NEWS RELEASE

Terex Reports Second Quarter Income of $14.2 Million or $0.51 Per Share Before Non-recurring Items

7/26/2001

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

- Earnings per share before non-recurring items in line with previously announced expectations of $0.50 to $0.55

- Second half outlook for 2001 remains unchanged

Terex Corporation (NYSE: TEX) today reported second quarter net income before non-recurring items of $14.2 million, or $0.51 per share, in line the Company's previously stated expectations of $0.50 to $0.55 per share before non-recurring items for the second quarter of 2001. The second quarter results exclude an after-tax $2.2 million, or a $0.08 per share, one-time charge for the cost associated with the return of five trucks by a mining customer. Net sales for the second quarter were $439.3 million.

A financial summary is shown below:

	Second Quarter		
(dollars in millions, except per share amounts)			
	2001		2000
	% of		% of

		% of sales		% of sales
Net sales (1)	$ 439.3	---	$ 593.5	---
Gross profit (1)	$ 80.2	18.3%	$ 106.6	18.0%
SG&A	41.0	9.3%	43.1	7.3%
Operating profit(1)	39.2	8.9%	63.5	10.7%
Interest	(21.4)	4.9%	(24.3)	4.1%4
Other	(0.1)	---	(1.0)	0.2%
Income taxes	(5.7)	1.3%	(12.2)	2.1%
Net income (1)	$ 12.0	2.7%	$ 26.0	4.4%
Earnings per share	$ 0.43		$ 0.93	
EPS excluding non-recurring items(2)	$ 0.51		$ 0.93	
Backlog	$ 190.8		$ 313.5	
EBITDA(1)	$ 47.7	10.9%	$ 72.7	12.2%
Shares outstanding	27.8		28.1	

Year-to-Date

(dollars in millions, except per share amounts)

	2001		2000	
	% of sales		% of sales	
Net sales (1)	$ 916.7	---	$ 1,147.0	---
Gross profit (1)	$ 158.8	17.3%	$ 203.3	17.7%
SG&A	81.6	8.9%	84.8	7.4%
Operating profit(1)	77.2	8.4%	118.5	10.3%
Interest	4 (40.4)	4.4%	(49.2)	4.3%
Other	(3.2)	0.3%	(1.6)	0.1%
Income taxes	(11.5)	1.3%	(21.6)	1.9%
Net income (1)	$ 22.1	2.4%	$ 46.1	4.0%
Earnings per share	$ 0.80		$ 1.63	
EPS excluding non-recurring items(2)	$ 0.968		$ 1.63	
Backlog	$ 190.8		$ 313.5	
EBITDA(1)	$ 94.9	10.3%	$ 138.0	12.0%

Shares outstanding.....	27.6	28.3

(1) The three and six months ended June 30, 2001 includes the impact of the one-time charge related to mining for $11.8 million of revenues, $3.2 million of gross profit and operating profit and $2.2 million of net income.

(2) Excludes the impact of non-recurring items of $0.08 per share in Q1 related to the write-off of unamortized debt issuance costs and $0.08 per share in Q2 related to (1) above.

Second Quarter 2001 and Year-To-Date

"We remain encouraged with Terex's performance during the first half 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 Powerscreen and from some of our diversified lifting products. Our variable cost model and low SG&A levels provide us with a greater ability to react as markets change and have helped us maintain solid margins. Nevertheless, like the rest of the industry, we have been affected by weak machinery markets, especially in North America. Despite volume declines in the 20% to 25% range in several of our product lines, we remain solidly profitable. We expect to take advantage of an eventual economic recovery, in large part due to the leverage created by our favorable cost structure."

Mr. DeFeo added, "We have several actions underway designed to improve our competitive position in these challenging markets. Earlier in the second quarter 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. Late in the second quarter, on the heels of the changes in the organizational structure, we announced our intent to close four manufacturing facilities, two in Europe and two in North America. This restructuring, which will require a one-time charge of $15 to $20 million before year-end, will allow us to reduce costs by approximately $10 to $15 million on an annual basis and will provide us with the opportunity to improve the manufacturing, capacity utilization, and cost efficiency of some of our remaining facilities. I also know that we have more work to do."

Net sales for the second quarter were $451.1 million (excluding the impact of the non-recurring item), compared to $569.3 million during the second quarter of 2000 (excluding last year's second quarter sales of $24.2 million from the truck-mounted forklift operations that were divested at the end of the third quarter of 2000). Operating profit was $42.4 million in the second quarter (excluding the impact of the non-recurring item), compared to $59.4 million in the second quarter of last year (excluding last year's second quarter operating profit of $4.1 million from

divested operations), primarily due to the impact of the across-the-board volume decline in most of Terex businesses in both North America and Europe. This year's second quarter results include the impact of EarthKing, which generated a net loss of $0.8 million, or $0.03 per share. EarthKing has been a successful start-up and is already generating revenues. Operating expenses fell from $43.1 million in the second quarter of 2000 to $41.0 million this quarter. Operating expenses as a percentage of sales increased from 7.3% to 9.3%, reflecting the decline in overall sales. Net interest expense decreased to $21.4 million as a result of lower debt levels and lower interest rates. The effective tax rate for the second quarter of 2001 was 32%, equal to last year's second quarter rate. Fully diluted outstanding shares for the second quarter declined to 27.8 million, compared to last year's second quarter of 28.1 million, primarily as a result of the share repurchase program initiated in early 2000.

Net sales for the first six months of 2001 were $916.7 million, compared to last year's first half sales of $1,147.0 million. Operating profit in the first half of 2001 was $80.4 million (excluding the impact of the non-recurring item in the second quarter) compared to $111.5 million in the first half of 2000 (excluding last year's first half operating profit of $7.0 million from the divested operations). During the first six months of 2001, despite sales declines of approximately 20%, operating margins declined only to

- 8.4%, compared to 10.3% in 2000, reflecting the variable cost structure of the Company. First half operating expenses declined from $84.8 million in 2000 to $81.6 million this year.

Business Unit Operating Performance

Terex Americas and Mining

	Second Quarter			
	(dollars in millions)			
	2001		2000	
		% of sales		% of sales
Net sales	$ 266.2	---	$ 401.8	---
Gross profit	42.4	15.9%	58.7	14.6%
SG&A	25.5	9.6%	27.0	6.7%
Operating profit	16.9	6.3%	31.7	7.9%
Backlog	110.5		225.3	

Year-to-Date

	(dollars in millions)			
	2001		2000	
		% of sales		% of sales
Net sales	$ 565.6	---	$ 782.8	---
Gross profit	89.5	15.8%	116.4	14.9%
SG&A	50.5	8.9%	51.7	6.6%
Operating profit	39.0	6.9%	64.7	8.3%
Backlog	110.5		225.3	

Net sales in the Americas and Mining Group (A&M) were $278.0 million during the quarter (excluding the impact of the non-recurring item) compared to $401.8 million in the second quarter of 2000. The Americas and Mining segment was negatively affected by double-digit revenue declines in the mining, paving and hot-mix asphalt plant, construction truck and lifting businesses. The mining business was also negatively affected by a $11.8 million revenue reversal as a result of a mining customer returning five trucks that only delivered 97% of the committed performance in a very unusual high altitude working environment in Chile. The A&M segment performance was somewhat offset by the continued strong performance of the lattice boom cranes, small hydraulic mobile cranes and boom trucks businesses, and the positive impact of the Coleman Engineering and Jaques acquisitions which took place during the fourth quarter of last year and early this year, respectively.

Operating profit was $20.1 million in the quarter (excluding the $3.2 million pre-tax charge that was taken during the second quarter as a result of the return of the five mining trucks) led by lower volumes in the mining, construction and road building businesses during the quarter. Operating margin was negatively affected by the above factors and declined to 7.2% this quarter from 7.9% for the second quarter of 2000. Excluding the impact of EarthKing in the second quarter, operating margin in the A&M Group was 7.7%. The operating profit performance was somewhat offset by improved margin contribution from the hydraulic shovels, hydraulic mobile cranes, lattice boom cranes and boom truck operations. Operating margin in the lifting business expanded 2.5 percentage points compared to last year's second quarter performance. Operating expenses dropped modestly, but as a percentage of revenues increased from 6.7% in the second quarter of 2000 to 9.6% this quarter as a result of lower revenues.

"Despite a difficult market environment in several of our industries, we were able to deliver profitable performance and maintain strong operating margins," said Ernie Verebelyi, Group President of Terex Americas and Mining. "Our mining business was down 65% from the second quarter of last year and represented approximately 50% of the A&M segment decline during the second quarter. Despite increased quoting, tender and contract activity, we were

not able to book any major mining order during the second quarter. We did however start experiencing a pick-up in orders of hydraulic shovels going mainly into coal mines in Europe, Indonesia and the United States. We did obtain new orders for mining trucks during the month of July for delivery in the third and fourth quarters of this year as we maintained our share position in this segment. We continued during the quarter to increase our market penetration in both hydraulic mobile cranes and boom trucks. We are in the process of integrating our sales and marketing functions across businesses in the Americas in order to leverage our value proposition with major customers. We are also in the process of consolidating some of our manufacturing facilities to further reduce the cost structure within our Group."

Terex Europe

	Second Quarter			
	(dollars in millions)			
	2001		2000	
		% of sales		% of sales
Net sales	$ 231.0	---	$ 269.0	---
Gross profit	38.9	16.8%	47.7	17.7%
SG&A	15.7	6.8%	16.2	6.0%
Operating profit	23.2	10.0%	31.5	11.7%
Backlog	95.5		117.9	

Terex Europe

	Year-to-Date			
	(dollars in millions)			
	2001		2000	
		% of sales		% of sales
Net sales	$ 454.9	---	$ 511.4	---
Gross profit	70.6	15.5%	86.1	16.8%
SG&A	31.4	6.9%	33.3	6.5%
Operating profit	39.2	8.6%	52.8	10.3%
Backlog	95.5		117.9	

Net sales in the European segment reached $231.0 million during the quarter, an 8.3% decline from last year's second quarter of $252.0 million (excluding last year's divestiture of the European portion of the truck-mounted forklift business, which contributed approximately $17 million to net sales). The European segment was negatively affected by a double-digit decline in the lifting business. The European performance was helped by the continued strong contribution of Powerscreen, the acquisition of Fermec at the end of last year, as well as the much-improved sales performance of the Italian operations. The tower crane business continues to grow in Europe and North America, in part due to strong construction activity at many airports.

Operating profit was $23.2 million during the second quarter due primarily to lower volumes in both the lifting and construction businesses, somewhat offset by the major margin improvement at both Comedil (tower cranes) and Terex Italia (hydraulic rough terrain cranes). Operating margins were at 10.0% this quarter compared to

- 11.7% in the second quarter of last year. Last year's second quarter operating margin includes approximately $2.8 million of operating profit from the divested truck-mounted forklift business. Operating expenses fell from $16.2 million during the second quarter of 2000 to $15.7 million this year, but as a percentage of revenues increased from 6.0% during the second quarter of 2000 to 6.8% this quarter as a result of lower revenues.

"Despite a material slowdown in the construction truck business, we continue to post good performance in terms of operating profit and operating margin," said Colin Robertson, President of Terex Europe. "While we are not satisfied with the current level of orders, we continue to make progress on several fronts. Business activity in France, Italy and Spain remains solid and we are starting to see increased activity in the coal mining sector in both the United Kingdom and the Far East. We are also in the process of integrating several of our manufacturing facilities. We expect to close two European facilities and move their respective production by year-end. This integration of activities throughout Europe is expected to result in strengthened sales and marketing capability and a lower operating cost structure."

Capital Structure

Net debt at the end of the second quarter was $838.5 million, an increase of $68.6 million versus the first quarter of 2001. The increase was caused primarily by an increase in working capital of about $30 million, in large part due to an increase in inventory, as the impact of actions taken to reduce production schedules more in line with demand expectations will not be reflected until the second half of this year. Most of the increase in inventory was in the mining truck business in preparation for the delivery of orders in the third and fourth quarters. In addition, we had received payment on the five Chilean mining trucks in late 2000, and repaid that money in the second quarter in connection with the return of those five machines.

Recent Development

Terex announced on June 28, 2001 that it has signed a definitive merger agreement with CMI Corporation. The merger agreement provides for an exchange of all of the outstanding shares of CMI, at an exchange rate of 0.16 shares 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 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 late in the third quarter or early in the fourth quarter of this year.

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.

Outlook

"We expect the second half of this year to remain a challenging one, requiring outstanding execution to achieve our objectives," said Ron DeFeo. "The business environment, which started to deteriorate during the second half of last year, remains difficult and is expected to remain that way for the rest of 2001. We expect continuing soft activity in both the North American and European construction markets for the balance of 2001. We also expect the U.S. FY2002 transportation appropriations bill to include investment levels that will exceed the amounts guaranteed by TEA-21, which should help the infrastructure businesses of Powerscreen, Cedarapids, and Jaques. 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. As a result, we remain optimistic that our mining business will perform better during the second half of 2001 than it has so far this year."

"We expect our earnings per share for the second half of 2001 to be very similar to those of the first half of this year before non-recurring items. We remain cautiously optimistic that our product and geographic diversity combined with our favorable cost structure should allow us to capitalize on any improvement in the business environment."

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 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.

TEREX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2001	2000	2001	2000
Net sales	$ 439.3	$ 593.5	$ 916.7	$ 1,147.0
Cost of goods sold	359.1	486.9	757.9	943.7

Gross profit	80.2	106.6	158.8	203.3
Selling, general and administrative expenses	41.0	43.1	81.6	84.8
Income from operations	39.2	63.5	77.2	118.5
Other income (expense):				
Interest income	1.8	1.4	3.8	2.5
Interest expense	(23.2)	(25.7)	(44.2)	(51.7)
Other income (expense) - net	(0.1)	(1.0)	(0.9)	(1.6)
Income before income taxes and extraordinary items	17.7	38.2	35.9	67.7
Provision for income taxes	(5.7)	(12.2)	(11.5)	(21.6)
Income before extraordinary items	12.0	26.0	24.4	46.1
Extraordinary loss on retirement of debt	---	---	(2.3)	---
Net income	$ 12.0	$ 26.0	$ 22.1	$ 46.1
EARNINGS PER SHARE:-				
Basic:				
Income before extraordinary items	$ 0.45	$ 0.95	$ 0.91	$ 1.68
Extraordinary loss on retirement of				

debt	---	---	(0.09)	---
Net income	$ 0.45	$ 0.95	$ 0.82	$ 1.68
Diluted:				
Income before extraordinary items	$ 0.43	$ 0.93	$ 0.88	$ 1.63
Extraordinary loss on retirement of debt	---	---	(0.08)	---
Net income	$ 0.43	$ 0.93	$ 0.80	$ 1.63
Weighted average number of common and common equivalent shares outstanding in per share calculation				
Basic	26.9	27.4	26.8	27.5
Diluted	27.8	28.1	27.6	28.3

TEREX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(in millions, except par value)
(unaudited)

	June 30, 2001	December 31, 2000
CURRENT ASSETS		
Cash and cash equivalents	$198.5	$ 181.4
Trade receivables	378.5	360.2
Inventories	653.8	598.1
Deferred taxes	51.5	51.0
Other current assets	56.3	51.7
Total Current Assets	1,338.6	1,242.4

LONG-TERM ASSETS		
Property, plant and equipment	136.8	153.9
Goodwill	472.6	491.4
Deferred taxes	17.7	21.2
Other assets	104.4	74.8
TOTAL ASSETS	$ 2,070.1	$ 1,983.7
CURRENT LIABILITIES		
Notes payable and current portion of long-term debt	$ 23.3	$ 20.5
Trade accounts payable	313.1	311.2
Accrued compensation and benefits	26.9	25.9
Accrued warranties and product liability	65.2	65.2
Other current liabilities	139.8	152.8
Total Current Liabilities	568.3	575.6
NON CURRENT LIABILITIES		
Long-term debt, less current portion	1,013.7	882.0
Other	65.1	74.6
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Equity rights	0.7	0.7
Common Stock, $0.01 par value -- Authorized 150.0 shares; issued 28.0 and 27.9 shares at June 30, 2001 and December 31, 2000, respectively	0.3	0.3
Additional paid-in capital	359.6	358.9
Retained earnings	209.2	187.1
Accumulated other comprehensive income	(129.3)	(78.5)
Less cost of shares of common stock in treasury (1.1 and 1.1 shares at June 30, 2001 and December 31, 2000, respectively)	(17.5)	(17.0)
Total Stockholders' Equity	423.0	451.5
TOTAL LIABILITIES AND		

STOCKHOLDERS' EQUITY	$ 2,070.1	$ 1,983.7

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

	Six Months Ended June 30,	
	2001	2000
OPERATING ACTIVITIES		
Net income	$ 22.1	$ 46.1
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation	11.0	11.3
Amortization	8.4	10.0
Extraordinary loss on retirement of debt	2.3	---
Gain on sale of fixed assets	(0.7)	(0.4)
Changes in operating assets and liabilities (net of effects of acquisitions):		
Trade receivables	(25.3)	(29.5)
Inventories	(69.9)	56.0
Trade accounts payable	4.5	63.0
Other, net	(42.1)	(28.0)
Net cash provided by (used in) operating activities	(89.7)	128.5
INVESTING ACTIVITIES		
Acquisition of businesses, net of cash acquired	(7.7)	(3.8)
Capital expenditures	(7.3)	(10.1)
Proceeds from sale of assets	3.4	8.2

Net cash provided by (used in) investing activities	(11.6)	(5.7)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt, net of issuance costs	287.9	---
Principal repayments of long-term debt	(194.2)	(58.3)
Net repayments under revolving line of credit agreements	27.8	(5.4)
Purchase of common stock held in treasury	---	(4.3)
Other	(0.8)	(0.8)
Net cash provided by (used in) financing activities	120.7	(68.8)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(2.3)	(1.6)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17.1	52.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	181.4	133.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 198.5	$ 185.7

TEREX CORPORATION AND SUBSIDIARIES
BUSINESS SEGMENT INFORMATION
(in millions)
(unaudited)

Sales

	Q2-01	Q1-01	Q4-00
Americas and Mining	$ 266.2	$ 299.4	$ 319.1
Europe	231.0	223.9	178.4
Corporate/Other	(57.9)	(45.9)	(50.9)
Total	$ 439.3	$ 477.4	$ 446.6

Income from Operations

Americas and Mining	$ 16.9	$ 22.1	$ 25.2
Europe	23.2	16.0	9.1
Corporate/Other	(0.9)	(0.1)	(1.9)
Total	$ 39.2	$ 38.0	$ 32.4

Depreciation and Amortization

Americas and Mining	$ 4.0	$ 5.0	$ 4.7
Europe	4.5	4.2	4.6
Corporate/Other	1.1	0.6	0.8
Total	$ 9.6	$ 9.8	$ 10.1

Capital Expenditures

Americas and Mining	$ 1.6	$ 2.6	$ 3.1
Europe	2.1	1.0	3.4
Corporate/Other	---	---	---
Total	$ 3.7	$ 3.6	$ 6.5

Sales

	Q3-00	Q2-00	Q1-00
Americas and Mining	$ 312.8	$ 401.8	$ 381.0
Europe	205.3	269.0	242.4
Corporate/Other	(43.0)	(77.3)	(69.9)
Total	$ 475.1	$ 593.5	$ 553.5

Income from Operations

Americas and Mining	$ 24.4	$ 31.7	$ 33.0
Europe	21.2	31.5	21.3
Corporate/Other	1.8	0.3	0.7
Total	$ 47.4	$ 63.5	$ 55.0

Depreciation and Amortization

Americas and Mining	$ 5.1	$ 4.9	$ 5.1

Europe	4.1	4.3	5.2
Corporate/Other	0.9	0.9	0.9
Total	$ 10.1	$ 10.1	$ 11.2

Capital Expenditures

Americas and Mining	$ 6.5	$ 2.2	$ 3.3
Europe	1.1	2.5	2.1
Corporate/Other	---	---	--
Total	$ 7.6	$ 4.7	$ 5.4

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