NEWS RELEASE

Terex Reports Third Quarter Net Income of $9.0 Million or $0.32 Per Share Before Restructuring Charge

10/24/2001

Cash generated from operations was $66 million for the quarter

WESTPORT, Conn.--(BUSINESS WIRE)--Oct. 24, 2001--Terex Corporation (NYSE: TEX) today reported third quarter net income before restructuring charges of $9.0 million, or $0.32 per share. The restructuring charges recorded in the third quarter amounted to an after-tax charge of $19.9 million, or $0.71 per share. As previously announced, the restructuring relates to the consolidation of 11 facilities and other cost reduction initiatives with anticipated savings of approximately $40 million annually. Net income for the third quarter of 2000, excluding special items, was $17.5 million or $0.63 per share. Net income for the first nine months of 2001, excluding restructuring charges and special items, was $35.6 million, or $1.29 per share, compared to $63.6 million, or $2.26 per share, in the first nine months of 2000.

A financial summary is shown below:

Terex Corporation

	Third Quarter		Year-to-Date	
(dollars in millions, except per share amounts)				
	2001	2000	2001	2000
	% of sales	% of sales	% of sales	% of sales

Net sales	$453.7	---	$475.1	---	$1,370.4	---	$1,622.1	---
Gross profit	$70.3	15.5%	$89.9	18.9%	$232.3	17.0%	$293.2	18.1%
SG&A	37.9	8.4%	39.5	8.3%	119.5	8.7%	124.3	7.7%
Operating profit(1)	32.4	7.1%	50.4	10.6%	112.8	8.2%	168.9	10.4%
Restructuring charges and special items	(28.7)	6.3%	(3.0)	0.1%	(34.2)	2.5%	(3.0)	---
Gain on sale of business	---	---	57.2	12.0%	---	---	57.2	3.5%
Interest and other	(19.7)	4.3%	(24.6)	5.2%	(61.0)	4.5%	(75.4)	4.6%
Income taxes	5.1	1.1%	(30.3)	6.4%	(6.4)	0.5%	(51.9)	3.2%
Net income (loss)	$(10.9)	2.4%	$49.7	10.5%	$11.2	0.8%	$95.8	5.9%
Earnings (loss) per share	$(0.39)		$1.7907		$0.40		$3.41	
Adjusted EPS(2)	$0.32		$0.63907		$1.29		$2.26	
Backlog	$142.6		$242.1		$142.6		$242.1	
EBITDA(2)	$41.2	9.1%	$56.6	11.9%	$139.3	10.2%	$194.6	12.0%
Shares Outstanding	27.9		27.8		27.7		28.1	

(1) Excludes restructuring charges and special items for 2001 and 2000 and includes an operating loss of $0.5 million related to businesses held for sale in the three and nine months ended September 30, 2001.

(2) Adjusted for restructuring charges, businesses held for sale and special items for 2001 and 2000.

Third Quarter 2001 and Year-To-Date

"We are operating in a challenging economic environment, which was compounded by the impact of the events of September 11th," said Ronald M. DeFeo, Terex Chairman and Chief Executive Officer. "We are not immune to the

economic slowdown impacting our industry, and although we have seen volume declines in the 20% to 25% range in several of our product lines, we feel that the Terex franchise remains strong. Our Powerscreen business continues to grow, our construction truck business, although down in North America, is penetrating markets in Europe and South Africa, and our mining business had a strong quarter. During this uncertain time we have maintained solid margins and profitability through product and geographic diversity and by focusing on our variable cost structure and low SG&A levels, which have enabled us to react quickly to market changes."

Mr. DeFeo added, "We do not look at the environment we are operating in simply as an economic downturn, but as an opportunity to grow market share if we remain lean, profitable and customer oriented. Accordingly, during the third quarter we finalized our restructuring plan that will include a series of actions expected to result in cost reductions of approximately $40 million annually. Our original restructuring plan was expanded to include the consolidation of 11 facilities rather than just the four facilities originally contemplated, and also includes personnel reductions at several of the Company's other business units. Although these decisions are always very difficult, we believe that executing these initiatives in the current market environment will not only improve our competitiveness today, but will position us to take advantage of an eventual economic recovery."

Net sales for the third quarter were $453.7 million compared to $475.1 million during the third quarter of 2000. Excluding the impact of acquisitions and divestitures, net sales for the quarter decreased approximately $31 million or 6.8% from the third quarter of 2000. Operating profit was $32.4 million in the third quarter (excluding the impact of the restructuring charge) compared to $50.4 million in the third quarter of last year (excluding the impact of non-recurring items). The overall decline in revenues in the North American construction truck and lifting businesses continue to adversely impact the operating performance of the Company. This decline was somewhat offset by the continued strong performance of the lattice boom cranes business, a strong quarter from the mining group and double digit growth in sales and operating profit in the BL Pegson business that manufactures mobile tracked crushing equipment. Operating expenses, before restructuring and special items, fell from $39.5 million in the third quarter of 2000 to $37.9 million this quarter. Operating expenses as a percentage of sales increased slightly to 8.4%. Net interest expense decreased to $19.1 million from $24.4 million as a result of lower interest rates.

Net sales for the first nine months of 2001 were $1,370.4 million, compared to $1,622.1 million for the first nine months of last year. Excluding the impact of acquisitions and divestitures, net sales decreased approximately 18% for the nine months ended September 2001 compared to the prior year. Operating profit for the first nine months of 2001, excluding restructuring charges and special items, decreased $56.1 million from the prior year to $112.8 million, reflecting the double digit volume declines in many of Terex's businesses. Operating expenses, before restructuring and special items, decreased to $119.5 million, compared to $124.3 million for the first nine months of 2000, as a result of Terex's continued emphasis on cost control.

Segment Performance

Terex Americas

	Third Quarter		Year-to-Date	
	(dollars in millions)			
	2001	2000	2001	2000
	% of sales	% of sales	% of sales	% of sales
Net sales	$187.8	--- $252.0	--- $661.6	--- $845.8 ---
Gross profit	27.1	14.4% 44.1	17.5% 97.1	14.7% 133.8 15.8%
SG&A	15.0	8.0% 16.7	6.6% 48.1	7.3% 50.0 5.9%
Operating profit(1)	12.1	6.4% 27.4	10.9% 49.0	7.4% 83.8 9.9%
Backlog	56.5	148.0	56.5	148.0

(1) Excludes restructuring charges and special items for 2001 and 2000.

Net sales in the Terex Americas group for the quarter decreased $64.2 million to $187.8 million from $252.0 million in the third quarter of 2000. Excluding the impact of acquisitions and divestitures, sales declined by approximately 27% from the prior year. Net sales continue to be impacted by double-digit revenue declines in the construction truck and lifting businesses, offset somewhat by the performance of the lattice boom cranes operation, which had another strong quarter with revenues up approximately 8%. The mobile hydraulic cranes business continues to operate under difficult conditions, but still grew market share during the first nine months of the year.

Operating profit for the quarter was $12.1 million, or 6.4% of sales, as compared to $27.4 million, or 10.9% of sales, for the third quarter of 2000. Excluding acquisitions and divestitures, operating profit was $11.9 million for the third quarter of 2001 and $28.6 million for the third quarter of 2000. Declining revenues continue to impact the operating performance of the group. The lifting business, although down over 20% in revenue for the quarter, maintained double-digit operating margins, while the light construction business reported margin improvements on declining revenues. The Cedarapids business, however, had a negative impact on margins, as its revenues declined over 50% and it recorded an operating loss for the quarter. "Too much inventory remains in the Cedarapids distribution channel, which negatively affected the third quarter," commented Ernie Verebelyi, President, Terex Americas. "We have put plans in place to address this issue and will work on this item over the coming months." Operating expenses were $15.0 million, or 8% of sales, a decrease over the third quarter of 2000. Excluding the impact of acquisitions and divestitures, operating expenses decreased during the quarter as a result of continued emphasis on cost control.

"The operating results for the third quarter reflect our continued execution of Terex's variable cost structure model," said Mr.Verebelyi. "The recently announced restructuring actions, which include the consolidation of four facilities as well as other cost reduction initiatives within the Terex Americas group, represents implementation of this philosophy and will not only improve the manufacturing efficiencies and profitability of the Company, but position us to take full advantage of any market rebound."

Terex Europe

	Third Quarter		Year-to-Date	
	(dollars in millions)			
	2001	2000	2001	2000
	% of sales	% of sales	% of sales	% of sales
Net sales	$214.1 ---	$205.3 ---	$669.0 ---	$716.7 ---
Gross profit	28.0 13.1%	35.3 17.2%	98.6 14.7%	121.4 16.9%
SG&A	16.5 7.7%	14.1 6.9%	47.9 7.2%	47.4 6.6%
Operating profit(1)	11.5 5.4%	21.2 10.3%	50.7 7.6%	74.0 10.3%
Backlog	71.5	72.2	71.5	72.2

(1) Excludes restructuring charges and special items for 2001 and 2000 and includes an operating loss of $0.5 million related to businesses held for sale in the three and nine months ended September 30, 2001.

Net sales in the Terex Europe segment reached $214.1 million during the quarter, a 4.3% increase from last year's third quarter net sales of $205.3 million. The Terex Europe segment benefited from the continued strong performance of Powerscreen, the acquisition of Fermec and the introduction of the Terex branded loader backhoe in the United States, and the improved performance of the Company's Italian operations, offset, however, by double-digit declines in the European lifting business. Excluding the impact of acquisitions and divestitures, net sales for the segment remained relatively flat with the year ago period.

Operating profit was $11.5 million, or 5.4% of sales, during the third quarter of 2001, compared to $21.2 million, or 10.3% of sales, for the third quarter of 2000. Lower volume in the lifting business, a change in the geographic mix in the construction businesses (as less equipment was sold into the higher margin U.S. market), and foreign exchange gains recorded in the third quarter 2000 all impacted the comparisons. Operating expenses as a percent of sales increased to

- 7.7% from 6.9% in the third quarter of 2000, primarily attributable to the double-digit decline in sales in the European lifting business.

"Although our construction business continues to be impacted by the slowdown in the North American markets, we have been able to penetrate and broaden our customer base throughout Europe," said Colin Robertson, President, Terex Europe. "Given the competitive environment in which we operate, we have also taken the necessary steps to consolidate or close facilities where appropriate. For example, we have announced the consolidation of the operations of our Warwick and Tetbury facilities in the U.K. into our Manchester, U.K. facility. We have also announced that we will be closing our Cork, Ireland facility as we continue to exit the aerials business in Europe. These actions are designed to improve manufacturing efficiencies, cost structure and our competitiveness in today's business environment."

Terex Mining

	Third Quarter		Year-to-Date	
	(dollars in millions)			
	2001	2000	2001	2000
	% of sales	% of sales	% of sales	% of sales
Net sales	$91.7	--- $60.8	--- $183.5	--- $249.8 ---
Gross profit	14.8	16.1% 9.4	15.5% 37.5	20.4% 36.1 14.4%
SG&A	5.8	6.3% 9.4	15.5% 23.2	12.6% 27.8 11.1%
Operating profit(1)	9.0	9.8% ---	--- 14.3	7.8% 8.3 3.3%
Backlog	30.2	37.1	30.2	37.1

(1) Excludes restructuring charges and special items for 2001 and 2000.

Net sales in the Mining segment reached $91.7 million during the quarter, compared to $60.8 million for the third quarter of 2000. The results for this quarter reflected increases in sales of both new machines and spare parts in the surface mining truck business, as well as improvement in spare parts sales associated with the large hydraulic shovel business. The increase in truck sales was driven by a few large orders from companies mining coal, iron ore and diamonds.

Operating profit for the quarter was $9.0 million, or 9.8% of sales, compared to a break-even performance

(excluding special items) for the third quarter of 2000. The performance of the Mining group was impacted by increased volumes in the surface mining truck business, an increase in higher margin part sales for trucks and hydraulic shovels, and realized cost savings from restructuring actions taken in the third quarter of 2000. Operating expenses for the quarter, excluding special items, decreased $3.6 million to $5.8 million, or 6.3% of sales, which relates to the reclassification of certain service expenses from operating expenses to cost of sales, and cost savings from restructuring actions undertaken in the third quarter of 2000.

"Mining had a strong third quarter," commented Thys De Beer, President Terex Mining. "The orders received during the third quarter not only helped with third quarter results but will have a positive impact on the fourth quarter as there is approximately $30 million of backlog in the Mining group at the end of September. Our parts business has also performed well for us, up over 50% quarter over quarter. We continue to see activity in the coal, iron ore and diamond markets, with coal having the majority of the prospects over the next year. We need to continue to focus on the customer and deliver on the Terex value proposition."

Capital Structure

"During the third quarter, we generated $66 million in cash from operations, reduced our leverage and strengthen our financial condition," said Joseph F. Apuzzo, Chief Financial Officer. Net debt at the end of the third quarter was $777.3 million, a decrease of approximately $61 million from the second quarter of 2001. As a result, net debt to book capitalization decreased to 63.8% at the end of the third quarter from 66.5% at the end of the second quarter of 2001. Mr. Apuzzo added, "Reduction in working capital continues to remain a focus of management. These results reflect our progress in reducing financial leverage and risk through better asset utilization and conversion of operating profit into cash flow."

Recent Development

Terex announced on October 1, 2001 that it completed the acquisition of CMI Corporation, a manufacturer and marketer of a wide variety of mobile equipment and materials processing equipment for the road building and heavy construction industry. As the closing consolidated net debt of CMI was less than the $75.25 million threshold included in the merger agreement, each outstanding share of CMI common stock was converted into 0.16 of a share of Terex common stock in connection with the merger. Accordingly, Terex issued approximately 3.6 million shares of Terex common stock in connection with the merger. CMI now operates as a subsidiary of Terex.

Outlook

Outlook for the balance of 2001

"We continue to be faced with a challenging economic environment," said Ron DeFeo. "Visibility is difficult for many of our businesses at this time. We expect continued soft activity in the North American construction markets during the fourth quarter of 2001 as customers defer purchases as a result of the economic uncertainty and the events of September 11th. Based on our current forecast, we expect full-year results from continuing operations to be in the range of $1.39 to $1.45 per share."

Preliminary outlook for 2002

"We are in the process of building our 2002 business plan and will be reviewing the operating assumptions for next year in depth over the next several weeks," stated Mr. DeFeo. "At this time, absent any further material shocks to the world economy, we believe that operating conditions will continue to be challenging, with many of our markets off an additional 10% or more. Nevertheless, we expect to continue building our market share in many product categories and will build on the acquisitions we have made and may make in the future."

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, 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, CMI, Bid-Well, Load King, Cifali, 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 September 30,		For the Nine Months Ended September 30,	
	2001	2000	2001	2000
Net sales	$453.7	$475.1	$1,370.4	$1,622.1
Cost of goods sold	408.2	388.4	1,166.1	1,332.1
Gross profit	45.5	86.7	204.3	290.0
Selling, general and administrative expenses	41.8	39.3	123.4	124.1
Income from operations	3.7	47.4	80.9	165.9
Other income (expense):				
Interest income	2.8	1.6	6.6	4.1
Interest expense	(21.9)	(26.0)	(66.1)	(77.7)
Gain on sales of businesses	---	57.2	---	57.2
Other income (expense) - net	(0.6)	(0.2)	(1.5)	(1.8)
Income (loss) before income taxes and extraordinary items	(16.0)	80.0	19.9	147.7
Provision for income taxes	5.1	(30.3)	(6.4)	(51.9)
Income (loss) before extraordinary items	(10.9)	49.7	13.5	95.8
Extraordinary loss on retirement of debt	---	---	(2.3)	---
Net income (loss)	$(10.9)	$49.7	$11.2	$95.8

EARNINGS PER SHARE:-				
Basic:				
Income (loss) before extraordinary items	$(0.41)	$1.84	$0.50	$3.51
Extraordinary loss on retirement of debt	---	---	(0.08)	---
Net income (loss)	$(0.41)	$1.84	$0.42	$3.51
Diluted:				
Income (loss) before extraordinary items	$(0.39)	$1.79	$0.48	$3.41
Extraordinary loss on retirement of debt	---	---	(0.08)	---
Net income (loss)	$(0.39)	$1.79	$0.40	$3.41
Weighted average number of common and common equivalent shares outstanding in per share calculation				
Basic	26.9	27.0	26.9	27.3
Diluted	27.9	27.8	27.7	28.1

TEREX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

(In millions, except par value)
(Unaudited)

	September 30, 2001	December 31, 2000

CURRENT ASSETS		
Cash and cash equivalents	$260.8	$181.4
Trade receivables	349.8	360.2
Inventories	656.6	598.1
Deferred taxes	51.5	51.0
Other current assets	54.1	51.7
Total Current Assets	1,372.8	1,242.4
LONG-TERM ASSETS		
Property, plant and equipment	137.0	153.9
Goodwill	484.1	491.4
Deferred taxes	27.2	21.2
Other assets	104.9	74.8
TOTAL ASSETS	$2,126.0	$1,983.7
CURRENT LIABILITIES		
Notes payable and current portion of long-term debt	$28.9	$20.5
Trade accounts payable	322.5	311.2
Accrued compensation and benefits	28.7	25.9
Accrued warranties and product liability	63.1	65.2
Other current liabilities	168.4	152.8
Total Current Liabilities	611.6	575.6
NON CURRENT LIABILITIES		
Long-term debt, less current portion	1,009.2	882.0
Other	63.3	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 September 30, 2001 and December 31, 2000, respectively	0.3	0.3
Additional paid-in capital	360.9	358.9
Retained earnings	198.3	187.1
Accumulated other comprehensive income	(100.8)	(78.5)
Less cost of shares of common stock in treasury (1.1 shares)	(17.5)	(17.0)

Total Stockholders' Equity	441.9	451.5
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$2,126.0	$1,983.7

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

	Nine Months Ended September 30,	
	2001	2000
OPERATING ACTIVITIES		
Net income	$11.2	$95.8
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation	16.2	16.6
Amortization	13.0	14.8
Extraordinary loss on retirement of debt	2.3	---
Gain on sale of businesses	---	(34.2)
Gain on sale of fixed assets	(1.3)	(0.4)
Restructuring charges	19.5	---
Changes in operating assets and liabilities (net of effects of acquisitions):		
Trade receivables	13.8	5.9
Net inventories	(56.4)	32.5
Trade accounts payable	5.4	34.7
Other, net	(47.7)	(34.0)
Net cash provided by (used in) operating activities	(24.0)	131.7
INVESTING ACTIVITIES		
Acquisition of businesses, net of cash acquired	(10.4)	(4.1)
Proceeds from sale of businesses	---	144.3
Capital expenditures	(9.3)	(17.7)
Proceeds from sale of assets	3.7	9.2
Other	(3.4)	---
Net cash provided by (used in) investing activities	(19.4)	131.7

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 borrowings (repayments) under revolving line of credit agreements	29.2	(56.0)
Purchase of common stock held in treasury	---	(14.7)
Other	(1.0)	(3.3)
Net cash provided by (used in) financing activities	121.9	(132.3)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	0.9	(3.6)
NET INCREASE IN CASH AND CASH EQUIVALENTS	79.4	127.5
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	181.4	133.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$260.8	$260.8

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

Sales

	Q3-01	Q2-01	Q1-01	Q4-00	Q3-00	Q2-00	Q1-00
Americas	$187.8	$235.5	$238.3	$249.6	$252.0	$306.3	$287.5
Europe	214.1	231.0	223.9	178.4	205.3	269.0	242.4
Mining	91.7	30.7	61.1	69.5	60.8	95.5	93.5
Eliminations/Corp	(39.9)	(57.9)	(45.9)	(50.9)	(43.0)	(77.3)	(69.9)
Total	$453.7	$439.3	$477.4	$446.6	$475.1	$593.5	$553.5

Income from Operations

Americas	$1.2	$17.8	$19.1	$21.8	$29.2	$29.0	$27.4
Europe	(5.6)	23.2	16.0	9.1	21.2	31.5	21.3
Mining	8.3	(0.9)	3.0	3.4	(4.8)	2.7	5.6
Eliminations/Corp	(0.2)	(0.9)	(0.1)	(1.9)	1.8	0.3	0.7
Total	$3.7	$39.2	$38.0	$32.4	$47.4	$63.5	$55.0

Income from Operations
(Excluding Non-Recurring)

Americas	$12.1	$17.8	$19.1	$26.6	$27.4	$29.0	$27.4
Europe	11.5	23.2	16.0	12.0	21.2	31.5	21.3
Mining	9.0	2.3	3.0	3.4	---	2.7	5.6
Eliminations/Corp	(0.2)	(0.9)	(0.1)	0.7	1.8	0.3	0.7
Total	$32.4	$42.4	$38.0	$42.7	$50.4	$63.5	$55.0

Depreciation and Amortization

Americas	$3.1	$3.1	$3.6	$3.6	$3.7	$3.3	$3.6
Europe	4.1	4.0	4.2	4.6	3.9	4.3	5.2
Mining	1.5	1.4	1.4	1.1	1.6	1.6	1.5
Eliminations/Corp	1.1	1.1	0.6	0.8	0.9	0.9	0.9
Total	$9.8	$9.6	$9.8	$10.1	$10.1	$10.1	$11.2

Capital Expenditures

Americas	$0.3	$1.5	$2.4	$2.9	$6.1	$1.9	$2.6
Europe	1.4	2.1	1.0	3.4	1.1	2.5	2.1
Mining	0.2	0.1	0.1	0.2	0.4	0.3	0.7
Eliminations/Corp	0.1	---	0.1	---	---	---	---
Total	$2.0	$3.7	$3.6	$6.5	$7.6	$4.7	$5.4

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