

Fourth Quarter 2008  
Financial and Operational Results  
February 9, 2009



# Forward Looking Statements

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Statements that are not historical facts, including the projections of future sales, earnings, production levels, market share improvements, availability of financing, general economic conditions, currency translation impacts, farm income, working capital improvement, cash flow, margins, effective tax rate, interest expense, retail sales financing, pricing levels, capital expenditures and strategic initiatives, are forward-looking and subject to risks which could cause actual results to differ materially from those suggested by the statements. The following are among the factors that could cause actual results to differ materially from the results discussed in or implied by the forward-looking statements: our results depend entirely on the agricultural industry, we depend upon suppliers for components and parts, a majority of our sales and manufacturing takes place outside the United States, and we are subject to exchange and interest rate changes. Further information concerning these and other factors is included in AGCO's filings with the SEC, including its Form 10-K for the year ended December 31, 2007 and the Form 10-Q for the quarter ended September 30, 2008. The Company disclaims any responsibility to update any forward-looking statements.

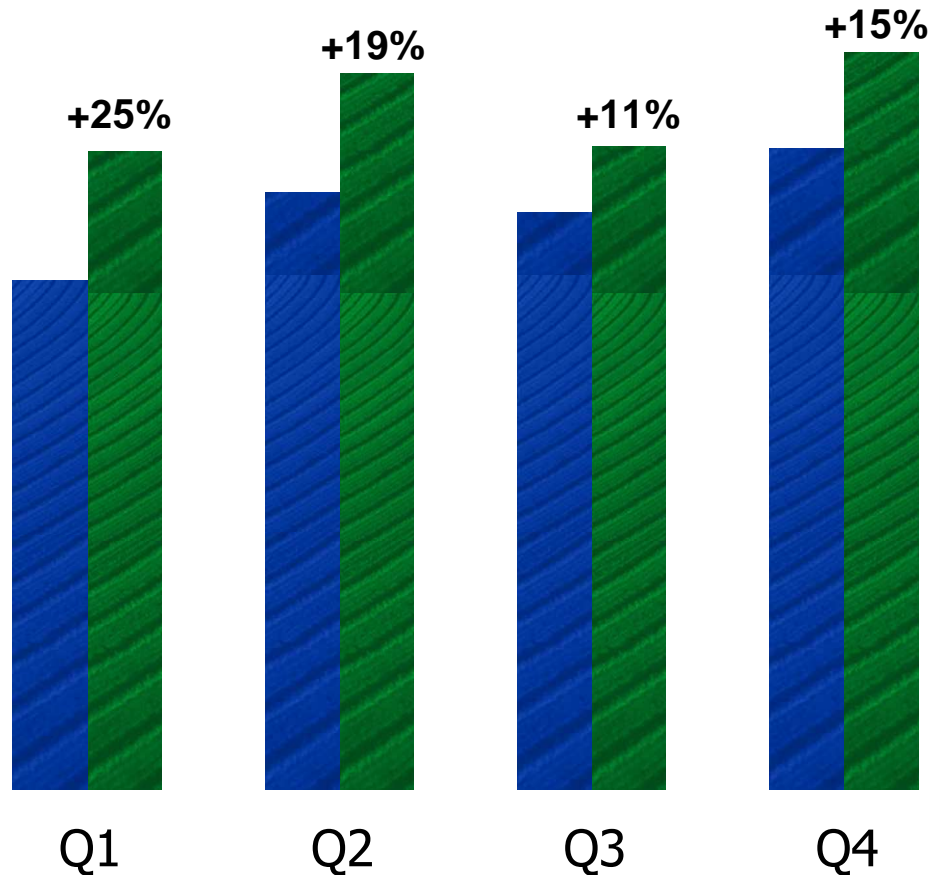
# Financial Summary

	<u>Q408</u>	<u>Q408 vs</u> <u>Q407</u>	<u>YTD</u> <u>2008</u>	<u>YTD08 vs</u> <u>YTD07</u>
Net Sales (\$Ms)	<b>2,157.2</b>	<b>-0.5%</b>	<b>8,424.6</b>	<b>+23.4%</b>
Gross Profit* (\$Ms)	<b>376.2</b>	<b>+ 2.5%</b>	<b>1,499.7</b>	<b>+25.9%</b>
Adj. Op. Inc.* (\$Ms)	<b>139.9</b>	<b>+9.2%</b>	<b>565.2</b>	<b>+44.0%</b>
Adj. Op. Margin*	<b>6.5%</b>	<b>+0.6%</b>	<b>6.7%</b>	<b>+1.0%</b>
Adj. Diluted EPS*	<b>\$1.08</b>	<b>+\$0.26</b>	<b>\$4.09</b>	<b>+\$1.57</b>

\*Reflects adjusted results, which exclude restructuring and other infrequent items. Please see our SEC filings for more information.

# Tractor/Combine Production

## Production Units



- Production up 15% in Q408 vs Q407
- Total 2008 production increased 18% from 2007
- 2009 Production rates expected to be down from 2008 levels

■ 2007 Production      ■ 2008 Production

# Industry Overview

## December YTD Retail Units

### North America

### YTD08 vs YTD07

Tractors	– Industry	-7%
	– AGCO	↓
Combines	– Industry	+22%
	– AGCO	↑

### Europe

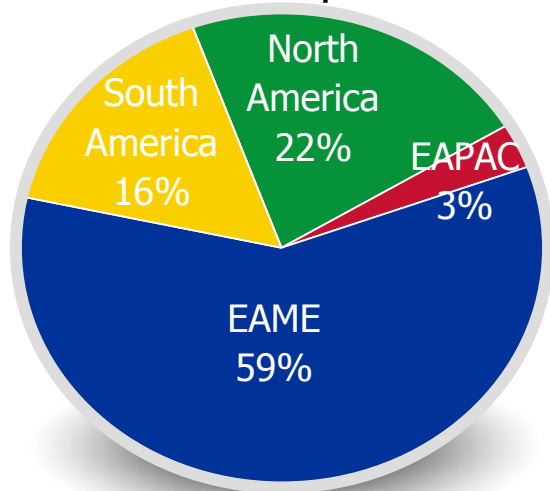
Tractors	– Industry	+7%
	– AGCO	↑

### South America

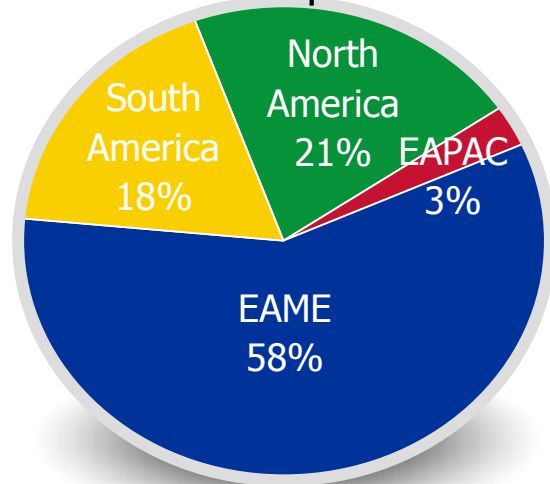
Tractors	– Industry	+30%
	– AGCO	↑
Combines	– Industry	+50%
	– AGCO	↑

# Regional Net Sales Results

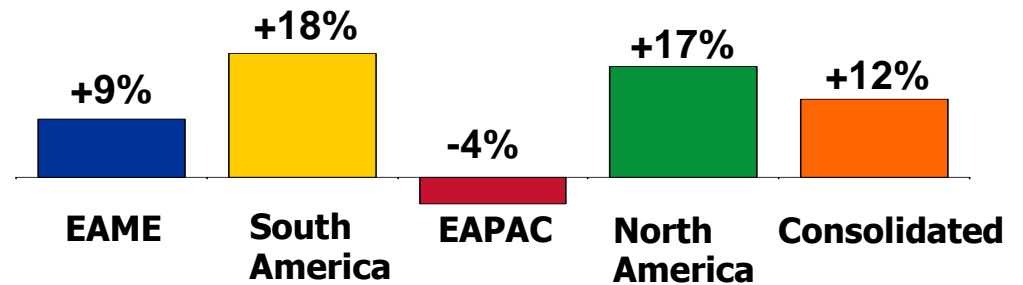
**YTD 2007 \$6.8 billion**



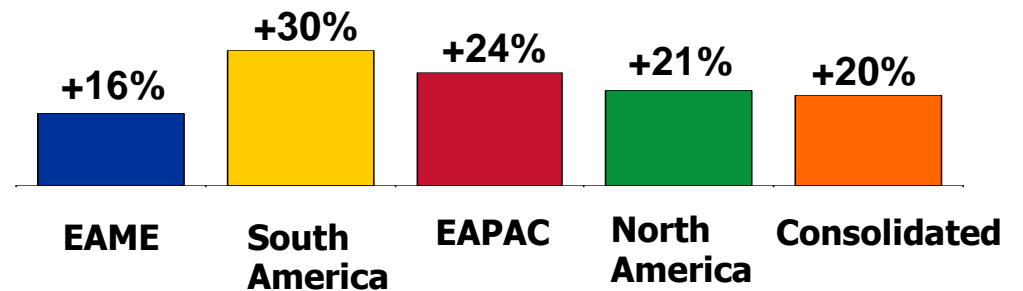
**YTD 2008 \$8.4 billion**



**Q408 vs Q407 Net Sales Excl. Translation**

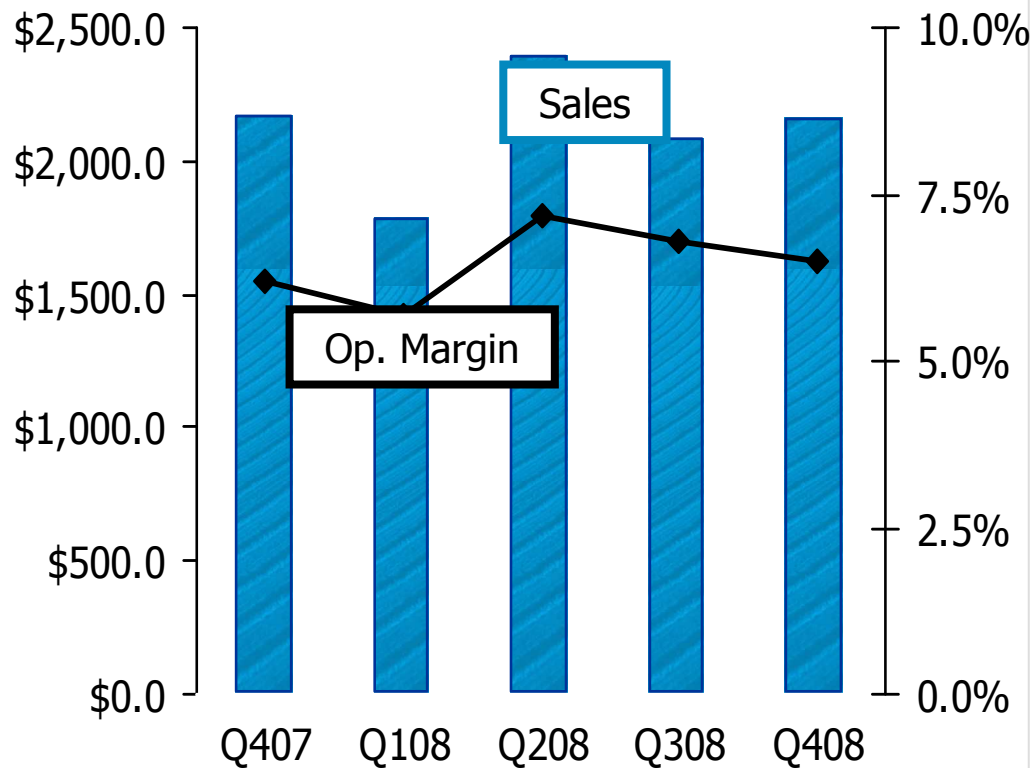


**YTD 08 vs YTD 07 Net Sales Excl. Translation**

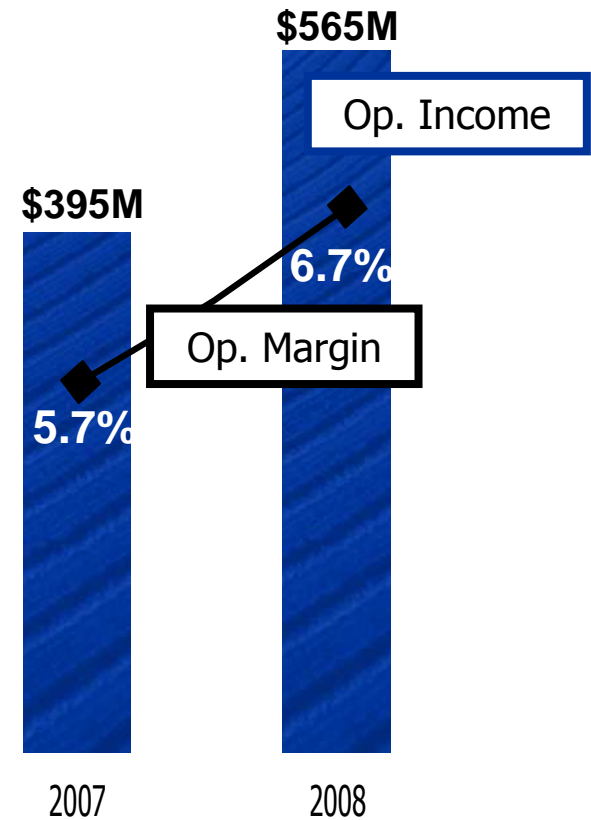


# Sales and Margins

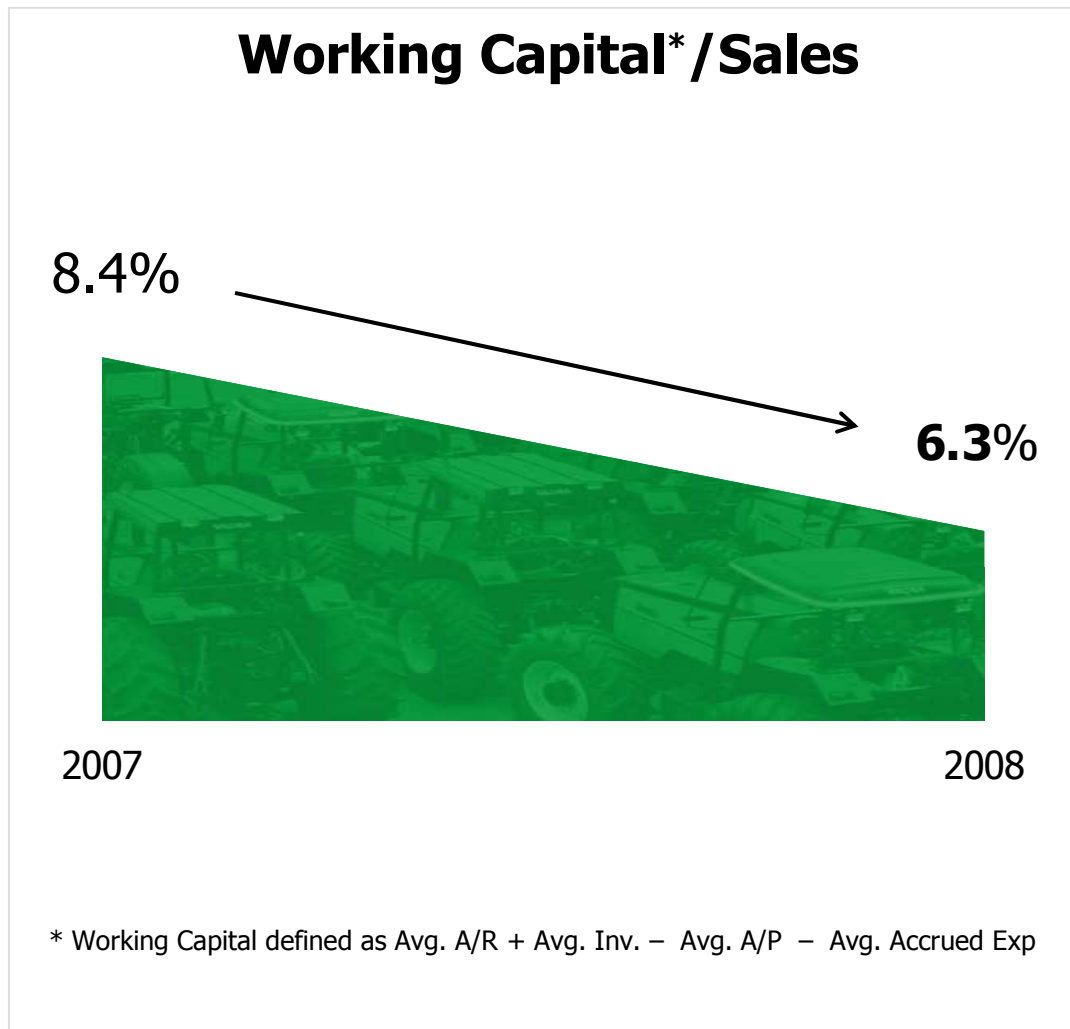
## Continuing to Invest



## Full Year Adj. Op. Margins



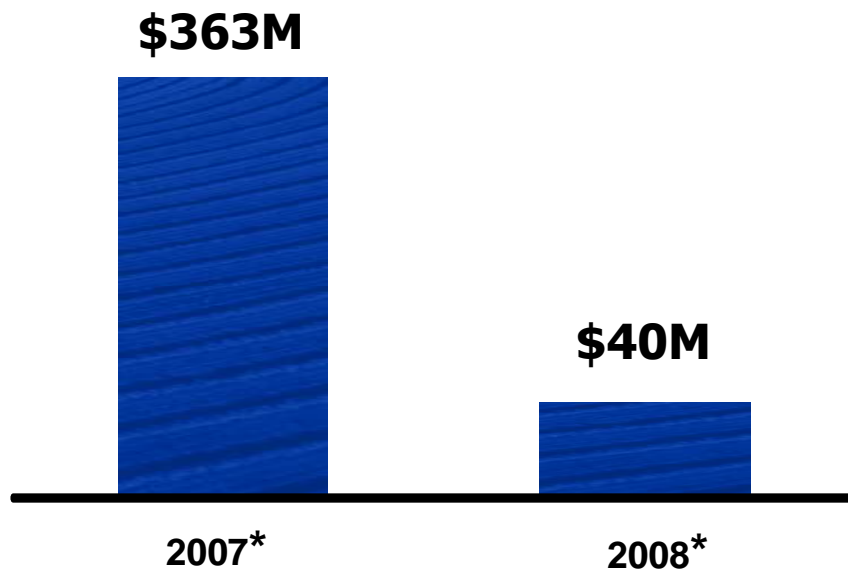
# Progress in Reducing Working Capital



- Progress in dealer inventory months supply
- Long-term initiatives
  - build to order
  - distribution strategies
  - lean manufacturing



# Annual Free Cash Flow



- 2008 Free Cash Flow impacted by:
  - Increased Capital Expend.
  - Supplier constraints
  - Customer credit

\* 12 Months Ended December 31

Note: Free Cash flow is defined as net cash from operations less capital expenditures

# 2009 Planning Assumptions


## Summary

- Significant uncertainty due to financial crisis and global recession
- Agricultural industry sales
  - NA down approximately 5% vs. 2008
  - SA down 20-30% vs. 2008
  - Western Europe down 5-10% vs. 2008
- Currency impacts reduce sales by \$800 million to \$900 million
- 4% pricing increases
- Increased engineering expense for new product development and tier 4 emission requirements
- Gross margin improvement
- New accounting rule for convertible debt will result in an additional \$15M of non-cash interest expense



# 2009 Targets

	2009 Estimates
Total sales	<b>\$7.5B-\$7.8B</b>
Diluted EPS	<b>\$3.00-\$3.25</b>
Capital expenditures	<b>\$275-325 M</b>
Free cash flow*	<b>\$150-\$200M</b>



\*Free cash flow is defined as net cash from operations less capital expenditures.

# GAAP To NON-GAAP Reconciliation

Three Months Ended December 31,

	2008			2007		
	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>
As adjusted	\$ 139.9	\$ 102.0	\$ 1.08	\$ 128.1	\$ 81.0	\$ 0.82
Restructuring and other infrequent income <sup>(2)</sup>	(0.1)	—	—	(0.1)	(0.1)	—
As reported	<u>\$ 140.0</u>	<u>\$ 102.0</u>	<u>\$ 1.08</u>	<u>\$ 128.2</u>	<u>\$ 81.1</u>	<u>\$ 0.82</u>

(1) After tax.

# GAAP To NON-GAAP Reconciliation

	Years Ended December 31,					
	2008			2007		
	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>
As adjusted	\$ 565.2	\$ 400.2	\$ 4.09	\$ 392.5	\$ 243.7	\$ 2.52
Restructuring and other infrequent expenses (income) <sup>(2)</sup>	0.2	0.2	—	(2.3)	(2.6)	(0.03)
As reported	<u>\$ 565.0</u>	<u>\$ 400.0</u>	<u>\$ 4.09</u>	<u>\$ 394.8</u>	<u>\$ 246.3</u>	<u>\$ 2.55</u>

(1) After tax.

# GAAP To NON-GAAP Reconciliation

## Free Cash Flow

	Year ended December 31, 2008	Year ended December 31, 2007
Net cash provided by operating activities	\$ 291.3	\$ 504.3
Less:		
Capital expenditures	(251.3)	(141.4)
Free cash flow	<u>\$ 40.0</u>	<u>\$ 362.9</u>

Note: Free Cash flow is defined as net cash from operations less capital expenditures