NEWS RELEASE

Terex Reports First Quarter Income of $12.4 Million or $0.45 Per Share From Continuing Operations

4/26/2001

WESTPORT, Conn.--(BUSINESS WIRE)--April 26, 2001--

- Earnings per share in line with previously announced expectations
- Terex announces a major reorganization of its operational structure

Terex Corporation (NYSE:TEX) today announced first quarter 2001 income of $12.4 million, or $0.45 per share, from continuing operations, within the Company's previously stated expectations of $0.45 to $0.55 per share for the first quarter of 2001.

The first quarter results of $12.4 million in income exclude a $2.3 million, or a $0.08 per share, after-tax write-off for unamortized debt issuance costs resulting from the $194 million in debt paydown by the Company during the first quarter of 2001. Net sales for the first quarter were $477.4 million, down $76.1 million from the first quarter of 2000.

A financial summary is shown below:

Terex Corporation:

First Quarter

(Dollars in millions, except per share amounts)

	2001		2000	
		% of Sales		% of Sales
Sales	$ 477.4		$ 553.5	
Gross profit	$ 78.6	16.5%	$ 96.7	17.5%
SG&A	40.6	8.5%	41.7	7.5%
Operating profit	38.0	8.0%	55.0	9.9%
Interest	(19.0)	4.0%	(24.9)	4.5%
Other	(0.8)	0.2%	(0.6)	0.1%
Income taxes	(5.8)	1.2%	(9.4)	1.7%
Income	$ 12.4	2.6%	$ 20.1	3.6%
Earnings per share	$ 0.45		$ 0.71	
Backlog	$ 191.5		$ 392.2	
EBITDA	$ 47.2	9.9%	$ 65.3	11.8%
Shares outstanding	27.4		28.4	

First Quarter 2001

Net sales for the first quarter reached $477.4 million, compared to $527.1 million during the first quarter of 2000 (excluding last year's first quarter sales of $26.4 million from the truck-mounted forklift operations that were divested at the end of the third quarter of 2000). Operating profit was $38.0 million, compared to $51.1 million in the first quarter of last year (excluding last year's first quarter operating profit of $3.9 million from the divested operations), reflecting the impact of the volume decline in both mining and articulated trucks worldwide and the overall reduction of European volumes in hydraulic mobile cranes. Operating expenses fell from $41.7 million in the first quarter of 2000 to $40.6 million this quarter. Operating expenses as a percentage of sales increased from

- 7.5% to 8.5%, reflecting the decline in overall sales. Net interest expense fell to $19.0 million as a result of lower debt levels and lower interest rates. The effective tax rate for the first quarter of 2001 was 32%, equal to last year's first quarter rate. Diluted shares declined to 27.4 million compared to last year's first quarter of 28.4 million, reflecting mainly the share repurchase program initiated in early 2000.

"We are encouraged with Terex's performance during the first quarter of 2001 in the midst of a very challenging environment," said Ronald M. DeFeo, Terex Chairman and Chief Executive Officer. "We continue to benefit from the strong performance of both Powerscreen and Cedarapids and from our variable cost model and low SG&A levels,

which provide us with the speed and agility to react as markets change. Nevertheless, like the rest of the industry, we have been affected by slowing machinery markets, especially in North America. The declining confidence level in the U.S. economy and the hesitancy and capital constraints from many of our customers have contributed to a significant reduction in new equipment purchases."

Mr. DeFeo added, "We continue to make positive changes that should help our competitive position in these challenging markets. Earlier this week we announced a new organizational structure that should allow us to be more responsive to our customers and reduce duplicative cost structures that were created as a result of the many acquisitions we made over the past several years. Effective May 1, 2001, Ernie Verebelyi, President of Terex Earthmoving, has been named Group President, Terex Mining and Americas. Mr. Verebelyi will lead the global Terex Mining business, as well as all North and South American-based earthmoving and lifting business units. In this new capacity, he will be responsible for all operations, manufacturing and sales/marketing activities for Terex products sold in the Americas. As a result of this reorganization, Ernie will also lead our light construction and parts businesses, as well as our businesses in Australia and Asia."

"Colin Robertson, currently Managing Director for both the Construction and Powerscreen group, has been named President, Terex Europe. In this new capacity, Mr. Robertson will be responsible for all European-based business units. Colin will combine the previous earthmoving and lifting businesses, with the exception of the German-based O&K Mining business, into a Pan-European enterprise. This integration of activities throughout Europe is expected to result in strengthened sales and marketing capability and a lower operating cost structure."

"Fil Filipov, President of Terex Lifting, has been named Executive Vice President of Terex Corporation and will continue to report to me. In this new capacity, Fil will be responsible for restructuring and investment activities for the Company in order to accelerate growth and improve earnings. In this newly established position, Fil will also support our strategic initiatives in Asia and Eastern Europe. The common theme will be to build value for our shareholders, and I look forward to accelerating Terex's ability to grow with some new ideas."

Business Unit Operating Performance

Terex Lifting:

First Quarter			
(Dollars in millions)			
2001		2000	
	% of Sales		% of Sales

Net Sales	$ 192.2		$ 223.7	
Gross profit	$ 29.0	15.1%	$ 38.6	17.3%
SG&A	13.8	7.2%	16.1	7.2%
Operating profit	$ 15.2	7.9%	$ 22.5	10.1%
Backlog	$ 112.8		$ 181.8	

First quarter 2001 revenues in the Lifting segment were $192.2 million, down 3% versus the first quarter of last year (excluding the impact last year's divestiture of the truck-mounted forklift operations, which generated $26.4 million in revenues). Hydraulic mobile crane revenues in North America increased during the first quarter, outpacing the industry, which was essentially down during the first quarter of 2001. Terex telescopic boom truck-mounted cranes had a good quarter with revenues up strongly. Outside of those two product lines, lattice boom cranes continued to deliver strong performance in North America, offset by the weaker performance of the material handlers business and the decline in aerial work platform sales compared to last year.

Operating profit declined to $15.2 million compared to $18.6 million in the first quarter of 2000 (excluding the impact of last year's divestiture of the truck-mounted forklift business, which generated $3.9 million in operating profit). Operating margin in the first quarter of 2001 declined to 7.9% compared to 9.4% in the first quarter of 2000, excluding the impact of the truck-mounted forklift divestiture. The decline in operating margin was mainly driven by lower new equipment sales of European aerial work platforms and hydraulic mobile cranes and higher sales of used equipment sales at lower margin also in Europe. Operating expenses, as a percentage of revenues remained flat at 7.2%, reflecting continued emphasis on cost control.

"This has been a difficult quarter in terms of meeting our objectives," said Fil Filipov, President of Terex Lifting. "The business environment remains challenging primarily as a result of our customers' lack of access to new capital for equipment purchases. We operate in a very dynamic marketplace where we need to continuously expand our customer base in order to grow our markets, and the current slowdown in several of our markets gives us the opportunity to do just that."

Terex Earthmoving:

First Quarter
(Dollars in millions)

	2001		2000	
		% of Sales		% of Sales
Net Sales	$ 271.0		$ 316.2	
Gross profit	$ 47.2	17.4%	$ 55.6	17.6%
SG&A	24.3	9.0%	24.2	7.7%
Operating profit	$ 22.9	8.5%	$ 31.4	9.9%
Backlog	$ 71.4		$ 209.5	

First quarter 2001 revenues in the Earthmoving segment reached $271.0 million, a 14.3% decline from last year's $316.2 million. The Earthmoving segment was negatively affected by double-digit revenue declines in both the mining and in the articulated and rigid truck businesses. The Earthmoving performance was somewhat offset by the positive impact of the Fermec and Jaques acquisitions and the continued strong performance of Powerscreen and Cedarapids. The screening and crushing business generated approximately $115 million of revenues as both Powerscreen and Cedarapids delivered strong results.

Operating profit declined to $22.9 million during the quarter led by lower volumes in both the mining and construction businesses during the quarter. Operating margins were negatively affected by the above factors and declined to 8.5% this quarter from 9.9% last year. The first quarter operating margin includes approximately $1.4 million of operating profit from the acquisitions of Jaques and Fermec at lower margins than the average for Terex Earthmoving. These two businesses, which lost money in 2000 under prior ownership, were not expected to make any profit contribution until the second half of 2001. Excluding the impact of these two businesses, the Terex Earthmoving group posted an operating margin of approximately 9.0%. Operating expenses during the quarter were essentially flat, but as a percent of revenues increased from 7.7% during the first quarter of 2000 to 9.0% this quarter as a result of lower revenues.

"Despite a material slowdown in several of our markets, our Earthmoving business continues to post good results," said Ernie Verebelyi, President of Terex Earthmoving. "While we are not satisfied with the current order level, we continue to make progress in several fronts. Our mining business continues to demonstrate the strength of its franchise with new orders. During the quarter we received a significant order from CVRD of Brazil (Companhia Vale Do Rio Doce) worth in excess of $35 million for the delivery of twenty MT4400 260-ton trucks. Cedarapids continues to benefit from the impact of the restructuring and integration steps we implemented during 2000 that have resulted in improved margins. Powerscreen continues to grow and increase its operating margin. The acquisitions

of both Fermec and Jaques are being integrated faster and with better results than originally anticipated, which should help mitigate the weakness in the construction business."

Outlook

"We expect this year to remain a challenging one requiring outstanding execution to achieve our objectives," said Ron DeFeo. "The business environment, which deteriorated during the fourth quarter of last year, remains difficult and is expected to remain that way for the rest of 2001. We expect continuing soft activity in the North American construction markets, which should affect our lifting and construction truck businesses. As we expected earlier this year, demand for crushing, screening and road-building equipment worldwide has remained relatively strong as infrastructure spending continues to take place both in the United States and in several European countries. We also expect both Cedarapids and Fermec to show improving operating margins for the remainder of the year. Demand for coal, crude oil, natural gas and electric power generation, especially in the United States, is expected to remain strong, prompting significant capital equipment spending in those areas."

"Our current outlook for 2001 remains very similar to the one we expressed at the time of our year-end earnings announcement on February 20, 2001. Second quarter 2001 earnings per share are expected to be approximately 65 cents to 75 cents per share and the rest of 2001 should continue to be impacted by a challenging business environment. We remain guardedly optimistic that our product and geographic diversity combined with continued interest rate declines should allow us to capitalize on any improvement in the business environment."

Capital Structure

In late March, Terex issued $300 million principal amount of Senior Subordinated notes due 2011 and increased the availability under its revolving credit facility maturing March 2004 from $125 million to $300 million. The notes were issued at par with a coupon of

- 10.375%. The size of the notes deal was increased from the original $200 million offering as a result of strong demand for the Terex notes, and reflects investors' confidence in Terex's long term outlook. Terex used $194 million of net proceeds from the Note offering to prepay a portion of its existing term loans.

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. 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 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 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 and Morrison. More information on Terex can be found at www.terex.com

TEREX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

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

	For the Three Months Ended March 31,	
	2001	2000
Net sales	$ 477.4	$ 553.5
Cost of goods sold	398.8	456.8
Gross profit	78.6	96.7
Selling, general and administrative expenses	40.6	41.7
Income from operations	38.0	55.0
Other income (expense):		
Interest income	2.0	1.1
Interest expense	(21.0)	(26.0)
Other income (expense) - net	(0.8)	(0.6)

Income before income taxes and extraordinary items	18.2	29.5
Provision for income taxes	(5.8)	(9.4)
Income before extraordinary items	12.4	20.1
Extraordinary loss on retirement of debt	(2.3)	--
Net income	$ 10.1	$ 20.1
EARNINGS PER SHARE:-		
Basic:		
Income before extraordinary items	$ 0.46	$ 0.73
Extraordinary loss on retirement of debt	(0.09)	--
Net income	$ 0.37	$ 0.73
Diluted:		
Income before extraordinary items	$ 0.45	$ 0.71
Extraordinary loss on retirement of debt	(0.08)	--
Net income	$ 0.37	$ 0.71
Weighted average number of common and common equivalent shares outstanding in per share calculation		
Basic	26.8	27.5
Diluted	27.4	28.4

TEREX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(In millions, except par value)
(Unaudited)

	March 31, 2001	December 31, 2000
CURRENT ASSETS		
Cash and cash equivalents	$ 236.3	$ 181.4
Trade receivables	371.0	360.2
Inventories	622.0	598.1

Deferred taxes	51.0	51.0
Other current assets	51.2	51.7
Total Current Assets	1,331.5	1,242.4
LONG-TERM ASSETS		
Property, plant and equipment	147.4	153.9
Goodwill	479.9	491.4
Deferred taxes	17.4	21.2
Other assets	90.4	74.8
TOTAL ASSETS	$ 2,066.6	$ 1,983.7
CURRENT LIABILITIES		
Notes payable and current portion of long-term debt	$ 23.8	$ 20.5
Trade accounts payable	328.5	311.2
Accrued compensation and benefits	29.1	25.9
Accrued warranties and product liability	67.3	65.2
Other current liabilities	142.0	152.8
Total Current Liabilities	590.7	575.6
NON CURRENT LIABILITIES		
Long-term debt, less current portion	982.4	882.0
Other	72.2	74.6
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Equity rights	0.7	0.7
Common Stock, $0.01 par value -- Authorized 150.0 shares; issued 27.9 and 27.9 shares at March 31, 2001 and December 31, 2000, respectively	0.3	0.3
Additional paid-in capital	358.9	358.9
Retained earnings	197.2	187.1
Accumulated other comprehensive income	(118.8)	(78.5)
Less cost of shares of common stock in treasury (1.1 and 1.1 shares at March 31, 2001 and December 31, 2000, respectively)	(17.0)	(17.0)
Total Stockholders' Equity	421.3	451.5

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,066.6	$ 1,983.7

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

	Three Months Ended March 31,	
	2001	2000
OPERATING ACTIVITIES		
Net income	$ 10.1	$ 20.1
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation	5.6	5.8
Amortization	4.2	5.4
Extraordinary loss on retirement of debt	2.3	--
Gain on sale of fixed assets	(0.1)	(0.2)
Changes in operating assets and liabilities (net of effects of acquisitions):		
Trade receivables	(15.9)	9.3
Inventories	(33.8)	24.0
Trade accounts payable	18.6	21.3
Other, net	(16.6)	(15.2)
Net cash provided by (used in) operating activities	(25.6)	70.5
INVESTING ACTIVITIES		
Acquisition of businesses, net of cash acquired	(7.7)	(0.3)
Capital expenditures	(3.6)	(5.4)
Proceeds from sale of assets	0.8	7.7
Net cash provided by (used in) investing activities	(10.5)	2.0
FINANCING ACTIVITIES		

Proceeds from issuance of long-term debt, net of issuance costs	287.9	--
Principal repayments of long-term debt	(194.2)	(2.5)
Net repayments under revolving line of credit agreements	(0.5)	(15.3)
Purchase of common stock held in treasury	--	(1.1)
Other	(0.6)	--
Net cash provided by (used in) financing activities	92.6	(18.9)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(0.7)	(1.6)
NET INCREASE IN CASH AND CASH EQUIVALENTS	54.9	52.9
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	181.4	133.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 236.3	$ 186.2

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