



TEREX CORPORATION ANNUAL REPORT 2002



BUILDING FOR THE FUTURE

Terex Corporation is a diversified global manufacturer of a broad range of equipment for the construction, infrastructure, quarrying, recycling, surface mining, shipping, transportation, refining, utility, and maintenance industries.

We are driven by our mission statement of manufacturing and marketing high-quality capital equipment designed to improve our customers' productivity and return on invested capital.

Our products are manufactured in 50 facilities in North America, South America, Europe, Asia, and Australia and are marketed in more than 100 countries. They are sold primarily through a global network of dealers and distributors, major accounts, and direct sales to customers.

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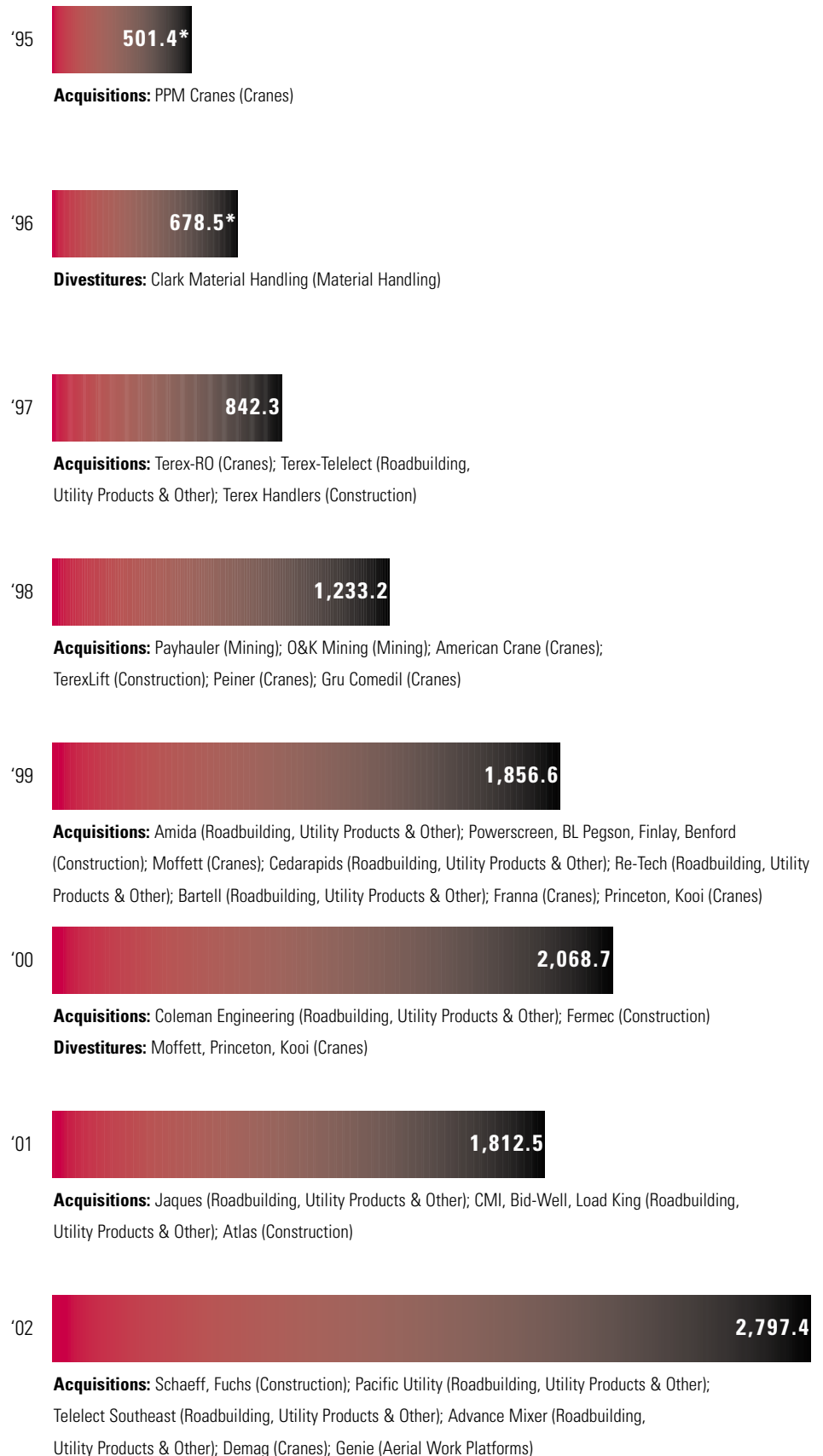
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TEREX REVENUE GROWTH: 1995-2002

(\$ in millions)

Over the past eight years, Terex has successfully built a global platform through a series of acquisitions and divestitures to become one of the leading construction and mining equipment manufacturers in the world.

With the goal of achieving long-term franchise growth, Terex has built a strong and evolving company that is positioned to leverage an increasingly strong brand name and a diverse product and geographic portfolio to deliver value and solutions to our customers.



*1995 and 1996 excludes the revenue of Clark Material Handling as it was accounted for as a discontinued operation.

CONSTRUCTION

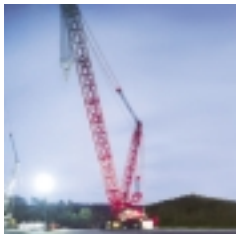


Operating Units

Manufacturing Facilities

Atlas Terex
 Atlas Terex UK Limited
 Benford
 B.L. Pegson
 Fermec
 Finlay Hydrascreens
 Fuchs
 Powerscreen
 Schaeff
 Terex Equipment Limited
 Terex Handlers
 TerexLift

Delmenhorst, Ganderksee, Loeningen & Vechta, Germany
 Hamilton, Scotland
 Warwick, England
 Coalville, England
 Manchester, England
 Omagh, Northern Ireland
 Bad Schoenborn, Germany
 Dungannon, Northern Ireland; Kilbeggan, Ireland
 Langenburg, Gerabronn, Rothenburg, Crailsheim & Clausnitz, Germany
 Motherwell, Scotland
 Baraga, Michigan, USA
 Perugia, Italy



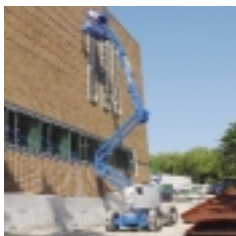
American Crane
 Comedil
 Demag
 PPM
 Terex Cranes-Waverly
 Terex Italia
 Terex Lifting Australia
 Terex Peiner
 Terex-RO

Wilmington, North Carolina, USA
 Fontanafredda & Milan, Italy
 Zweibrucken, Wallerscheid & Bierbach, Germany; Pecs, Hungary
 Montceau-les-Mines, France
 Waverly, Iowa, USA
 Crespellano, Italy
 Brisbane, Australia
 Trier, Germany
 Olathe, Kansas, USA



Amida Industries/Coleman Engineering
 Bid-Well
 Terex Cedarapids
 CMI Terex
 Jaques
 Load King
 Simplicity Engineering
 Terex Advance Mixer
 Terex Bartell
 Terex-Telelect

Rock Hill, South Carolina, USA
 Canton, South Dakota, USA
 Cedar Rapids, Iowa, USA
 Oklahoma City, Oklahoma, USA; Cachoeirinha, Brazil
 Subang Jaya, Malaysia; Melbourne, Australia;
 Chomburi, Thailand
 Elk Point, South Dakota, USA
 Durand, Michigan, USA
 Fort Wayne, Indiana, USA
 Brampton, Ontario, Canada
 Watertown & Huron, South Dakota, USA



Genie

Redmond & Moses Lake, Washington, USA



O&K Mining
 Unit Rig and Payhauler

Dortmund, Germany
 Lubbock, Texas, USA⁽¹⁾

⁽¹⁾ Third party contract manufacturer.

Products**Key Brands**

Wheeled excavators, loading machines, truck mounted cranes
Truck mounted cranes
Compaction equipment, site dumpers
Crushers, screens, feeders
Loader backhoes
Washing systems, trommels, screens
Scrap handlers, loading machines
Screens, trommels, washing systems
Mini excavators, midi excavators, small wheel loaders
Articulated and rigid off-highway trucks, scrapers
Telehandlers
Telehandlers

Atlas, Atlas Terex
Atlas, Atlas Terex
Amida, Terex, Terex Benford
Pegson
Terex, Terex Fermecc
Finlay
Fuchs Terex
Powerscreen
Atlas Terex, Terex, Terex Schaeff
Terex
Terex, Terex Handlers
Terex, TerexLift

Lattice boom crawler cranes
Tower cranes
Lattice boom crawler cranes, all terrain cranes
All terrain cranes, container stackers
Rough terrain cranes, truck cranes
Rough terrain cranes
Lift and carry cranes
Tower cranes
Boom trucks

American
Comedil, Terex
Demag
P&H, PPM, Terex
Lorain, P&H, Terex
Bendini, PPM, Terex
Franna
Peiner, Terex
RO-Stinger

Generators, light towers, power trowels, power buggies, arrow boards

Amida, Bartell, Coleman Engineering, Morrison,
Muller, Terex, Terex Benford

Concrete pavers
Crushers, asphalt pavers, screens
Reclaimers/stabilizers, pavement profilers, asphalt mixing plants, asphalt pavers,
concrete pavers, concrete production plants
Screens, crushers

Bid-Well
Cedarapids, Re-Tech, Royer
CMI-Cifali, CMI-Johnson Ross, CMI Terex
Jaques

Construction trailers
Heavy duty screens, crushing and recycling systems
Concrete mixers
Power trowels, concrete finishing systems
Utility aerial devices, digger derricks, cable placers

Load King
Canica, Simplicity, Terex Recycling
Terex Advance Mixer
Bartell
Hi-Ranger, Terex Telelect

Material lifts, trailer mounted booms, articulating booms,
telescopic booms, scissor lifts, portable aerial work platforms

Genie

Large hydraulic excavators
Surface mining trucks, all wheel drive rear dump trucks

O&K
Payhauler, Terex, Unit Rig

It was a year of many successes for Terex — and some disappointments. The recovery we anticipated during the second half of 2002 failed to materialize, as end-markets remained challenging, reflecting heightened global economic and political uncertainties. Throughout these difficult times, however, our company remained strong, with positive cash flow, and we remain committed to building a better company for the future. We are a company able to compete globally, react locally, and leverage an increasingly diverse product and geographic portfolio, delivering value to both our customers and investors.

In 2002, we continued to invest in the Terex franchise, adding major new product lines while strengthening existing businesses. An aggressive, opportunistic acquisitions strategy enabled us to capitalize on attractive valuations in the marketplace. As a result, we are now well-positioned for significant sales and earnings growth from these investments as we begin to leverage the portfolio of companies we have put together.

The acquisition of Genie Industries put us back into the aerial work platform business with a leading market position and a powerful global brand. This business sector has seen tremendous change in its competitive landscape in recent years. Many manufacturers have either exited the business or are in financial difficulties, leaving only Genie and two other principal players worldwide. Genie also brings with it a strong manufacturing, selling, and product support culture that will be shared with other Terex businesses.

The acquisition of Demag Mobile Cranes markedly improved our competitive position in all-terrain cranes, a growing market category over the past several years. It also effectively complements our existing product offering in the lattice boom crane category. The combination of Demag with Terex has created a global crane company with one of the broadest geographic and product offerings in the industry.

In 2002, after making several strategic acquisitions within the distribution network serving our utility business, we formed Terex Utilities. These acquisitions provide our customer base with the value proposition and business solutions they were seeking, while positioning us to aggressively pursue the large investor-owned utility companies and municipalities we were less able to service in the past. This additional distribution channel has also afforded an opportunity for cross selling of other Terex products, including loader back-hoes and boom trucks.

Our 2002 investment in the assets of the then bankrupt Advance Mixer Company represented a low-cost growth opportunity for Terex in the front-discharge concrete truck business and has already provided impressive profits and cash flow. Although a new sector for us, this business has a customer base very similar to our CMI Terex business. Terex Advance Mixer rang up a robust return on invested capital⁽¹⁾ of over 30% in our first partial year of ownership.

With 2002 annual revenues of almost \$2.8 billion, Terex emerged from 2002 as one of the largest construction equipment manufacturers in the industry. More importantly, we have created a strong global platform that will drive the Terex franchise's continued growth and penetration of new markets.

To that end, we also launched Terex Financial Services, combining Terex's customer knowledge and breadth of products with the financial and operational strengths of General Electric's Vendor Financial Services. This alliance will allow us to offer our customers a broad range of financial products and services to finance their purchases of Terex equipment and simultaneously level the competitive playing field, without increasing our financial risk.

While we have grown substantially in size, we have not lost Terex's prized entrepreneurial spirit. We remain a lean, agile company that prides itself on an ability to react swiftly to market conditions and effectively challenge industry norms in

(1) Return on invested capital is equal to 2002 income from operations before depreciation and amortization divided by consideration paid for the business.



Genie. GS-1930

Genie

delivering value to our customers. Our underlying mission of producing high-quality capital equipment designed to improve customers' return on invested capital, coupled with a relentless focus on cost controls, has established Terex as a major player in the sectors where it competes.

In 2002, with corporate governance under such intense scrutiny everywhere, Terex also made two notably distinguished additions to its Board of Directors, now wholly comprised (excluding myself) of independent directors: Helge H. Wehmeier, retired President and CEO of the Bayer Corporation, the U.S unit of one of the world's largest diversified health care and chemicals groups; and former Congressman J.C. Watts, Jr., of Oklahoma, a state where we have major operations. Both have already made valuable contributions to the company's governance.

FINANCIAL PERFORMANCE

Although our financial results in 2002 fell below expectations, we still managed to post a solid performance - in fact, one of the best in the industry despite a very challenging marketplace.

Revenues grew by 54% as we folded in acquisitions made in 2001 and 2002 and executed on specific action plans to grow our share in new or under-penetrated markets. Our core businesses showed some resilience but were essentially flat in light of weak end-markets.

Our Powerscreen businesses, which manufacture mobile crushing and screening equipment, grew at a double-digit rate, capitalizing on strong trends in the marketplace towards mobile equipment to increase productivity and efficiencies on job sites. Our marketing strategy for Terex Compact Equipment also delivered respectable results in 2002 — particularly in Europe, where Terex introduced an expanded range of compact equipment. This growing line of compact equipment now includes wheel loaders, mini excavators, mini dumpers, rollers, loader backhoes, and telehandlers. Our "We Must Be Crazy" ad campaign also gained traction

in the United States, pushing our market share in loader backhoes up to approximately 5% from less than 1%, in a market where overall volumes declined by about 14%.

Our boom truck business continued to increase revenues and market share as we moved quickly to take advantage of ownership changes among competitors. We successfully completed a valuable United States Marine Corps contract, delivering over 550 rough terrain telehandlers. Although the government and military sector are not currently significant pieces of our business, we believe there are tremendous future opportunities to serve this major market through our breadth of product offerings and our value proposition. We are making a number of strategic investments to aggressively pursue those opportunities.

Nonetheless, throughout the year, we have been continually reminded that Terex was operating in unusually challenging times. Our mining business, in particular, continued to underperform in 2002, as commodity pricing remained relatively depressed and market demand for surface mining trucks was unusually weak. We have, however, taken remedial actions in this business, closing our Tulsa manufacturing facility to reduce our cost structure and improve profitability.

CMI Terex, a business we acquired in 2001 to grow our presence to the roadbuilding segment, did not meet expectations in 2002, as cost-saving initiatives were partially offset by an over 20% decrease in revenues. The success of this business is tied directly to highway and infrastructure spending, which has been negatively impacted by serious budget crises facing federal, state, and local governments.

Meanwhile, Atlas Terex, a business on the edge of liquidation when we acquired it in late 2001, has made significant progress toward profitability. But we are still six months behind where we estimated we would be at Atlas Terex by the end of 2002. A detailed action plan for Atlas Terex has been put in place, and this business should be a positive contributor in 2003. Atlas Terex's strong dealer network and brand recognition in Europe have already provided meaningful growth opportunities as we penetrate new markets.

CASH FLOW AND CAPITAL STRUCTURE

Cash flow and capital structure remain a priority of the company. In 2002, we generated approximately \$70 million in net cash from operating activities and, as in most years, most of this was generated in the second half of 2002 due to the seasonality of the business. In 2002, we successfully tapped the capital markets, issuing approximately \$113 million in common stock and approximately \$585 million under our bank credit facility. The net proceeds from these transactions were used primarily to repay debt and fund acquisitions. The company also issued approximately 5.3 million shares of common stock in connection with the Genie, Schaeff, Pacific Utilities, and Telelect Southeast acquisitions, consistent with our commitment to maintain a balance between growth and leverage.

We ended the year with a net debt-to-book capitalization⁽²⁾ of 61.1% compared to 57.5% at the end of 2001. This change was primarily due to the adoption of accounting principles SFAS No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets," which reduced stockholders' equity by approximately \$113 million. In spite of more than \$500 million invested in acquisitions, net debt-to-book capitalization was essentially unchanged from 2001.

On the working capital⁽³⁾ front, there is room for improvement. We ended 2002 with working capital as a percentage of sales exceeding our goal of 30% for the year as asset rich acquisitions, particularly Demag and Schaeff, impacted the performance. As I look at the issue going into 2003, however, I believe a goal of 30% is very achievable and remain committed to reducing working capital by \$150 million from the 2002 level.

LOOKING AHEAD

Looking ahead to 2003, the focus of the Terex senior management team will be on the fundamentals. Since we do not expect to see significant recovery in our end-markets,

(2) Net debt-to-book capitalization is equal to net debt (long-term debt, including current portion of long-term debt, less cash and cash equivalents) divided by the sum of net debt and book capitalization (total net debt plus shareholders' equity).

(3) The Company defines working capital as the sum of accounts receivable and inventory less accounts payable.

our growth and performance improvements will be driven by the integration of acquisitions, the execution of cost-savings initiatives both in acquired companies and in core businesses, and the penetration of new markets as we grow and leverage the distribution channels from many of our newer companies.

We expect revenue to grow 15% to 20% in 2003, based on the full year effect of the 2002 acquisitions. Revenues in our core businesses will remain flat, but softness in some areas should be offset by growth in other products. Performance improvements will be sparked by a focus on cost controls. Having initiated several restructuring programs during 2002, we should see the expected benefits from these actions throughout 2003.

Most significantly, our fundamental and proven business strategy has not changed. In fact, our business model has helped steady our performance in the current downturn. Along with acquisition integration, 2003 will include a significant focus on cash generation. I am committed to reducing working capital by \$150 million in 2003, and we will utilize the company's free cash flow to pay down \$200 million in debt during the year. To help accomplish this goal, we have changed management's incentive compensation plan, devoting a larger percentage specifically to cash generation.

The past year was devoted to creating a stronger company and laying the foundation that will position us to leverage the increasingly powerful Terex franchise globally and compete successfully as the economy recovers. We have already seen some of the benefits from these actions and will continue to execute on our plans to realize Terex's full potential to grow shareholder value.

Our entire organization joins me in thanking you for your continued support.

Sincerely,



Ronald M. DeFeo

Chairman, President and Chief Executive Officer



CONSTRUCTION

**“A TEREX-BRANDED, CUSTOMER-FOCUSED SALES APPROACH
HAS YIELDED POSITIVE RESULTS IN 2002.”**



Left: The new Terex Generation 7 TA30 articulated truck produced in Motherwell, Scotland, is a proven performer in sand, gravel, and clay conditions at Andrews Plant, in Dorset, UK.

Top: The Terex 860 loader backhoe with its powerful loader, excavator, and attachments is a highly versatile machine.

Bottom: The BL Pegson 4242SR tracked impactor plant, designed to give a controlled product size while maximizing throughput and product shape, is ideal for quarry and demolition/recycling applications.

TEREX CONSTRUCTION: BUILDING THE TEREX BRAND

Terex Construction is a major global competitor in the heavy construction, mobile crushing and screening, and compact equipment product areas. Heavy construction includes the off-highway trucks and scrapers that have long been a core product offering for Terex. Mobile crushing and screening includes the Powerscreen, Finlay and BL Pegson businesses, which have been a part of Terex since 1999. The compact equipment product range has recently expanded, with the acquisitions of Ferrec in late 2000 and the Schaeff Group in early 2002.

Terex Compact Equipment (TCE) was launched in May 2002 to bring the Company's product offerings in this category together under one Terex umbrella. TCE streamlined the sales, service, and marketing efforts for the brands of Ferrec, Benford, Schaeff, and Terex Handlers, offering customers a single point of contact.

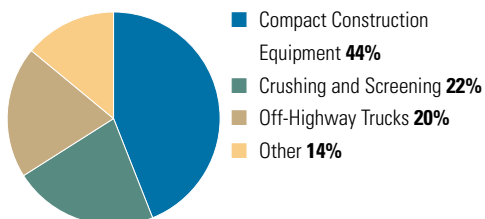
The new group now offers a complete portfolio of products, including loader backhoes, mini and wheeled excavators, site dumpers, telehandlers, compaction equipment and wheel loaders. All are now branded as Terex in the corporate colors of white and gray. Following a successful launch in the United Kingdom, the concept has expanded throughout Europe. Team synergies have resulted in improved service levels and significant sales growth, particularly in the European rental sector. In the North American market, the full Terex compact equipment range is being represented by a growing number of dealers.

This customer-focused approach has yielded notably positive results for Terex in 2002. For example:

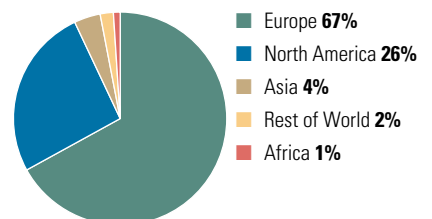
- Global sales of loader backhoes increased by over 35%, led by sales in North America.
- Strong sales in the UK rental market produced record revenues for Benford products.
- Mini excavator sales more than doubled in the UK.

Successful integration of the Terex Compact Equipment sales and marketing team has highlighted further opportunities to offer the Terex value proposition to a growing customer base.

SALES BY PRODUCT LINE



SALES BY GEOGRAPHY



TEREX CRANES: BUILDING A GLOBAL ENTERPRISE

Terex Cranes offers a range of cranes unparalleled in the industry. Products include rough terrain, truck and all-terrain mobile telescopic cranes, crawler and truck mounted lattice boom cranes, tower cranes, and truck mounted boom cranes.

This broad product offering was achieved in 2002 with the acquisition of Demag Mobile Cranes. Demag, a leading manufacturer of mobile telescopic and lattice boom cranes, has strengthened the Terex position in all-terrain cranes, a growing market category over the past several years. Demag also has a leading market position in the 300-ton to 1,600-ton lattice boom crane category, which allows Terex to offer customers a full line of lattice boom cranes with lifting capacities from 60 to 1,600 tons.

The Demag acquisition included four production facilities, three in Germany, and one in Pecs, Hungary, with over one million square feet of production capacity. Since the acquisition, Terex has implemented cost savings through the outsourcing of non-core activities, streamlining of the production process, and improvements in purchasing.

Terex Cranes has taken full advantage of its enhanced global network. In 2002, it merged several locations in the USA, France, Germany, Australia, Italy, Japan, and others, enabling Terex Cranes to more efficiently offer the full product range to its customers. For example, as a result of merging locations in Japan, IHI, a manufacturer of crawler cranes, will market Demag crawler and all-terrain cranes in that country. At the same time, Demag will market the IHI crawlers in Europe.

Due to the technology now available, several new products have been introduced with best-in-class technical characteristics. Manufacturing processes are being adapted to take advantage of the geographical locations of operations in order to optimize transportation costs, customer requirements, and currency exchange rates.

The Company expects the global strategy currently being implemented at Terex Cranes to continue to materially improve productivity and return on invested capital for Terex customers.

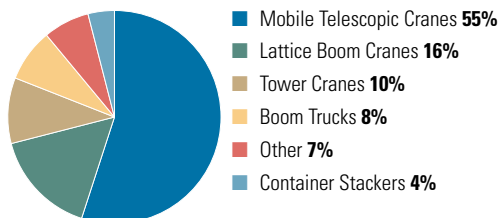


Right: The CC2800 Crawler Crane, a 600 metric ton crane manufactured by Demag being used by ENERCON, one of the largest windmill manufacturers in Germany.

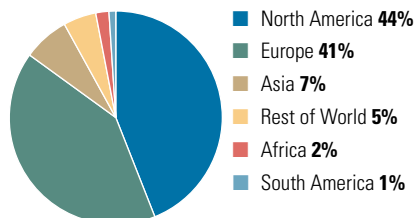
Top: The T790 truck crane has a 90-ton lift capacity, the largest in the 700 series of models manufactured in Waverly, Iowa, USA.

Bottom: The Comedil CTL luffing boom tower crane is designed to be used in high-density urban areas, such as Canary Wharf, London, UK, as pictured.

SALES BY PRODUCT LINE



SALES BY GEOGRAPHY





CRANES

“MANUFACTURING PROCESSES HAVE BEEN ADAPTED TO TAKE ADVANTAGE OF THE GEOGRAPHICAL LOCATIONS OF OPERATIONS.”



ROADBUILDING, UTILITY PRODUCTS & OTHER

**“THE ROADBUILDING PRODUCT LINE PROVIDES AN OFFERING
COMPETITORS CANNOT MATCH.”**



Left: The CMI Terex HVW (Hydraulic Variable Width) series of concrete pavers has the unique, patented capability to instantly change paving width, a feature which saves contractors both time and money.

Top: The Terex Cedarapids ElJay Rollercone crusher offers higher throughput capacities to increase customer productivity and bottom line profits.

Bottom: The Terex Telelect Commander 4000 digger derrick digging holes and setting utility poles in front of Mt. Rushmore in the Black Hills of South Dakota, USA.

TEREX ROADBUILDING, UTILITY PRODUCTS & OTHER: BUILDING CUSTOMER SOLUTIONS

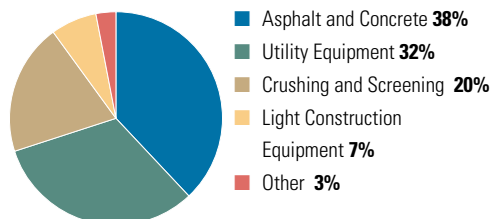
Terex has one of the most comprehensive product ranges in the roadbuilding industry. Terex equipment for the industry falls into two broad categories: crushing and screening of aggregate materials and asphalt and concrete equipment. Crushing and screening solutions for this industry include crushers, screens and feeders from Terex Cedarapids, Canica, Simplicity, and Jaques. Asphalt and concrete equipment includes the pavers manufactured by Terex Cedarapids, the hot mix asphalt (HMA) and concrete production plants, concrete paving machines, pavement rehabilitation machines, and landfill compactors produced by CMI Terex, as well as the concrete mixers produced by Terex Advance Mixer.

In 2002, the sales and marketing teams at Terex Roadbuilding joined forces to create new solutions for customers. On the aggregate materials side of the business, Terex brought together the sales and marketing efforts of Terex Cedarapids, Canica, Simplicity, and Jaques. These products complement each other and provide an offering competitors cannot match. While enjoying the synergistic benefits of merging these efforts, the expertise and independence of the individual entities have been maintained to serve customers most effectively within the various segments of the aggregates industry. In addition, on the asphalt and concrete side of the business, all HMA plant manufacturing, sales, and service efforts have been centralized at one new organization at CMI Terex in Oklahoma City, Oklahoma, USA. The result has been a streamlined, greatly enhanced approach to the customer.

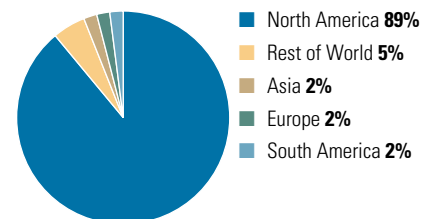
Terex Utilities provides specialized solutions to customers within the electrical and gas utilities, tree care, and telecommunications industries, as well as government agencies. The Terex Utilities network currently operates more than 39 service centers, employing 160 highly skilled field mechanics across North America.

Terex Utilities aggressively expanded control over its distribution network in 2002. Terex began its acquisition of utility distribution companies in the first quarter of 2002 with the purchase of the Pacific Utility Equipment Company. Mid-year it acquired Telelect East and Eusco to form Telelect Southeast Distribution and, most recently, acquired Commercial Body Corporation and Combatel Distribution. Through these acquisitions, customers can expect consistent, dependable product availability, service, and technical advice throughout the United States and Canada.

SALES BY PRODUCT LINE



SALES BY GEOGRAPHY



TEREX AERIAL WORK PLATFORMS: BUILDING DIVERSITY AND MANUFACTURING EFFICIENCY

In September 2002, Terex acquired Genie, a world-class manufacturer of scissor lifts, booms, and aerial work platforms. This acquisition moved Terex to a leading market share position in these product categories. As a result of the acquisition, a new business segment was formed — Terex Aerial Work Platforms.

Genie has been building quality lift equipment since 1966 in Redmond, Washington, USA. The product line currently consists of six product families, ranging from small portable material lifts to large telescopic booms that have working heights of up to 131 feet. Among the many locations where Genie products can be found are construction job sites, highway construction sites, industrial facilities, behind-the-scenes in the entertainment industry, and home improvement projects. This product group will continue to be marketed with its familiar blue labeling as the recognition and quality reputation enjoyed by the Genie brand is yet another valuable asset for the Terex franchise.

Genie products are marketed worldwide through distribution channels that sell and rent equipment. Genie offers customers unrivaled customer service and support, both before and after the sale. Genie also has distribution centers in Europe and Australia, as well as sales and service offices around the world. This wide distribution network offers many cross-selling opportunities for complementary Terex products.

On the factory floor, Genie’s state-of-the-art manufacturing processes are constantly being enhanced. Five years ago, Genie adopted a lean approach to operations and has been on a continuous journey to improve manufacturing efficiencies ever since. This path has led to substantial improvements in supply chain and manufacturing operations. In 2002 alone, the efficiency experts at Genie have:

- Reduced manufacturing space by 220,000 square feet and reduced labor hours per unit, resulting in significant cost savings with no loss of production capacity.
- Improved raw material and WIP inventory turns by over 25%, which improved product lead times by up to 15%.
- Reduced annualized operating costs by approximately \$25 million.

A dynamic, forward-looking Genie, the newest member of the Terex family, holds great promise for the future.

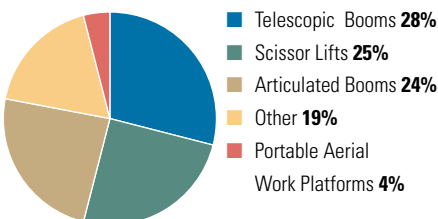


Right: The versatile Genie TMZ-34/20 articulated boom is perfect for use in home repair and painting.

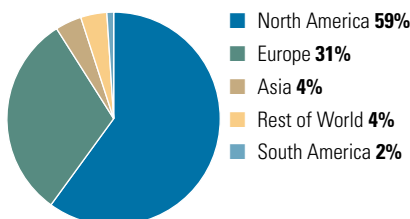
Top: The Genie GS-2668 scissor lift with narrow access capability and working heights to 59 feet is used to perform overhead maintenance at Redmond Town Center in Redmond, Washington, USA.

Bottom: Genie S-65 and S-85 stick booms are performing maintenance on the towers of a limestone plant in Nevada, USA.

SALES BY PRODUCT LINE



SALES BY GEOGRAPHY





AERIAL WORK PLATFORMS

“THE RECOGNITION AND QUALITY REPUTATION ENJOYED BY THE GENIE BRAND IS YET ANOTHER VALUABLE ASSET FOR THE TEREX FRANCHISE.”



MINING

“TEREX MINING IS FINDING WORKABLE, COST-EFFECTIVE SOLUTIONS TO TODAY’S MARKET CHALLENGES.”

**TEREX MINING: BUILDING A DYNAMIC COMPANY
IN A TOUGH ENVIRONMENT**

Terex Mining is a leading supplier of mining shovels and haul trucks with operations and offices around the world. Focused on the surface mining segment, the group includes the operations of O&K Mining and Unit Rig. Demand in the mining industry has been lackluster in recent years due, in part, to depressed commodity prices and above-average inventory levels.

In 2002, Terex Mining positioned itself to succeed in this demanding environment by effectively scaling back manufacturing and adapting product offerings to attract new customers. To improve the cost structure of the truck business, Terex Mining closed its manufacturing facility in Tulsa, Oklahoma, USA and structured a long-term alliance agreement with Noble Heavy Construction. Noble will now provide outsourced labor and value-added manufacturing for the complete line of Unit Rig and Payhauler products. This alliance will allow the company's truck business to better manage the cyclical nature of demand and improve margin contribution.

To expand its potential customer base, Terex Mining developed new products in 2002, including the 3300 AC truck, which handles a 150-ton payload. This product is one of the group's most versatile, with crossover opportunities in the mining and aggregates markets. This is an important platform for growth, as aggregates applications may lead to new opportunities that have not been traditionally serviced by the Terex Mining truck business.

The business also concentrated on quality improvements to improve customer return on invested capital. At O&K Mining in Dortmund, Germany, the design engineering team delivered more than 350 individual improvements to attachments, undercarriages, and other aspects of the mining shovel design to extend the life of the machines.

Terex Mining is finding workable, cost-effective solutions to today's market challenges and will continue to employ innovative approaches in the future.

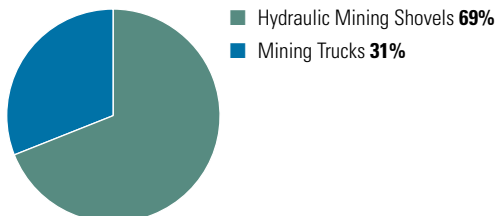


Left: The O&K RH400 1000-ton hydraulic excavator, owned by the mining contractor North American Construction Group, at work in the the Albian Sands Muskeg River Mine Project in Fort McMurray, Alberta, Canada.

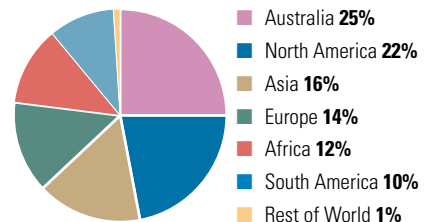
Top: The RH 120 hydraulic excavator, manufactured by O&K in Dortmund, Germany, is a perfect match with the TR 100 rigid truck, manufactured by Terex Equipment Limited in Motherwell, Scotland.

Bottom: With a 260-ton payload and a 2700 HP diesel engine, the Terex Mining Truck TMT 260AC is ready for high volume surface mining applications.

SALES BY PRODUCT LINE



SALES BY GEOGRAPHY



TEREX CORPORATION

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Treasurer

Phillip C. Widman
Senior Vice President and Chief Financial Officer

BUSINESS OPERATIONS

Terex Construction

Colin Robertson
President, Terex Construction
Motherwell, Scotland
Telephone: 44-1698-732121
Fax: 44-1698-832477

Terex Cranes

Fil Filipov
President, Terex Cranes
Terex Cranes - North America
Waverly, Iowa, USA
Telephone: 319-352-3920
Fax: 319-352-9395

Terex Cranes - Europe & International

Zweibrucken, Germany
Telephone: 49-6332-830
Fax: 49-6332-831680

Terex Roadbuilding, Utility Products & Other

Arthur L. Kaplan
President, Terex Roadbuilding
Oklahoma City, Oklahoma, USA
Telephone: 405-787-6020
Fax: 405-491-2417

Rick Nichols

Vice President and
General Manager, Cedarapids
Cedar Rapids, Iowa, USA
Telephone: 319-363-3511
Fax: 319-399-4871

Chris Ragot

President, Terex Utilities
Watertown, South Dakota, USA
Telephone: 605-882-4000
Fax: 605-882-1842

Kerry O'Sullivan

President, Terex Light Construction
Rock Hill, South Carolina, USA
Telephone: 803-324-3011
Fax: 803-366-1101

Terex Aerial Work Platforms

Robert R. Wilkerson
President, Terex Aerial Work Platforms
Redmond, Washington, USA
Telephone: 425-881-1800
Fax: 425-883-3475

Terex Mining

Matthys J. de Beer
President, Terex Mining
Tulsa, Oklahoma, USA
Telephone: 918-445-5905
Fax: 918-445-5819

Terex Parts Distribution Center

Southaven, Mississippi, USA
Telephone: 662-393-1800
Fax: 662-393-1700

CORPORATE HEADQUARTERS

Terex Corporation
500 Post Road East, Suite 320
Westport, Connecticut 06880, USA
Telephone: 203-222-7170
Fax: 203-222-7976
Website: www.terex.com

Terex Employees Worldwide

11,975 Full-time

SHAREHOLDER INFORMATION

Transfer Agent and Registrar

American Stock Transfer & Trust Company
59 Maiden Lane, Plaza Level
New York, New York 10038
800-937-5449
212-936-5100

Shareholders seeking information concerning stock transfers, change of addresses and lost certificates should contact the Company's stock transfer agent directly.

American Stock Transfer & Trust Company may also be contacted at www.amstock.com.

Stock Information

Stock Symbol: TEX

TEX
LISTED
NYSE

Stock Exchange:
New York Stock Exchange

The high and low quarterly sales prices for the past two years of Terex Corporation are as follows:

	Q1	Q2	Q3	Q4
2002				
High	23.79	27.40	22.49	17.82
Low	15.00	21.20	16.33	9.90
2001				
High	20.35	24.50	22.94	19.00
Low	14.50	16.75	15.35	15.78

Annual Report/Form 10-K

Additional copies of the Annual Report/Form 10-K are available from Terex corporate headquarters by calling 203-222-5942.

Annual Meeting

The Annual Meeting of Shareholders will be held at 10:00 a.m. (Eastern Time) on Thursday, May 22, 2003, at Terex Corporation, 500 Post Road East, Suite 320, Westport, Connecticut, USA.



For additional information
about our company
and our expanding line
of products, please
visit our website
www.terex.com

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This Annual Report contains forward-looking information based on Terex's current expectations. Because forward-looking statements involve risks and uncertainties, actual results could differ materially. For a more detailed description of such risks and uncertainties, see Terex's Annual Report on Form 10-K, included with this Annual Report, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward Looking Information." The forward-looking statements contained herein speak only as of the date of this Annual Report. Terex expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained in this Annual Report to reflect any change in its expectations.



Terex Corporation

500 Post Road East, Suite 320

Westport, CT 06880

(203) 222-7170

www.terex.com