NEWS RELEASE

Terex Updates Second Quarter Earnings Expectations and Announces Reduction in Manufacturing Plants

6/28/2001

WESTPORT, Conn., Jun 28, 2001 (BUSINESS WIRE) --

Terex:

- Terex announces restructuring actions with the planned closure of four manufacturing plants
- Annual savings from operational integration expected to reach approximately $10 to $15 million

Terex Corporation (NYSE: TEX) today announced that it has revised its expected second quarter and full-year 2001 earnings per share from continuing operations as a result of continuing challenging market conditions in the North American construction and global mining industries.

The Company anticipates that its second quarter earnings per share from continuing operations before non-recurring items will be in the $0.50 to $0.55 range. The expected second quarter results represent a 10% to 20% improvement over the first quarter of 2001. At this point in time, the Company expects results for the second half of 2001 to be very similar to those of the first half.

Since reporting its first quarter results in late April, Terex has been impacted by an increasingly weak Euro/Dollar and Pound/Dollar exchange rate, weak construction truck orders in North America, a slowdown in the asphalt business and a continued lack of anticipated orders for large surface mining trucks worldwide. Despite an

improvement in the quoting and tendering activity, especially in coal mining, Terex does not expect to experience a material improvement in mining shipments until the second half of this year. The weaker Euro is expected to reduce second quarter revenues by an estimated $10 million.

"The Terex franchise remains strong and profitable," said Ronald M. DeFeo, Terex's Chairman and Chief Executive Officer. "While we are facing volume declines across the board in North America in the magnitude of 20% to 25% and our mining business remains soft, our operating margins have held up, as expected. Over the past several years, we have built a different operating model of outsourcing and low overhead and the model is proving its effectiveness in this very difficult environment. Furthermore, we are not waiting for the markets to recover. We have already addressed the weakness in the mining group by integrating late last year both our surface mining truck and hydraulic shovel businesses. Also, the many acquisitions we have made over the past three years provide us with the opportunity to improve the manufacturing, capacity utilization, and cost efficiency of some of these facilities. As a result, we are planning to close four manufacturing locations and move their respective production before year-end. This restructuring plan, which will require a $15 to $20 million charge, will allow us to reduce costs by approximately $10 to $15 million annually."

- Terex will host a conference call today, June 28, at 10:00 a.m., Eastern Time.

- To access it call (888)-657-9406 domestic or (712) 257-2886 international, password: TEX

- The call will also be broadcast live via the Internet on Terex's Website: www.terex.com

  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, 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 ability of suppliers to timely provide parts and

components on a cost competitive basis, and the ability of Terex to timely manufacture and deliver cost competitive products to customers; the effect of changes in laws and regulations, including environmental laws and regulations; the continuing use of net operating loss carryovers; the effect of debt and restrictive covenants; and other factors, risks and uncertainties more specifically set forth in Terex's public filings with the SEC. The forward-looking statements herein speak only as of the date of this release. Terex expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement included in this release to reflect any changes in Terex's expectations with regard thereto or any changes in events, conditions, or circumstances on which any such statement is based.

Terex Corporation is a diversified global manufacturer based in Westport, Connecticut, with 2000 revenues in excess of $2 billion. Terex is involved in a broad range of construction, infrastructure, recycling and mining-related capital equipment under the brand names of Terex, Unit Rig, Payhauler, O&K, Fermec, Benford, Powerscreen, Finlay, B.L. Pegson, Simplicity, Cedarapids, Grayhound, Jaques, Canica-Jaques, Lorain, PPM, P&H, Franna, Marklift, Koehring, Bendini, RO, Telelect, Square Shooter, American, Italmacchine, Peiner, Comedil, Matbro, Amida, Bartell, Coleman, Muller and Morrison. More information on Terex can be found at www.terex.com

CONTACT:
Terex Corporation, Westport
Kevin O'Reilly
Vice President, Investor Relations and Corporate Communications
Phone: (203) 222-5943
Fax: (203) 222-0130
Email: koreilly@terex.com