NEWS RELEASE

Terex Reports Third Quarter Net Income of $49.7 Million or $1.79 Per Share

10/26/2000

WESTPORT, Conn.--(BUSINESS WIRE)--Oct. 26, 2000--

Earnings in the third quarter, excluding special items, were 63 cents per share

Earnings per share in line with previously announced expectations

Net debt reduced by $262 million, or 25 percent, year-to-date

Terex Corporation (NYSE: TEX) today reported third quarter net income of $49.7 million, or $1.79 cents per share, on an after-tax basis.

The third quarter results include special items, which in the aggregate amounted to a gain of $32.2 million, or $1.16 per share. Excluding special items, net income was $17.5 million, or 63 cents per share. These results are in line with the Company's previously announced expectations. Last year's third quarter net income, applying this year's effective tax rate of 32%, was $21.1 million, or 75 cents per share. Reported net income for the third quarter of 1999 was $29.9 million, or $1.07 cents per share. Net sales for this quarter were $475.1 million, down $20.5 million from the third quarter of 1999.

A financial summary is shown below:

Terex Corporation

	Third Quarter	Year-to-Date

	(dollars in millions, except per share amounts)			
	2000	1999	2000	1999
	% of sales	% of sales	% of sales	% of sales
Net sales	$475.1 --	$495.6 --	$1,622.1 --	$1,367.0 --
Gross profit(1)	$86.7 18.2%	$88.5 17.9%	$290.0 17.9%	$236.1 17.3%
SG&A(1)	39.3 8.3%	38.7 7.8%	124.1 7.7%	98.8 7.2%
Operating profit(1)	47.4 10.0%	49.8 10.0%	165.9 10.2%	137.3 10.0%
Gain on sale of business	57.2 12.0%	-- --	57.2 3.5%	-- --
Interest and other	(24.6) 5.2%	(18.8) 3.8%	(75.4) 4.6%	(48.4) 3.5%
Income taxes	(30.3) 6.4%	(1.1) 0.2%	(51.9) 3.2%	(2.6) 0.2%
Net income	$49.7 10.5%	$29.9 6.0%	$95.8 5.9%	$86.3 6.3%
Earnings per share	$1.79	$1.07	$3.41	$3.49
Backlog	$242.1	$386.0	$242.1	$386.0
EBITDA(a)	$56.6 11.9%-	$57.3 11.6%	$194.6 12.0%	$155.5 11.4%
Shares Out-standing	27.8	28.0	28.1	24.7

(a) Includes special items for 2000.

Third Quarter 1999 and Year-To-Date "The Terex franchise remains strong and profitable despite lower than expected revenues in the North American construction and global mining industries," said Ronald M. DeFeo, Chairman and CEO. "Our variable cost and low SG&A levels help us to mitigate the impact of lower volumes. We expect continued slow market growth into the fourth quarter, but feel that we can continue to improve our market position due to the strength of our business model. We are currently increasing our efforts to reduce costs company-wide and we are aggressively taking steps to address the continued weakness in the mining group and improve its profitability."

"During the third quarter, we finalized plans to integrate our surface mining truck and hydraulic shovel businesses," commented Ernie Verebelyi, President of Terex Earthmoving. "The integration of these businesses, which should generate annualized savings of approximately $6 million, strengthens our sales and marketing effectiveness, provides a more uniform manufacturing model and better utilizes key financial, purchasing and aftermarket resources. This restructuring plan will position Terex Mining to become more profitable, even at the current low levels of revenue, while improving our customer service."

Net sales for the third quarter reached $475.1 million, compared with $495.6 million during the third quarter of 1999. The reported third quarter operating profit of $47.4 million includes several special items. Terex reported a pre-tax gain of $1.8 million, or 4 cents per share, as a result of restructuring the pension plan at Cedarapids to be in line with Terex's other pension plans. This gain was more than offset by the impact of a restructuring charge at Terex Mining of $4.8 million, or 11 cents per share, related to the further integration of Terex's surface mining truck and hydraulic shovel businesses. Operating profit, excluding special items, increased slightly to $50.4 million and operating margin expanded to 10.6% from

10.0% over the third quarter of last year. The third quarter operating performance was impacted by an increasingly weak Euro/Dollar and Pound/Dollar exchange rate, a decline in U.S. construction truck orders, the truckers' strike in both France and the United Kingdom, and a lack of orders for surface mining equipment worldwide. The combination of the stronger Dollar and the truckers' strike reduced earnings by approximately 8 to10 cents per share during the third quarter. Also during the third quarter, Terex reported a pre-tax gain of $57.2 million, or $1.23 per share, from the sale of its truck-mounted forklift businesses.

Operating expenses as a percentage of sales increased to 8.3% in the third quarter, mainly as a result of the decline in revenues. Fully diluted shares for the third quarter decreased to 27.8 million, primarily reflecting the Company's current stock buyback program. During the third quarter, as part of its stock repurchase program announced in March of this year, Terex bought back 615,100 shares of its stock, bringing the total purchased so far this year to 917,400 shares. "As long as our stock price remains at these depressed levels, we will continue to execute our stock buyback program," commented Ron DeFeo.

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 3.5% in the third quarter of 1999 to 32% in the third quarter of 2000. However, as a result of the continued availability of the deferred tax assets, cash required for paying taxes remains minimal.

Net sales for the first nine months of 2000 were $1,622.1 million, or a 19% increase over last year's $1,367.0 million. Operating profit, excluding special items, increased to $168.9 million, or 23% over last year, reflecting the impact of the Company's 1999 acquisitions, increased sales volume at several lifting and earthmoving businesses and

continued operational improvements. During the first nine months of 2000, operating margins, excluding special items, increased to

10.4% versus 10.0% in 1999 and operating expenses as a percentage of revenues increased to 7.7% from 7.2% last year.

Segment Performance

Terex Earthmoving

	Third Quarter				Year-to-Date			
	(dollars in millions)							
	2000		1999		2000		1999	
	% of sales		% of sales		% of sales		% of sales	
Net sales	$230.1	--	$244.2	--	$872.6	--	$599.5	--
Gross profit(a)	45.9	19.9%	48.5	19.9%	162.9	18.7%	112.9	18.8%
SG&A(a)	24.3	10.6%	22.4	9.2%	74.1	8.5%	50.3	8.4%
Operating profit(a)	21.6	9.4%	26.1	10.7%	88.8	10.2%	62.6	10.4%
Backlog	110.6	--	204.2	--	110.6	--	204.2	--

(a) Includes special items for 2000

Net sales in the Earthmoving segment were $230.1 million during the quarter compared to $244.2 million in the third quarter of last year. This quarter's results were affected by unfavorable foreign exchange comparisons, the continued weakness in the mining industry and the resulting lack of orders for both surface mining trucks and large hydraulic shovels. The infrastructure business of both Powerscreen and Cedarapids generated a total of $99 million in net sales and continued to experience good volumes, although at a lower rate than in the first half of this year. While the construction truck business was facing the impact of a slowdown in construction spending in North America, the Benford product line continued to increase its market penetration.

Operating profit, excluding special items, was $24.6 million, down 6% from the $26.1 million generated during the third quarter of last year. Unfavorable foreign exchange comparisons and lower volumes at Unit Rig and O&K drove these lower results. The operating performance of the crushing and screening businesses benefited from the integration and improvement actions Terex has taken over the past year. Despite lower volumes, operating margins benefited from the variable cost structure of our operations and remained at 10.7% during the third quarter of this

year.

"Despite a tough environment, we continue to penetrate markets and broaden our customer base," said Ernie Verebelyi, President of Terex Earthmoving. "We introduced several new mining and construction products during the MINExpo show held this month in Las Vegas, Nevada. These included a 70-ton rigid truck jointly designed with Martin Marietta that offers a better alternative to quarry customers, a 150-ton AC drive mining truck that was designed in collaboration with General Electric and Detroit Diesel and a revolutionary new 600 horsepower scraper. Initial performance of our MT5500 360-ton truck, now operating at Grupo Mexico and Rio Tinto, has been very encouraging. With our now established reputation in the mining sector, we were able to demonstrate the benefits of these new products even before they hit the dirt. In fact, several of these large new products were sold to customers during the show."

Terex Lifting

	Third Quarter				Year-to-Date			
	(dollars in millions)							
	2000		1999		2000		1999	
	% of sales		% of sales		% of sales		% of sales	
Net sales	$232.7	--	$242.5	--	$715.2	--	$746.9	--
Gross profit	39.2	16.8%	38.2	15.8%	120.9	16.9%	119.4	16.0%
SG&A	14.2	6.1%	15.6	6.4%	46.4	6.5%	44.1	5.9%
Operating profit	25.0	10.7%	22.6	9.3%	74.5	10.4%	75.3	10.1%
Backlog	129.1	--	179.5	--	129.1	--	179.5	--

Net sales in the Lifting segment were $232.7 million during the quarter compared to $242.5 million in the third quarter of last year. This quarter's results were affected by unfavorable foreign exchange comparisons, the continued softness in hydraulic mobile cranes and an approximate $5 million decline in aerial work platform sales, a business Terex de-emphasized in late-1999 with the closure of its Milwaukee facility. Excluding the impact of foreign exchange, Lifting revenues would have been higher than the third quarter of 1999. The European lifting business posted improved performance, driven by the impact of the Company's 1999 acquisitions and higher sales of all-terrain cranes, tower cranes and telescopic material handlers.

Operating profit in the third quarter of 2000 grew 10.6% to $25.0 million from last year's $22.6 million. Operating margin increased to

10.7% in the third quarter versus 9.3% last year, led by manufacturing efficiencies, the impact of acquisitions and improved operating performance in both North America and Europe. Operating expenses as a percentage of revenues dropped to 6.1% from 6.4% last year.

"Finding ways to develop and grow our business profitably and improve our market penetration in the Lifting markets continues to be our strategy," said Fil Filipov, President of Terex Lifting. "We were able to partially offset the softness in orders from major customers with new customers. Early this year, we initiated a new aftermarket program designed to provide faster and better service to our customers. This Product Support-Plus program, which created 30 mobile service centers in the United States and Europe, has now been extended to both Canada and Latin America. Now that we have established a market and cost leadership position in the lifting industry, we are accelerating our new product development program in order to continue to grow with our customers."

Capital Structure

"During the third quarter, we continued to reduce our leverage and strengthen our financial condition," said Joseph F. Apuzzo, Chief Financial Officer. "We repaid $50 million of debt during the quarter and another $125 million during the first week of October. Since the end of 1999, we have reduced debt by approximately $262 million, or 25% of our total debt. As a result, net debt to book capitalization at the end of the third quarter dropped to 63.1% from 70.3% at year-end 1999. The annualized interest coverage of 2.7 times and debt to EBITDA of 2.9 times continue the trend of improving credit statistics. These results reflect our progress toward reduced financial leverage and risk through better asset utilization and conversion of operating profit into cash flow."

Outlook

Outlook for the balance of 2000

"We continue to be faced with a challenging economic environment," said Ron DeFeo. "The weakness of both the Euro and the Pound Sterling, and higher interest rates have affected our results. We expect our mining business to remain affected by weak commodity prices, and for surface mining companies to continue to defer purchases of new machinery for the rest of 2000. We also expect continuing soft activity in the North American construction markets. Based on our current forecast, we still expect full-year results from continuing operations to be in the range of $2.90 to $3.00 per share."

Preliminary outlook for 2001

"We are cautiously optimistic that our product and geographic diversity will result in a more stable outlook over the next 6 to 12 months," commented Ron DeFeo. "While the U.S. outlook remains uncertain, we expect demand for

our Lifting products from Canada, Central and South America, and the Far East to be modestly up, driven by stronger construction activity spurred by higher oil prices. We have started to see a modest pick-up in hydraulic mobile crane business coming from foreign markets. Cedarapids' operating results should show improvement compared to 2000 as we benefit from the full impact of the restructuring actions we have implemented over the past 12 months. Demand for infrastructure equipment should be driven by the impact of the Highway Bill in the U.S. and continued infrastructure spending on a worldwide basis. We do not expect the mining environment to improve markedly, but we are currently integrating both our surface mining trucks and hydraulic shovels in order to make our business more profitable. Based on our current outlook, we expect our earnings to grow 10% to 12% in 2001."

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. In particular, market conditions for Terex products are variable, and there can be no assurance that market conditions will develop as anticipated. These risks and uncertainties, many of which are beyond Terex's control, include, among others: the sensitivity of construction and mining activity to interest rates and oil prices; government and construction 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; consolidation of customer base; commodity pricing; 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 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 and Matbro.

TEREX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(in millions, except per share data)
(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2000	1999	2000	1999
Net sales	$475.1	$495.6	$1,622.1	$1,367.0
Cost of goods sold	388.4	407.1	1,332.1	1,130.9
Gross profit	86.7	88.5	290.0	236.1
Selling, general and administrative expenses	39.3	38.7	124.1	98.8
Income from operations	47.4	49.8	165.9	137.3
Other income (expense):				
Interest income	1.6	2.5	4.1	3.7
Interest expense	(26.0)	(20.0)	(77.7)	(48.9)
Gain on sale of businesses	57.2	---	57.2	---
Other income (expense) - net	(0.2)	(1.3)	(1.8)	(3.2)
Income before income taxes	80.0	31.0	147.7	88.9
Provision for income taxes	(30.3)	(1.1)	(51.9)	(2.6)
Net income	$49.7	$29.9	$95.8	$86.3
EARNINGS PER SHARE:				
Net income per common share:				
Basic	$1.84	$1.12	$3.51	$3.74

Diluted	$1.79	$1.07	$3.41	$3.49
Weighted average number of shares outstanding in per share calculation:				
Basic	27.0	26.6	27.3	23.1
Diluted	27.8	28.0	28.1	24.7

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

	September 30, 2000	December 31, 1999
CURRENT ASSETS		
Cash and cash equivalents	$260.8	$133.3
Trade receivables-net	391.3	429.2
Net inventories	584.1	665.6
Deferred taxes	47.2	47.2
Other current assets	47.0	40.0
Total Current Assets	1,330.4	1,315.3
LONG-TERM ASSETS		
Property, plant and equipment - net	130.6	172.8
Goodwill	491.5	554.7
Deferred taxes	33.3	55.3
Other assets	75.6	79.4
TOTAL ASSETS	$2,061.4	$2,177.5
CURRENT LIABILITIES		
Notes payable and current portion of long-term debt	$21.3	$57.6
Trade accounts payable	312.2	297.0
Accrued compensation and benefits	25.2	27.3
Accrued warranties and product liability	47.7	55.9
Other current liabilities	137.3	141.7
Total Current Liabilities	543.7	579.5

NON CURRENT LIABILITIES		
Long-term debt, less current portion	1,001.0	1,098.8
Other	70.2	66.4
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Warrants to purchase common stock	0.3	0.8
Equity rights	0.7	0.8
Common Stock, $0.01 par value -- Authorized 150.0 shares; issued 27.7 and 27.5 shares at September 30, 2000 and December 31, 1999, respectively	0.3	0.3
Additional paid-in capital	357.6	355.0
Retained earnings	187.8	92.0
Accumulated other comprehensive income	(85.5)	(16.1)
Less cost of shares of common stock in treasury (0.9 shares at September 30, 2000)	(14.7)	---
Total Stockholders' Equity	446.5	432.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$2,061.4	$2,177.5

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

	Nine Months Ended September 30,	
	2000	1999
OPERATING ACTIVITIES		
Net income	$95.8	$86.3
Adjustments to reconcile net income to cash used in operating activities:		
Depreciation	16.6	10.6
Amortization	14.8	9.3
Gain on sale of businesses	(34.2)	---
Gain on sale of fixed assets	(0.4)	(0.1)
Deferred taxes	22.0	---

Changes in operating assets and liabilities (net of effects of acquisitions):		
Trade receivables	5.9	(114.6)
Net inventories	32.5	(34.2)
Trade accounts payable	34.7	39.4
Other, net	(56.0)	3.7
Net cash provided by operating activities	131.7	0.4
INVESTING ACTIVITIES		
Proceeds from sale of businesses	144.3	---
Capital expenditures	(17.7)	(12.8)
Acquisition of businesses, net of cash acquired	(4.1)	(475.9)
Proceeds from sale of assets	9.2	2.7
Net cash provided by (used in) investing activities	131.7	(486.0)
FINANCING ACTIVITIES		
Principal repayments of long-term debt	(58.3)	(32.1)
Net repayments under revolving line of credit agreements	(56.0)	(29.2)
Purchase of common stock held in treasury	(14.7)	---
Proceeds from issuance of common stock	---	162.8
Proceeds from issuance of long-term debt, net of issuance costs	---	505.8
Other	(3.3)	8.0
Net cash provided by (used in) financing activities	(132.3)	615.3
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3.6)	(0.7)
NET INCREASE IN CASH AND CASH EQUIVALENTS	127.5	129.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	133.3	25.1
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$260.8	$154.1

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