.8	99.5
Goodwill - net	554.7	240.9
Other assets - net	134.7	39.2
Total assets	$ 2,177.5	$ 1,151.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Notes payable and current portion of long-term debt	$ 57.6	$ 44.7
Trade accounts payable	297.0	226.9
Accrued compensation and benefits	27.3	24.7
Accrued warranties and product liability	55.9	36.0
Other current liabilities	141.7	93.1
Total current liabilities	579.5	425.4
Non-current liabilities		
Long-term debt, less current portion	1,098.8	586.6
Other	66.4	41.1
Commitments and contingencies		
Stockholders' equity		

Warrants to purchase common stock	0.8	0.8
Equity rights	0.8	3.1
Common stock, $.01 par value - authorized 150.0 shares; issued and outstanding 27.5 at December 31, 1999 and 20.8 at December 31, 1998	0.3	0.2
Additional paid-in capital	355.0	179.0
Retained earnings (accumulated deficit)	92.0	(80.9)
Accumulated other comprehensive income	(16.1)	(4.1)
Total stockholders' equity	432.8	98.1
Total liabilities and stockholders' equity	$ 2,177.5	$ 1,151.2

TEREX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(in millions)
(unaudited)

	Year Ended December 31,	
	1999	1998
OPERATING ACTIVITIES		
Net Income	$ 172.9	$ 34.5
Adjustments to reconcile net income to cash used in operating activities:		
Depreciation	17.6	10.1
Amortization	14.6	8.3
Extraordinary loss on retirement of debt	---	38.3
(Gain) loss on sale of fixed assets	(0.1)	---
Capitalization of deferred tax asset	(82.8)	---
Changes in operating assets and liabilities (net of effects of acquisitions):		
Trade receivables	(79.4)	(45.5)
Net inventories	(45.6)	(106.1)
Trade accounts payable	7.1	35.7
Other, net	0.7	5.2

Net cash provided by (used in) operating activities	5.0	(19.5)
INVESTING ACTIVITIES		
Acquisition of businesses, net of cash acquired	(535.6)	(211.3)
Capital expenditures	(21.4)	(13.1)
Proceeds from sale of excess assets	4.0	2.4
Net cash used in investing activities	(553.0)	(222.0)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt, net of issuance costs	534.6	513.6
Net borrowings (repayments) under revolving line of credit agreements	(17.3)	(71.5)
Principal repayments of long-term debt	(33.7)	(170.8)
Payment of premiums on early extinguishment of debt	---	(29.0)
Issuance of common stock	162.8	---
Other	10.8	(3.0)
Net cash provided by financing activities	657.2	239.3
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1.0)	(1.4)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	108.2	(3.6)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25.1	28.7
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 133.3	$ 25.1