TEREX CORP
Form 11-K
June 28, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K
ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from __________ to __________

Commission file number ____________________

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

The Terex Corporation and Affiliates' 401(k) Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Terex Corporation
500 Post Road East, Suite 320
Westport, Connecticut 06880

TEREX CORPORATION AND AFFILIATES'
401(k) RETIREMENT SAVINGS PLAN

Financial Statements
December 31, 2003

TEREX CORPORATION AND AFFILIATES'
401(k) RETIREMENT SAVINGS PLAN

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* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee of the
Terex Corporation and Affiliates'
401(k) Retirement Savings Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Terex Corporation and Affiliates' 401(k) Retirement Savings Plan (the "Plan") at December 31, 2003 and 2002, and the changes in net assets available for benefits for the year ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of Schedule of Assets (Held at End of Year) and Schedule of Nonexempt Transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

Stamford, Connecticut
June 24, 2004

TEREX CORPORATION AND AFFILIATES'
401(k) RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31

	2003	2002
ASSETS -		
Investments:		
Investments at fair value............	$ 124,064,379	$ 55,697,914
Commingled pool of investments at fair value.........................	2,164,995	1,764,301
Investments at contract value.........	9,897,084	9,336,872
Participant loans....................	6,886,297	3,908,234
Total investments..............	143,012,755	70,707,321
Receivables:		
Participants' contributions...........	487,424	321,739
Employer's contributions.............	258,896	99,871
Total receivables................	746,320	421,610
NET ASSETS AVAILABLE FOR BENEFITS.........	$ 143,759,075	$ 71,128,931

See accompanying notes to financial statements.

TEREX CORPORATION AND AFFILIATES'
401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2003

ADDITIONS:	
Net appreciation in fair value of investments	$ 28,197,067
Interest and dividends from investments	2,409,941
Interest from participant loans	480,493
Employee contributions	9,647,704
Employer contributions	4,040,248
Rollover contributions	640,397
Transfer-in from other plans	39,953,422
Total additions	85,369,272
DEDUCTIONS:	
Withdrawals	(12,680,675)
Administrative fees	(58,453)
Total deductions	(12,739,128)
NET INCREASE	72,630,144
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	71,128,931
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 143,759,075

See accompanying notes to financial statements.

TEREX CORPORATION AND AFFILIATES'
401(k) RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following description of the Terex Corporation and Affiliates' 401(k) Retirement Saving Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan that covers certain salaried and hourly employees of Terex Corporation and its subsidiaries ("Terex" or the "Company") meeting minimum eligibility requirements. Certain officers of Terex serve as trustees of the Plan (the "Trustees"). The investments of the Plan are held in a trust account by Fidelity Management Trust Company ("Fidelity") and Massachusetts Mutual Life Insurance Company ("MassMutual").

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

An Administrative Committee, consisting of at least three members appointed by the Company's Board of Directors, administers the benefit structure of the Plan. The Company is considered the Plan Administrator for purposes of ERISA.

On September 18, 2002, the Company completed the acquisition of Genie Industries, Inc. and its affiliates ("Genie"). The Genie Industries Inc. Profit Sharing 401(k) Plan (the "Genie Plan") merged into the Plan effective February 1, 2003, at which time Genie's employees became eligible to participate in the Plan. In connection with the merger, assets valued at $37,857,384 were transferred into the Plan from the Genie Plan on February 1, 2003.

On March 26, 2002, the Company completed the acquisition of Telelect Southeast Distribution Inc., ("Telelect SE"). The Telelect East 401(k) Retirement Plan (the "Telelect East Plan") merged into the Plan on April 1, 2003, at which time Telelect SE's employees became eligible to participate in the Plan. In connection with the merger, assets valued at $2,096,038 were transferred into the Plan from the Telelect East Plan on April 1, 2003.

Participant Eligibility - Permanent non-represented employees may begin participation on the first day of the month following their hiring. Eligibility for represented employees is as follows: Koehring Cranes, Inc. after they complete three months of service; and American Crane and Cedarapids are eligible to participate in the Plan on the first day of the month following their hiring.

Participant Contributions - Participants may contribute a maximum of 80% (20% prior to January 1, 2002) of their compensation to the Plan in any combination of pre-tax or post-tax earnings. The maximum pre-tax contribution permitted under Internal Revenue Service ("IRS") regulations in 2003 and 2002 was $12,000 and $11,000, respectively. Participants age 50 and older can elect to make additional pre-tax contributions ("catch-up contributions") up to the limits prescribed by IRS regulations. These additional catch-up contributions are not eligible for matching employer contributions.

Employer Contributions - With the exception of employees at CMI Corporation ("CMI"), Pacific Utilities Equipment Company ("Pacific Utilities"), Genie and employees represented by collective bargaining units, the Company contributes 50% of the first 8% of base compensation that a participant contributes to the Plan. The Company contributes 15% of the amount that a CMI employee contributes to the Plan, Pacific Utilities employees receive company match of 50% of the first 4% contributed to the Plan, and Genie employees receive company match of 100% of the first 4% contributed to the

Plan, subject to IRS limits.

For represented employees, the employer contributions are as follow: Koehring Cranes, Inc. employees receive no employer match; American Crane provides that Terex will match 50% of the first 8% of the employee's contribution; and Cedarapids provides that Terex will match 100% of the first 4% of the employee's salary that is contributed to the Plan. The Company may make, in its sole discretion, supplementary contributions.

All Company contributions are restricted and are made in Terex Common Stock. However, each calendar year on the first business day of the second quarter, all restricted Company matching contributions in Terex Common Stock will be reclassified to unrestricted, thereby allowing participants to exchange the value of Terex Common Stock into other investment options. All Company matching contributions posted thereafter will once again be restricted and invested in Terex Common Stock until the following first business day of the second quarter.

Contribution Limits - Contributions are limited in that the sum of: a) total employer contributions and b) total employee pre-tax contributions and c) total employee post-tax contributions, cannot exceed the lesser of: i) $40,000 or ii) 100% of the participant's total compensation for the year. Participants are able to direct current contributions and redistribute accumulated contributions and earnings between investment funds.

Vesting - Participants are immediately fully vested in their voluntary contributions plus any actual earnings thereon. Participants vest in the employer contribution after one year of eligible service with the exception of the employees of Genie who are immediately vested in all Company matching contributions under a safe harbor provision.

Forfeitures - Nonvested employer contributions of employees that have separated from the Company become forfeitures