NEWS RELEASE

Terex Reports Second Quarter Net Income Of $26.0 Million or 93 Cents Per Share

7/27/2000

-- Net sales increased 32 percent to $594 million

-- Year-to-date cash flow from operations reached a record $128 million

-- Terex to pay down a total of $225 million of debt by the end of the third quarter

WESTPORT, Conn.--(BUSINESS WIRE)--July 27, 2000-- Terex Corporation (NYSE:TEX) today reported second quarter net income of $26.0 million, or 93 cents per share, on an after-tax basis. Last year's second quarter net income, applying this year's effective tax rate of 32%, was $21.1 million, or 90 cents per share. As a result, on a comparable tax basis, this year's second quarter net income rose 23%. Reported net income for the second quarter of 1999 was $30.4 million, or $1.30 per share. Net sales for this quarter rose 32% to $593.5 million, up $145.4 million over the second quarter of 1999.

A financial summary is shown below:

Terex Corporation

	Second Quarter (dollars in millions, except per share amounts)			
	2000		1999	
		% of sales		% of sales
Net sales	$593.5	---	$448.1	---

Gross profit	$106.6	18.0%	$76.7	17.1%
SG&A	43.1	7.3%	29.7	6.6%
Operating profit	63.5	10.7%	47.0	10.5%
Interest and other	(25.3)	4.3%	(15.9)	3.5%
Income taxes	(12.2)	2.1%	(0.7)	0.2%
Net income	$26.0	4.4%	$30.4	6.8%
Earnings per share	$0.93		$1.30	
Backlog	$313.5		$356.0	
EBITDA	$72.7	12.2%	$52.4	11.7%
Shares outstanding	28.1		23.4	

Year-to-Date
(dollars in millions, except per share amounts)

	2000	% of sales	1999	% of sales
Net sales	$ 1,147.0	---	$ 871.4	---
Gross profit	$203.3	17.7%	$147.6	16.9%
SG&A	84.8	7.4%	60.1	6.9%
Operating profit	118.5	10.3%	87.5	10.0%
Interest and other	(50.8)	4.4%	(29.6)	3.4%
Income taxes	(21.6)	1.9%	(1.5)	0.2%
Net income	$46.1	4.0%	$56.4	6.5%
Earnings per share	$1.63		$2.45	
Backlog	$313.5		$356.0	
EBITDA	$138.0	12.0%	$98.2	11.3%
Shares outstanding	28.3		23.0	

Second Quarter 2000 and Year-To-Date

Net sales for the second quarter increased to $593.5 million, compared with $448.1 million a year ago. Operating profit rose 35% to $63.5 million, while second quarter operating margins increased to 10.7%. Operating expenses as a percentage of sales increased to 7.3% from 6.6%, reflecting primarily the impact of the Company's 1999 acquisitions; however, this represented a decline from 7.5% in the first quarter of 2000. Fully diluted shares for the

second quarter increased to 28.1 million, primarily reflecting the offering of 5.5 million shares during the second half of 1999. During the second quarter, as part of its stock repurchase program that was announced in March of this year, Terex bought back 167,300 shares of its stock, bringing the total purchased so far this year to 302,300 shares.

During the fourth quarter of 1999, as a result of the favorable resolution of its IRS audit for the years 1987 through 1989, the Company was able to capitalize certain domestic deferred tax assets, which resulted in a change in the reported tax rate from 2% in the second quarter of 1999 to 32% in the second quarter of 2000. However, as a result of the continued availability of the deferred tax assets, cash required to pay taxes remain minimal.

Net sales for the first six months of 2000 rose 32% to $1,147.0 million, up from last year's $871.4 million. Operating profit increased to $118.5 million, or 35.4% over last year, reflecting the impact of the 1999 acquisitions, increased sales volume at several lifting and earthmoving businesses and continued operational improvements. During the first six months of 2000, operating margins increased to 10.3% versus 10.0% in 1999 and operating expenses as a percentage of revenues increased to 7.4% from 6.9% last year.

"Terex continues to gain momentum on nearly all measures, except in our share price," said Ronald M. DeFeo, Terex's Chairman and Chief Executive Officer. "We believe we are making the right operating and strategic decisions and that the value we are creating should be recognized over time. In the meantime, we continue to consistently deliver on earnings expectations, through internal growth and acquisitions. Our acquisitions of Powerscreen and Cedarapids are being integrated very successfully and we have also shown a willingness to divest operations that have increased significantly in value as a result of Terex's ownership. The relative leverage of Terex has improved substantially over the past three years despite the Company having more than tripled in size. We expect our net debt to capitalization ratio to be more than 25 percentage points lower at the end of this year than just two years ago. We have also preserved our deferred tax assets in our settlement with the IRS, minimizing our cash taxes."

Mr. DeFeo continued, "During the first half of 2000 alone, we generated over $128 million of operating cash flow, or $4.57 per share. This exceptional cash generation stems from changing the working capital practices of both the ongoing businesses as well as the businesses we acquired in 1999. We are taking advantage of this situation to pay down debt and continue to strengthen our capital structure. Today we are announcing the repayment of an additional $50 million of debt that will take place during the third quarter of this year. By the end of the third quarter, we expect to have repaid $225 million of debt, an amount that exceeds the commitment we made earlier this year to repay $200 million of debt by the end of 2000. I remain confident that our performance throughout this period of uncertainty regarding industrial and capital goods companies will eventually be rewarded."

Business Unit Operating Performance

	Second Quarter (dollars in millions)			
	2000		1999	
		% of sales		% of sales
Net sales	$258.8	---	$263.0	---
Gross profit	43.1	16.7%	41.8	15.9%
SG&A	16.1	6.2%	13.6	5.2%
Operating profit	27.0	10.4%	28.2	10.7%
Backlog	169.9		189.6	

	Year-to-Date (dollars in millions)			
	2000		1999	
		% of sales		% of sales
Net sales	$482.5	---	$504.4	---
Gross profit	81.7	16.9%	81.2	16.1%
SG&A	32.2	6.7%	28.5	5.7%
Operating profit	49.5	10.3%	52.7	10.4%
Backlog	169.9		189.6	

Net sales in the Lifting segment reached $258.8 million during the quarter, essentially flat with the second quarter of 1999. Last year's second quarter was a record quarter for the lifting group. This quarter's results were driven by the continued strong performance of the 1999 acquisitions, partially offset in North America by the continued softness of hydraulic mobile cranes and a $12.8 million decline in the sale of aerial work platforms, a business Terex de-emphasized in late 1999 with the closure of its Milwaukee facility. Outside of those two product lines, utility aerial devices, tower cranes and telescopic material handlers continued to deliver strong performance in North America. The European lifting business posted improved performance, driven by the impact of the 1999 acquisitions and higher sales of container stackers, tower cranes and telescopic material handlers. Terex's main crane-manufacturing facility in Europe, which is located in Montceau-les-Mines, France, recorded improving business trends in terms of both sales and operating margin and this improved performance is expected to continue for the remainder of this year.

Operating profit reached $27.0 million and operating margin was 10.4% for the second quarter of 2000, down from 10.7% for the second quarter of last year. The reduced level of business activity in the North American crane business and a modest increase in operating expenses led the decline. Operating profit was also affected by

unfavorable foreign exchange comparisons and product mix. Operating expenses as a percentage of revenues increased from 5.2% in the second quarter of 1999 to 6.2% this quarter. The increase in operating expense ratio was driven primarily by the relatively higher level of operating expenses associated with the acquisitions made in late 1999 and the new sales and marketing programs implemented during the first half of this year.

"We continue to make progress on several fronts, despite a slower level of business activity in the North American construction sector." said Fil Filipov, President of Terex Lifting. "Our geographic and product diversity are giving us the opportunity to grow in new markets with new customers. During the second quarter, we put in place a new operating plan at our French facility and we are starting to see the benefits of that action. We have expanded our sales and marketing efforts out of the French factory and we have started to gain new European customers. We expect our European crane business to show further progress during the second half of this year with our operating margin continuing to expand."

Terex Earthmoving

Second Quarter
(dollars in millions)

	2000	% of sales	1999	% of sales
Net sales	$326.3	---	$174.6	---
Gross profit	61.4	18.8%	32.7	18.7%
SG&A	25.6	7.8%	13.7	7.8%
Operating profit	35.8	11.0%	19.0	10.9%
Backlog	141.0		165.6	

Year-to-Date
(dollars in millions)

	2000	% of sales	1999	% of sales
Net sales	$642.5	---	$355.3	---
Gross profit	117.0	18.2%	64.4	18.1%
SG&A	49.8	7.8%	27.9	7.9%
Operating profit	67.2	10.5%	36.5	10.3%
Backlog	141.0		165.6	

Net sales in the Earthmoving segment reached $326.3 million during the quarter, an 87% increase from last year's

$174.6 million. The strong contribution of the Powerscreen and Cedarapids acquisitions, as well as the continued growth of the construction business, drove these results. The positive performance of the Earthmoving segment was partially offset by a small decline in the mining business due to the absence of Coal India shipments this year. The infrastructure business generated $126.9 million of revenues, as both Powerscreen and Cedarapids delivered better than expected results. The construction business continues to deliver solid performance with sales up 30% versus the second quarter of 1999, as both the Benford product line and off-highway trucks continue to increase their market penetration. Excluding last year's second quarter revenue of $47.7 million from Coal India, the mining business posted a 75% increase in revenues.

Operating profit grew 88% to a new record of $35.8 million during the quarter, led by the impact of the 1999 acquisitions, higher volumes in the construction truck business and continued improvements in manufacturing costs. These results were somewhat offset by lower operating profit in the mining business and unfavorable foreign exchange comparisons. Operating margins benefited from all of the above improvements and increased to 11.0% this quarter from 10.9% last year. Cedarapids' operating margin continued to expand during the second quarter and is expected to increase significantly in the second half of 2000 as restructuring actions take hold. Operating expenses as a percent of revenues during the second quarter of 2000 remained unchanged at 7.8%.

"We continue to post record results in terms of revenues, operating profit and operating margin, despite continued weakness in the mining industry," said Ernie Verebelyi, President of Terex Earthmoving. "Thanks to our strategy of providing our customers with a cost-effective solution to their productivity needs, we continue to penetrate new markets and attract new customers in the construction, mining, recycling and quarrying industries. In fact, we just announced in early July that Terex has entered into a second multi-year supply contract with Rio Tinto for the sale of O&K's hydraulic mining shovels. This contract is expected to be worth as much as $100 million in new business to Terex over the next four years. Furthermore, the integration actions at Cedarapids are starting to deliver results and we expect its performance to continue improving during the second half of this year."

Capital Structure

"We continued to make significant progress, during the second quarter, in delivering on our commitment to reduce working capital, generate free cash flow and pay down debt," said Joseph F. Apuzzo, Chief Financial Officer. "During the first half of this year, we reduced exchange rate adjusted working capital by approximately $60 million, more than half way toward our stated objective of reducing working capital by $100 million during 2000. Cash flow from operations reached $58 million and $128 million for the second quarter and first half, respectively. As a result of our increasing level of free cash flow, we paid down $50 million of bank debt during the second quarter. And over the past week, including today's announcement of an additional $50 million of debt paydown, we have announced our intention to repay an additional $175 million of debt before the end of the third quarter, for a total of $225

million so far this year. Net debt to book capitalization at the end of the second quarter dropped to 67.5% from 70.3% at year-end 1999 and from 68.4% at the end of the first quarter. Pro forma leverage, measured by debt to cash flow, will be about 3.1 times as compared to 4.7 times a year ago following the divestiture of our truck-mounted forklift businesses."

Recent Development

Terex announced on July 20 that it has signed a definitive agreement to sell its truck-mounted forklift business to Partek Cargotec, a subsidiary of Partek Corporation of Finland, for $144 million in cash. The units to be divested by Terex include the truck-mounted forklift unit of Powerscreen (Moffett) that was acquired in mid-1999 and the Princeton/Kooi units that were acquired from Allegheny Teledyne in late 1999. The transaction, which is subject to customary regulatory approvals, is expected to close in the third quarter.

Ron DeFeo commented, "Partek's attractive cash offer represents a substantial premium to the combined price that Terex paid for these assets less than one year ago. This transaction came about as a result of our ongoing portfolio reassessment and our willingness to sell assets that we believe have increased significantly in value under Terex's stewardship. The approximately $125 million of after-tax proceeds will be used to repay long-term bank debt. This divestiture will materially improve our leverage ratios and reduces goodwill by approximately $65 million."

Outlook

"Since the beginning of this year, we have been faced with a more challenging environment," said Ron DeFeo. "Several of our North American hydraulic crane customers reduced their purchases as a result of fleet consolidation, our mining business remained affected by weak commodity prices, Cedarapids is going through a major restructuring phase and the strength of the dollar negatively affected our results. Despite those factors having a negative impact on our performance, we met or exceeded our financial and operating commitments during the first half of this year. We believe the worst is behind us in several of these areas, resulting in a more positive outlook over the next 6 to 18 months. We expect our hydraulic mobile crane business in North America to solidify as we introduce new models and find new customers. Our European hydraulic mobile crane business should improve, driven by the impact of new management and a new operating and marketing plan out of our manufacturing facility in France. Cedarapids operating results showed a marked improvement at the end of the second quarter and we expect that performance to continue for the remainder of the year, as demand remains strong. We do not expect the mining environment to improve but we are looking at ways to further integrate both our surface mining trucks and hydraulic shovels and make our business more profitable. We are not waiting for the markets to improve and we continue to use the Terex business model to gain an advantage in the market place."

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 expected 2000 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 and high-capacity surface mining trucks under the brand names of Terex, Unit Rig and Payhauler, as well as large hydraulic mining shovels under the brand name O&K. Terex entered the infrastructure building business in 1999 with the acquisitions of Powerscreen and Cedarapids. Terex Lifting manufactures and sells telescopic mobile cranes, lattice boom cranes, tower cranes, aerial work platforms, utility aerial devices, telescopic material handlers, truck mounted lift trucks, 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, Peiner, Comedil, Matbro, Moffett, Kooi and Princeton.

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,	
	2000	1999	2000	1999
Net sales	$593.5	$448.1	$1,147.0	$871.4
Cost of goods sold	486.9	371.4	943.7	723.8
Gross profit	106.6	76.7	203.3	147.6

Selling, general and administrative expenses	43.1	29.7	84.8	60.1
Income from operations	63.5	47.0	118.5	87.5
Other income (expense):				
Interest income	1.4	0.7	2.5	1.2
Interest expense	(25.7)	(15.6)	(51.7)	(28.9)
Other income (expense) - net	(1.0)	(1.0)	(1.6)	(1.9)
Income before income taxes	38.2	31.1	67.7	57.9
Provision for income taxes	(12.2)	(0.7)	(21.6)	(1.5)
Net income	$26.0	$30.4	$46.1	$56.4
EARNINGS PER SHARE:				
Net income per common share:				
Basic	$0.95	$1.40	$1.68	$2.65
Diluted	$0.93	$1.30	$1.63	$2.45
Weighted average number of shares outstanding in per share calculation:				
Basic	27.4	21.7	27.5	21.3
Diluted	28.1	23.4	28.3	23.0

TEREX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(In millions, except par value)
(Unaudited)

	June 30, 2000	December 31, 1999
CURRENT ASSETS		
Cash and cash equivalents	$185.7	$133.3
Trade receivables (less allowance of $8.6 and $5.8 as of June 30, 2000 and December 31, 1999, respectively)	452.4	429.2

Net inventories	596.1	665.6
Deferred taxes	47.2	47.2
Other current assets	52.7	40.0
Total Current Assets	1,334.1	1,315.3
LONG-TERM ASSETS		
Property, plant and equipment - net	142.9	172.8
Goodwill	550.2	554.7
Deferred taxes	38.7	55.3
Other assets	85.0	79.4
TOTAL ASSETS	$2,150.9	$2,177.5
CURRENT LIABILITIES		
Notes payable and current portion of long-term debt	$28.1	$57.6
Trade accounts payable	361.8	297.0
Accrued compensation and benefits	27.5	27.3
Accrued warranties and product liability	52.9	55.9
Other current liabilities	129.7	141.7
Total Current Liabilities	600.0	579.5
NON CURRENT LIABILITIES		
Long-term debt, less current portion	1,050.9	1,098.8
Other	69.2	66.4
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Warrants to purchase common stock	0.8	0.8
Equity rights	0.8	0.8
Common Stock, $0.01 par value -- Authorized 150.0 shares; issued 27.6 and 27.5 shares at June 30, 2000 and December 31, 1999, respectively	0.3	0.3
Additional paid-in capital	356.5	355.0
Retained earnings	138.1	92.0
Accumulated other comprehensive income	(61.4)	(16.1)
Less cost of shares of common stock in treasury (0.3 shares at June 30, 2000)	(4.3)	---

Total Stockholders' Equity	430.8	432.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$2,150.9	$2,177.5

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

	Six Months Ended June 30,	
	2000	1999
OPERATING ACTIVITIES		
Net income	$46.1	$56.4
Adjustments to reconcile net income to cash used in operating activities:		
Depreciation	11.3	6.3
Amortization	10.0	5.5
Gain on sale of fixed assets	(0.4)	---
Deferred taxes	16.6	---
Changes in operating assets and liabilities (net of effects of acquisitions):		
Trade receivables	(29.5)	(137.5)
Net inventories	56.0	(26.2)
Trade accounts payable	63.0	53.1
Other, net	(44.6)	2.8
Net cash provided by (used in) operating activities	128.5	(39.6)
INVESTING ACTIVITIES		
Capital expenditures	(10.1)	(8.9)
Acquisition of businesses, net of cash acquired	(3.8)	(21.3)
Proceeds from sale of assets	8.2	2.4
Net cash used in investing activities	(5.7)	(27.8)

FINANCING ACTIVITIES		
Principal repayments of long-term debt	(58.3)	(32.1)
Net repayments under revolving line of credit agreements	(5.4)	(24.6)
Purchase of common stock held in treasury	(4.3)	---
Proceeds from issuance of common stock	---	103.6
Proceeds from issuance of long-term debt, net of issuance costs	---	94.9
Other	(0.8)	4.9
Net cash provided by (used in) financing activities	(68.8)	146.7
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1.6)	0.3
NET INCREASE IN CASH AND CASH EQUIVALENTS	52.4	79.6
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	133.3	25.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$185.7	$104.7

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