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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER: 1-12930

AGCO CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	58-1960019 (I.R.S. Employer Identification No.)
4205 RIVER GREEN PARKWAY, DULUTH, GEORGIA (Address of principal executive offices)	30096 (Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:
(770) 813-9200

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be file by section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of common stock held by non-affiliates of the Registrant as of the close of business on March 15, 2002 was $1,593,136,783. As of such date, there were 74,147,779 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the Annual Meeting of Stockholders to be held on April 25, 2002 are incorporated by reference in Part III.

PART I

ITEM 1. BUSINESS

AGCO Corporation ("AGCO," "we," "us," or the "Company") was incorporated in Delaware in April 1991. Our executive offices are located at 4205 River Green Parkway, Duluth, Georgia 30096, and our telephone number is 770-813-9200. Unless otherwise indicated, all references in this Form 10-K to the Company include our subsidiaries.

GENERAL

We are a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. We sell a full range of agricultural equipment, including tractors, combines, self-propelled sprayers, hay tools, forage equipment and implements. Our products are widely recognized in the agricultural equipment industry and are marketed under the following brand names: AGCO(R), AGCO()(R)Allis, AGCOSTAR(R), Ag-Chem(R), Farmhand(R), FENDT(TM), Fieldstar(R), GLEANER(R), Glencoe(R), Hesston(R), Lor(*)Al()(R), Massey Ferguson(R), New Idea(R), RoGator(R), SOILTEQ, Spra-Coupe(R), Terra-Gator(R), Tye(R), White Tractors, White Planters and Willmar(R). We distribute most of our products through a combination of approximately 7,350 independent dealers and distributors, associates and licensees. In addition, we provide retail financing in North America, the United Kingdom, France, Germany, Spain, Ireland and Brazil through our finance joint ventures with Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland," which we refer to in this document as "Rabobank".

We were organized in June 1990 by an investment group formed by management to acquire the successor to the agricultural equipment business of Allis-Chalmers, a company which began manufacturing and distributing agricultural equipment in the early 1900s. Since our formation in June 1990, we have grown substantially through a series of 19 acquisitions for consideration aggregating approximately $1.6 billion. These acquisitions have allowed us to broaden our product lines, expand our dealer network and establish strong market positions in several new markets throughout North America, South America, Western Europe and the rest of the world. We have achieved significant cost savings and efficiencies from our acquisitions by eliminating duplicate administrative, sales and marketing functions, rationalizing our dealer network, increasing manufacturing capacity utilization and engineering common product platforms for certain products. In addition, we are focusing our efforts on long-term growth and profit improvement initiatives including developing new and innovative products, expanding and strengthening our distribution network, reducing product costs, maintaining a flexible production strategy, and utilizing efficient asset management.

CATERPILLAR CHALLENGER ACQUISITION

On March 5, 2002, we completed our acquisition of the design, assembly and marketing of Caterpillar Inc.'s new MT Series of Challenger tractors. We issued approximately 1.0 million shares of common stock in the transaction valued at approximately $21 million based on the closing price of our common stock on the acquisition date. In addition, we expect to purchase approximately $13 million of initial production inventory from Caterpillar. The addition of the Challenger tractor line provides us with a technological leader in high horsepower track-type tractors that will be marketed on a worldwide basis primarily through the Caterpillar distribution organization. Furthermore, we plan to provide Caterpillar dealers with additional products that should broaden their equipment offerings and enhance their competitive position. The results of operations for this product line will be included in our results as of the date of the acquisition.

TRANSACTION HISTORY

The following is a description of the major acquisitions that we have completed since our formation:

Hesston Acquisition. In March 1991, we acquired Hesston Corporation, a leading manufacturer and distributor of hay tools, forage equipment and related replacement parts. The assets we acquired included

Hesston's 50% interest in a joint venture, Hay and Forage Industries, or HFI, between Hesston and CNH Global N.V., which manufactured hay and forage equipment for both parties. As noted below, we subsequently acquired the remaining 50% interest in HFI in 2000. Hesston's net sales in its full fiscal year preceding the acquisition were approximately $91.0 million. The acquisition enabled us to provide our dealers with a more complete line of farm equipment and to expand our dealer network.

White Tractor Acquisition. In May 1991, we acquired the White Tractor Division of Allied Products Corporation. White Tractor's net sales in its full fiscal year preceding the acquisition were approximately $58.3 million. As a result of our acquisition of White Tractor, we added a new line of tractors to our product offerings and expanded our North America dealer network.

Massey Ferguson North American Acquisition. In January 1993, we entered into an agreement with Varity Corporation to be the exclusive distributor in the United States and Canada of the Massey Ferguson line of farm equipment. Concurrently, we acquired the North American distribution operation of Massey Ferguson Group Limited from Varity. Net sales attributable to Massey's North American distribution operation in the full fiscal year preceding the acquisition were approximately $215.0 million. Our acquisition of Massey North America provided us with access to another leading brand name in the agricultural equipment industry and enabled us to expand our dealer network.

White-New Idea Acquisition. In December 1993, we acquired the White-New Idea Farm Equipment Division of Allied Products Corporation. White-New Idea's net sales in 1993 were approximately $83.1 million. Our acquisition of White-New Idea enabled us to offer a more complete line of planters and spreaders and a broader line of hay and tillage equipment.

Agricredit-North America Acquisition. We acquired Agricredit Acceptance Company, a retail finance company, from Varity in two separate transactions. We acquired an initial 50% joint venture interest in Agricredit in January 1993 and acquired the remaining 50% interest in February 1994. Our acquisition of Agricredit enabled us to provide more competitive and flexible financing alternatives to end users in North America.

Massey Ferguson Acquisition. In June 1994, we acquired Massey from Varity, including Massey's network of independent dealers and distributors and associate and licensee companies outside the United States and Canada. At the time of our acquisition, Massey was one of the largest manufacturers and distributors of tractors in the world with fiscal 1993 net sales of approximately $898.4 million (including net sales to us of approximately $124.6 million). Our acquisition of Massey significantly expanded our sales and distribution outside North America.

AgEquipment Acquisition. In March 1995, we further expanded our product offerings through our acquisition of AgEquipment Group, a manufacturer and distributor of farm implements and tillage equipment. Through our acquisition of AgEquipment, we added three brands of agricultural implements to our product line, including no-till and minimum tillage products, distributed under the Tye, Farmhand and Glencoe brand names.

Maxion Acquisition. In June 1996, we acquired the agricultural and industrial equipment business of Iochpe-Maxion S.A. Iochpe-Maxion's agricultural equipment business which had 1995 sales of approximately $265.0 million, Iochpe Maxion's agricultural equipment business was our Massey Ferguson licensee in Brazil, and manufactured and distributed agricultural tractors and combines under the Massey Ferguson brand name and industrial loader-backhoes under the Massey Ferguson and Maxion brand names. This acquisition expanded our product offerings and distribution network in South America, particularly in the significant Brazilian agricultural equipment market.

Western Combine Acquisition. In July 1996, we acquired assets of Western Combine Corporation and Portage Manufacturing, Inc., our suppliers of Massey Ferguson combines and other harvesting equipment sold in North America. This acquisition provided us with access to advanced technology and increased our profit margin on some of our combines and harvesting equipment sold in North America.

Agricredit-North America Joint Venture. In November 1996, we sold a 51% interest in Agricredit to a wholly-owned subsidiary of Rabobank. We retained a 49% interest in Agricredit and now operate Agricredit with Rabobank as a joint venture. We have similar joint venture arrangements with Rabobank with respect to our retail finance companies located in the United Kingdom, France, Germany, Spain and Brazil. In July 2000, the Agricredit joint venture was renamed AGCO Finance LLC.

Deutz Argentina Acquisition. In December 1996, we acquired the operations of Deutz Argentina S.A. Deutz Argentina was a manufacturer and distributor of agricultural equipment, engines and light duty trucks in Argentina and other markets in South America with 1995 sales of approximately $109.0 million. Our acquisition of Deutz Argentina established us as a leading supplier of agricultural equipment in Argentina. In February 1999, we sold our manufacturing operations in Haedo, Argentina, which allowed us to consolidate the assembly of tractors into an existing facility in Brazil.

Fendt Acquisition. In January 1997, we acquired the operations of Xaver Fendt GmbH & Co. KG, commonly referred to as "Fendt." Fendt, which had 1996 sales of approximately $650.0 million, manufactures and distributes tractors through a network of independent agricultural cooperatives, dealers and distributors in Germany and throughout Europe and Australia. With this acquisition, we have a leading market share in Germany and France, two of Europe's largest agricultural equipment markets, with one of the most technologically advanced line of tractors in the world. In December 1997, we sold Fendt's caravan and motor home business in order to focus on our core agricultural equipment business.

Dronningborg Acquisition. In December 1997, we acquired the remaining 68% of Dronningborg Industries a/s, which was our supplier of combine harvesters sold under the Massey Ferguson brand name in Europe. Prior to this acquisition, we owned 32% of this combine manufacturer. Dronningborg develops and manufactures combine harvesters exclusively for us. Our acquisition of Dronningborg enabled us to achieve synergies within our worldwide combine manufacturing.

Argentina Engine Joint Venture. In December 1997, we sold 50% of Deutz Argentina's engine production and distribution business to Deutz AG, a global supplier of diesel engines in Cologne, Germany. We retained a 50% interest in the engine business and now operate it with Deutz AG as a joint venture.

MF Argentina Acquisition. In May 1998, we acquired the distribution rights for the Massey Ferguson brand in Argentina. This acquisition expanded our distribution network in the second largest market in South America.

Spra-Coupe and Willmar Acquisitions. In July 1998, we acquired the Spra-Coupe product line, a brand of agricultural self-propelled sprayers sold primarily in North America. In October 1998, we acquired the Willmar product line, a brand of agricultural self-propelled sprayers, spreaders and loaders sold primarily in North America. These two products lines had combined net sales of approximately $81.8 million in their respective full fiscal years preceding these acquisitions. These acquisitions expanded our product offerings to include a full line of self-propelled sprayers.

HFI Acquisition. In May 2000, we acquired from CNH-Global N.V. its 50% share in HFI. The acquisition terminated the joint venture agreement with CNH, thereby providing us with sole ownership of the facility. HFI develops and manufactures hay and forage equipment and implements that we sell under various brand names. In 2000, we closed our Coldwater, Ohio; Lockney, Texas; and Independence, Missouri manufacturing facilities. In 2001, we completed the relocation of the majority of production from these facilities to HFI.

Ag-Chem Acquisition. In April 2001, we acquired Ag-Chem Equipment Co., Inc., a manufacturer and distributor of self-propelled fertilizer and chemical sprayers for pre-emergent and post-emergent applications. Ag-Chem had net sales of approximately $298.8 million in its fiscal year preceding the acquisition. This acquisition provided us a leading position in the self-propelled sprayer market.

PRODUCTS

TRACTORS

Our compact tractors are sold under the AGCO or Massey Ferguson brand name and typically are used on small farms and in specialty agricultural industries, such as dairies, landscaping and residential areas. We also offer a full range of tractors in the utility tractor category ranging primarily from 40-100 horsepower including both two-wheel and all-wheel drive versions. We sell utility tractors under the AGCO, Massey Ferguson, Fendt, AGCO Allis and White brand names. The utility tractors are typically used on small- and medium-sized farms and in specialty agricultural industries, such as orchards and vineyards. In addition, we offer a full range of tractors in the high horsepower segment ranging primarily from 100 to 425 horsepower. High horsepower tractors typically are used on larger farms and on cattle ranches for hay production. We sell high horsepower tractors under the AGCO, Massey Ferguson, Fendt, AGCO Allis, White and AGCOSTAR brand names. In 2001, we introduced the AGCO brand tractor for the North American market, which replaced both the AGCO Allis and White brand tractors and merged their respective dealer networks. Tractors accounted for approximately 57% of our net sales in 2001, 63% in 2000 and 64% in 1999.

COMBINES

We sell combines under the GLEANER, Massey Ferguson, Fendt and AGCO Allis brand names. Depending on the market, GLEANER and Massey Ferguson combines are sold with conventional or rotary technology, while the Fendt and AGCO Allis combines utilize conventional technology. All combines are complemented by a variety of crop-harvesting heads, available in different sizes, which are designed to maximize harvesting speed and efficiency while minimizing crop loss. Combines accounted for approximately 8% of our net sales in 2001, 6% in 2000 and 7% in 1999.

SPRAYERS

We offer self-propelled, three- and four-wheeled vehicles and related equipment for use in the application of liquid and dry fertilizers and crop protection chemicals. We manufacture chemical sprayer equipment for use both prior to planting crops (pre-emergence) and after crops emerge from the ground (post-emergence) under the RoGator, Terra-Gator, Spra-Coupe, Lor(*)Al and Willmar brand names. The RoGator, Terra-Gator and Lor(*)Al product lines were acquired in 2001 through the Ag-Chem acquisition. Other related equipment includes vehicles used for waste application, specifically designed for subsurface liquid injection and surface spreading of biosolids, i.e., sewage sludge and other farm or industrial waste that can be safely used for soil enrichment. Sprayers accounted for approximately 6% of our net sales in 2001, 1% in 2000 and 1% in 1999.

HAY TOOLS AND FORAGE EQUIPMENT, IMPLEMENTS AND OTHER PRODUCTS

We sell hay tools and forage equipment primarily under the Hesston brand name and, to a lesser extent, the New Idea, Massey Ferguson and AGCO Allis brand names.

We also distribute a wide range of implements, planters and other equipment for our product lines. Tractor-pulled implements are used in field preparation and crop management. Implements include disk harrows, which improve field performance by cutting through crop residue, leveling seed beds and mixing chemicals with the soil; heavy tillage, which breaks up soil and mixes crop residue into topsoil, with or without prior disking; and field cultivators, which prepare a smooth seed bed and destroy weeds. Tractor-pulled planters apply fertilizer and place seeds in the field. Other equipment primarily includes loaders, which are used for a variety of tasks including lifting and transporting hay crops. We sell implements, planters and other products under the Hesston, New Idea, Massey Ferguson, AGCO Allis, Tye, Farmhand, Glencoe, and Fendt brand names. Hay tools and forage equipment, implements and other products accounted for approximately 10% of our net sales in 2001, 11% in 2000 and 9% in 1999.

Through our Fieldstar brand precision farming system, we offer software and hardware products that provide farmers with the capability to enhance productivity by utilizing global positioning system

(GPS) technology, yield mapping, variable rate planting and application and site specific agriculture. Many of our tractors, combines, planters, sprayers, tillage and other application equipment are equipped to employ the Fieldstar system technology at the customer's option. In addition, our SOILTEQ operations, acquired in the Ag-Chem acquisition, designs and merchandises site-specific farming systems to enhance crop yield and productivity.

REPLACEMENT PARTS

In addition to sales of new equipment, our replacement parts business is an important source of revenue and profitability for both us and our dealers. We sell replacement parts for products sold under all of our brand names, many of which are proprietary. These parts help keep farm equipment in use, including products no longer in production. Since most of our products can be economically maintained with parts and service for a period of ten to twenty years, each product that enters the marketplace provides us with a potential long-term revenue stream. In addition, sales of replacement parts typically generate higher gross margins and historically have been less cyclical than new product sales. Replacement parts accounted for approximately 19% of our net sales in 2001, 2000 and 1999.

MARKETING AND DISTRIBUTION

We distribute products primarily through a network of independent dealers and distributors. Our dealers are responsible for retail sales to the equipment's end user in addition to after-sales service and support of the equipment. Our distributors may sell our products through a network of dealers supported by the distributor. Through our acquisitions and dealer development activities, we have broadened our product line, expanded our dealer network and strengthened our geographic presence in Western Europe, North America, South America and the rest of the world. Our sales are not dependent on any specific dealer, distributor or group of dealers.

WESTERN EUROPE

We market fully assembled tractors and other equipment in most major Western European markets directly through a network of approximately 2,900 independent Massey Ferguson and Fendt dealer outlets and agricultural cooperatives. In addition, we sell through independent distributors and associates in certain markets, which distribute through approximately 690 Massey Ferguson and Fendt dealer outlets. In most cases, dealers carry competing or complementary products from other manufacturers. Sales in Western Europe accounted for approximately 46% of our net sales in 2001, 49% in 2000 and 56% in 1999.

NORTH AMERICA

We market and distribute farm machinery, equipment and replacement parts to farmers in North America through a network of dealers supporting approximately 6,100 dealer contracts. Each of our approximately 2,000 independent dealers represents one or more of our brand names. Dealers may also handle competitive and dissimilar lines of products. We intend to maintain the separate strengths and identities of our brand names and product lines. Certain of our sprayer brands acquired in the Ag-Chem acquisition are sold directly to the end customer, often a fertilizer and chemical supplier. We also provide all after-sales service and support for these products. Sales in North America accounted for approximately 35% of our net sales in 2001, 29% in 2000 and 26% in 1999.

SOUTH AMERICA

We market and distribute farm machinery, equipment and replacement parts to farmers in South America through several different networks. In Brazil and Argentina, we distribute products directly to approximately 250 independent dealers, primarily supporting the Massey Ferguson and AGCO Allis brand names. In Brazil, federal laws are extremely protective of dealers and prohibit a manufacturer from selling any of our products within Brazil, except through our dealer network. Additionally, each dealer has the exclusive right to sell one manufacturer's product in a designated territory and, as a result, no dealer may represent more than one manufacturer. Outside of Brazil and Argentina, we sell our products in South America through independent distributors. Sales in South America accounted for approximately 10% of our net sales in 2001 and 2000 and 8% in 1999.

REST OF THE WORLD

Outside Western Europe, North America and South America, we operate primarily through a network of approximately 2,200 independent Massey Ferguson and Fendt distributors and dealer outlets, as well as associates and licensees, marketing our products and providing customer service support in approximately 100 countries in Africa, the Middle East, Eastern and Central Europe, Australia and Asia. With the exception of Australia, where we directly support our dealer network, we generally utilize independent distributors, associates and licensees to sell our products. These arrangements allow us to benefit from local market expertise to establish strong market positions with limited investment. In some cases, we also sell agricultural equipment directly to governmental agencies. Sales outside Western Europe, North America and South America accounted for approximately 9% of our net sales in 2001, 12% in 2000 and 10% in 1999.

In Western Europe and the rest of the world, associates and licensees provide a significant distribution channel for our products and a source of low cost production for certain Massey Ferguson products. Associates are entities in which we have an ownership interest, most notably in India. Licensees are entities in which we have no direct ownership interest, most notably in Pakistan and Turkey. The associate or licensee generally has the exclusive right to produce and sell Massey Ferguson equipment in its home country, but may not sell these products in other countries. We generally license to these associates certain technology, as well as the right to use Massey Ferguson's trade names. We sell products to associates and licensees in the form of components used in local manufacturing operations, tractor sets supplied in completely knocked down (CKD) form for local assembly and distribution, and fully assembled tractors for local distribution only. In some countries, our arrangements with associates and licensees have evolved to where we principally are providing technology, technical assistance and quality control. In these situations, licensee manufacturers sell tractor models under the Massey Ferguson brand name in the licensed territory and may also become a source of low cost production for us.

PARTS DISTRIBUTION

In Western Europe, our parts operation is supported by master distribution facilities in Desford, England; Ennery, France; and Marktoberdorf, Germany and regional parts facilities in Spain, Denmark, Germany and Italy. We support our sales of replacement parts in North America through our master parts warehouse in Batavia, Illinois and regional warehouses throughout North America. In the Asia/Pacific region, we support our parts operation through a master distribution facility in Melbourne, Australia. In South America, replacement parts are maintained and distributed primarily from our facilities in Brazil and Argentina.

DEALER SUPPORT AND SUPERVISION

We believe that one of the most important criteria affecting a farmer's decision to purchase a particular brand of equipment is the quality of the dealer who sells and services the equipment. We provide significant support to our dealers in order to improve the quality of our dealer network. We monitor each dealer's performance and profitability, as well as establish programs that focus on the continual dealer improvement. In North America, we also identify open markets with the greatest potential for each brand and select an existing dealer, or a new dealer, who would best represent the brand in that territory. We protect each existing dealer's territory and will not place the same brand with another dealer within that protected area. Internationally, we also focus on the development of our dealers. We analyze, on an ongoing basis, the regions of each country where market share is not acceptable. Based on this analysis, we may add a dealer in a particular territory, or a nonperforming dealer may be replaced or refocused on performance standards.

We believe that our ability to offer our dealers a full product line of agricultural equipment and related replacement parts, as well as our ongoing dealer training and support programs, which focus on business and inventory management, sales, marketing, warranty and servicing matters and products, help ensure the vitality and increase the competitiveness of our dealer network. In addition, we maintain dealer advisory groups to obtain dealer feedback on our operations. We believe all of these programs contribute to the good relations we generally enjoy with our dealers.

In addition, we strive to provide our dealers with competitive products, terms and pricing. Dealers also are given volume sales incentives, demonstration programs and other advertising to assist sales. Our competitive sales programs, including retail financing incentives, and our policy for maintaining parts and service availability with extensive product warranties are designed to enhance our dealers' competitive position. Finally, a limited amount of financial assistance is provided as part of developing new dealers in key market locations. In general, dealer contracts are cancelable by either party within certain notice periods.

WHOLESALE FINANCING

Primarily in the U.S. and Canada, we engage in the standard industry practice of providing dealers with inventories of farm equipment for extended periods. The terms of our wholesale finance agreements with our dealers vary by region and product line, with fixed payment schedules on all sales. In the U.S. and Canada, dealers typically are not required to make an initial down payment, and our terms allow for an interest-free period generally ranging from one to 12 months, depending on the product. We also provide financing to dealers on used equipment accepted in trade. We retain a security interest in all new and used equipment we finance.

Typically, the sales terms outside the U.S. and Canada are of a shorter duration, generally ranging from 30 to 180 days. In many cases, we retain a security interest in the equipment sold on extended terms. In certain international markets, our sales are backed by letters of credit or credit insurance.

For sales outside of the United States and Canada, we do not normally charge interest on outstanding receivables with our dealers and distributors. For sales to dealers or distributors in the United States and Canada, where approximately 29% of our net sales were generated in 2001, interest is charged at or above prime lending rates on outstanding receivable balances after interest-free periods. These interest-free periods vary by product and range from 1 to 12 months with the exception of certain seasonal products, which bear interest after various periods depending on the time of year of the sale and the dealer or distributor's sales volume during the preceding year. For the year ended December 31, 2001, 20.7%, 5.1%, 1.9% and 1.3% of our net sales had maximum interest-free periods ranging from 1 to 6 months, 7 to 12 months, 13 to 20 months and 21 months or more, respectively. Actual interest-free periods are shorter than above because the equipment receivable from dealers or distributors in the United States and Canada is due immediately upon sale of the equipment to a retail customer. Under normal circumstances, interest is not forgiven and interest-free periods are not extended.

RETAIL FINANCING

Through our retail financing joint ventures located in North America, the United Kingdom, France, Germany, Spain, Ireland and Brazil, we provide a competitive and dedicated financing source to the end users of our products, as well as equipment produced by other manufacturers. These retail finance companies are owned 49% by us and 51% by a wholly-owned subsidiary of Rabobank. We can tailor retail finance programs to prevailing market conditions and such programs can enhance our sales efforts.

MANUFACTURING AND SUPPLIERS

MANUFACTURING AND ASSEMBLY

We have consolidated the manufacture of our products in locations where capacity, technology or local costs are optimized. Furthermore, we continue to balance our manufacturing resources with externally-sourced machinery, components and replacement parts to enable us to better control inventory and supply of components. We believe that our manufacturing facilities are sufficient to meet our needs for the foreseeable future.

WESTERN EUROPE

Our manufacturing operations in Western Europe are performed in tractor manufacturing facilities located in Coventry, England; Beauvais, France; and Marktoberdorf, Germany and a combine manufacturing facility in Randers, Denmark. The Coventry facility produces tractors marketed under the Massey Ferguson and AGCO brand names ranging from 38 to 110 horsepower that are sold worldwide in fully-assembled form or as CKD kits for final assembly by licensees and associates. The Beauvais facility produces 70 to 225 horsepower tractors marketed under the Massey Ferguson and AGCO brand names. The Marktoberdorf facility produces 50 to 260 horsepower tractors marketed under the Fendt brand name. The Randers facility produces conventional combines under the Massey Ferguson and Fendt brand names. We also assemble forklifts for sale to third parties and manufacture hydraulics for our Fendt tractors and for sale to third parties in our Kempten, Germany facility, and assemble cabs for our Fendt tractors in Baumenheim, Germany. We have a joint venture with Renault Agriculture S.A. for the manufacture of driveline assemblies for high horsepower AGCO, Massey Ferguson and Renault tractors at our facility in Beauvais. By sharing overhead and engineering costs, this joint venture has resulted in a decrease in the cost of these components.

NORTH AMERICA

In 1999 and 2000, we closed our hay and forage equipment, planter, loader, implement and tractor manufacturing facility in Coldwater, Ohio, our planter and implement manufacturing facility in Lockney, Texas, and our combine manufacturing facility in Independence, Missouri. The majority of the production in these facilities has been relocated to the HFI facility in Hesston, Kansas with the exception of tractor production, which was moved to Beauvais, France, and loaders and certain implement production, which was outsourced. We completed the relocation in 2001.

In 2001, we announced our plans to rationalize certain facilities as part of the Ag-Chem acquisition integration. We consolidated our Willmar, Minnesota manufacturing facility and Ag-Chem's Benson, Minnesota manufacturing facility into Ag-Chem's Jackson, Minnesota manufacturing plant. In addition, we closed Ag-Chem's Minnetonka, Minnesota administrative offices and relocated all functions to the Jackson facility. We completed the relocation during 2001.

Accordingly, our current manufacturing operations in North America are located in Hesston, Kansas; Jackson, Minnesota; and Queretaro, Mexico. The Hesston facility produces hay and forage equipment marketed under the Hesston, New Idea and Massey Ferguson brand names, conventional and rotary combines under the GLEANER and Massey Ferguson brand names and planters under the White brand name. In Jackson, we produce self-propelled sprayers marketed under the Lor(*)Al, RoGator, Spra-Coupe, Terra-Gator and Willmar brand names, wheeled loaders marketed under the Willmar and Massey Ferguson brand names, and dry fertilizer spreaders marketed under the Willmar brand name. In Queretaro, we assemble tractors for distribution in the Mexican market.

SOUTH AMERICA

Our manufacturing operations in South America are located in Brazil. In Canoas, Rio Grande do Sul, Brazil, we manufacture and assemble tractors, ranging from 50 to 200 horsepower and industrial loader-backhoes. The tractors are sold under the Massey Ferguson and AGCO Allis brand names primarily in South America. We also manufacture conventional combines marketed under the Massey Ferguson and AGCO Allis brand names in Santa Rosa, Rio Grande do Sul, Brazil.

THIRD-PARTY SUPPLIERS

We believe that managing the level of our company and dealer inventory is critical to maintaining favorable pricing for our products. Unlike many of our competitors, we externally source many of our products, components and replacement parts. Our production strategy minimizes our capital investment requirements and allows us greater flexibility to respond to changes in market conditions.

We purchase some of the products we distribute from third-party suppliers. We purchase standard and specialty tractors from SAME Deutz-Fahr Group S.p.A. and distribute these tractors worldwide under the Massey Ferguson brand name. In addition, we purchase some tractor models from a licensee in Turkey and from Iseki & Company, Limited, a Japanese manufacturer. We also purchase other tractors, implements and hay and forage equipment from various third-party suppliers.

In addition to the purchase of machinery, third-party companies supply significant components used in our manufacturing operations, such as engines. We select third-party suppliers that we believe are low cost, high quality and possess the most appropriate technology. We also assist in the development of these products or component parts based upon our own design requirements. Our past experience with outside suppliers has been favorable. Although we are currently dependent upon outside suppliers for several of our products, we believe that, if necessary, we could identify alternative sources of supply without material disruption to our business.

SEASONALITY

Generally, retail sales by dealers to farmers are highly seasonal and are a function of the timing of the planting and harvesting seasons. To the extent practicable, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal retail demands on our manufacturing operations and to minimize our investment in inventory. Our financing requirements are subject to variations due to seasonal changes in working capital levels, which typically increase in the first half of the year and then decrease in the second half of the year.

COMPETITION

The agricultural industry is highly competitive. We compete with several large national and international full-line suppliers, as well as numerous short-line and specialty manufacturers with differing manufacturing and marketing methods. Our two principal competitors on a worldwide basis are Deere & Company and CNH Global N.V. In certain Western European and South American countries, we have regional competitors that have significant market share in a single country or a group of countries.

We believe several key factors influence a buyer's choice of farm equipment, including the strength and quality of a company's dealers, the quality and pricing of products, dealer or brand loyalty, product availability, the terms of financing and customer service. We believe that we have improved, and we continually seek to improve, in each of these areas. Our primary focus is increasing farmers' loyalty to our dealers and overall dealer organizational quality in order to distinguish our company in the marketplace. See "Marketing and Distribution."

ENGINEERING AND RESEARCH

We make significant expenditures for engineering and applied research to improve the quality and performance of our products and to develop new products. Our expenditures on engineering and research were approximately $49.6 million (2.0% of net sales) in 2001, $45.6 million (2.0% of net sales) in 2000 and $44.6 million (1.8% of net sales) in 1999.

INTELLECTUAL PROPERTY

We own and have licenses to the rights under a number of domestic and foreign patents, trademarks, trade names and brand names relating to our products and businesses. We defend our patent, trademark and trade and brand name rights primarily by monitoring competitors' machines and industry publications and conducting other investigative work. We consider our intellectual property rights, including our rights to use the AGCO, AGCO Allis, AGCOSTAR, Ag-Chem, Farmhand, FENDT, Fieldstar, GLEANER, Glencoe, Hesston, Lor(*)Al, Massey Ferguson, New Idea, RoGator, Spra-Coupe, Terra-Gator, Tye and Willmar trade and brand names important in the operation of our businesses. However, we do not believe we are dependent on any single patent, trademark or trade name or group of patents or trademarks, trade names or brand names. AGCO, AGCO Allis, AGCOSTAR, Ag-Chem, Farmhand, FENDT, Fieldstar, GLEANER, Glencoe, Hesston, Lor(*)Al, Massey Ferguson, New Idea, RoGator, Spra-Coupe, Terra-Gator, Tye and Willmar are our registered trademarks.

ENVIRONMENTAL MATTERS AND REGULATION

We are subject to environmental laws and regulations concerning emissions to the air, discharges of processed or other types of wastewater and the generation, handling, storage, transportation, treatment and disposal of waste materials. These laws and regulations are constantly changing, and the effects that they may have on us in the future are impossible to predict with accuracy. We have been made aware of possible solvent contamination at the facility in Hesston, Kansas. We are investigating the extent of any possible contamination in conjunction with the appropriate state authorities. It is our policy to comply with all applicable environmental, health and safety laws and regulations, and we believe that any expense or liability we may incur in connection with any noncompliance with any law or regulation or the cleanup of any of our properties will not have a material adverse effect on us. We believe that we are in compliance, in all material respects, with all applicable laws and regulations.

The U.S. Environmental Protection Agency has issued regulations concerning permissible emissions from off-road engines. We do not anticipate that the cost of compliance with the regulations will have a material impact on us.

Our international operations are also subject to environmental laws, as well as various other national and local laws, in the countries in which we manufacture and sell our products. We believe that we are in compliance with these laws in all material respects and that the cost of compliance with these laws in the future will not have a material adverse effect on us.

REGULATION AND GOVERNMENT POLICY

Domestic and foreign political developments and government regulations and policies directly affect the agricultural industry in the U.S. and abroad and indirectly affect the agricultural equipment business. The application or modification of existing laws, regulations or policies or the adoption of new laws, regulations or policies could have an adverse effect on our business.

We are subject to various national, federal, state and local laws affecting our business, as well as a variety of regulations relating to such matters as working conditions and product safety. A variety of state laws regulate our contractual relationships with our dealers. These laws impose substantive standards on the relationship between us and our dealers, including events of default, grounds for termination, non-renewal of dealer contracts and equipment repurchase requirements. Such state laws could adversely affect our ability to rationalize our dealer network.

EMPLOYEES

As of December 31, 2001, we employed approximately 11,300 employees, including approximately 3,650 employees in the U.S. and Canada. A majority of our employees at our manufacturing facilities, both domestic and international, are represented by collective bargaining agreements with expiration dates ranging from 2002 to 2007. We currently do not expect any significant difficulties in renewing these agreements.

EXECUTIVE OFFICERS OF THE REGISTRANT

The table sets forth information as of March 15, 2002 with respect to each person who is an executive of the Company.

NAME	AGE	POSITIONS
Robert J. Ratliff	70	Chairman, President and Chief Executive Officer
Garry L. Ball	54	Senior Vice President -- Engineering and Product Development
Norman L. Boyd	58	Senior Vice President -- Corporate Development
Stephen D. Lupton	57	Senior Vice President, General Counsel and Secretary
Donald R. Millard	54	Senior Vice President and Chief Financial Officer
James M. Seaver	55	Senior Vice President -- Sales and Marketing Worldwide
Brian C. Truex	42	Senior Vice President -- Manufacturing Technologies and Quality
Adri Verhagen	60	Senior Vice President -- Special Projects

Robert J. Ratliff is currently the President and Chief Executive Officer of the Company, positions he undertook following the death of Mr. Shumejda in January 2002. In addition, Mr. Ratliff has served as the Executive Chairman of the Board of Directors since January 1999 and Chairman of the Board of Directors since August 1993, and a Director since June 1990. Mr. Ratliff previously served as Chief Executive Officer of the Company from January 1996 until November 1996 and from August 1997 to February 1999 and President and Chief Executive Officer from June 1990 to January 1996. Mr. Ratliff is also a director of the National Association of Manufacturers and the Equipment Manufacturers Institute. Mr. Ratliff is a member of the Board of Councilors of the Carter Center.

Garry L. Ball has been Senior Vice President -- Engineering and Product Development of the Company since June 2001. From 2000 to 2001, Mr. Ball was Vice President of Engineering at CapacityWeb.com. From 1999 to 2000, Mr. Ball was employed as Vice President of Construction Equipment New Product Development at CNH Global N.V. Prior to that assignment, he held several key positions including Vice President of Engineering Agricultural Tractor for New Holland N.V., Europe, and Chief Engineer for Tractors at Ford New Holland.

Norman L. Boyd has been Senior Vice President -- Corporate Development of the Company since October 1998. Mr. Boyd was Vice President of Europe/Africa/Middle East Distribution from February 1997 to September 1998, Vice President of Marketing, Americas from February 1995 to February 1997 and Manager of Dealer Operations from January 1993 to February 1995.

Stephen D. Lupton has been Senior Vice President and General Counsel of the Company since June 1999. Mr. Lupton was Vice President of Legal Services, International from October 1995 to May 1999, and Director of Legal Services, International from June 1994 to October 1995. Mr. Lupton was Director of Legal Services of Massey Ferguson from February 1990 to June 1994.

Donald R. Millard has been Senior Vice President and Chief Financial Officer of the Company since October 2000. Mr. Millard was previously President, Chief Executive Officer and a director of Matria Healthcare, Inc. from October 1997 until October 2000. From October 1997 to October 1999, Mr. Millard served as Chief Financial Officer of Matria Healthcare. Mr. Millard also served as Senior Vice President -- Finance, Chief Financial Officer and Treasurer of Matria Healthcare from March 1996 until October 1997. Mr. Millard is a director of First Union Bank, Atlanta, Georgia, Coast Dental Services, Inc. and American HomePatient, Inc.

James M. Seaver has been Senior Vice President -- Sales and Marketing Worldwide of the Company since January 2002. Mr. Seaver was previously Chief Executive Officer, AGCO Finance for the Company from June 1999 to January 2002. Mr. Seaver was Senior Vice President, Worldwide Sales from September 1998 to May 1999; Executive Vice President, Sales and Marketing from February 1997 to September 1998; President, Corporate Sales and Marketing from August 1996 to February 1997; Executive Vice President, Sales and Marketing from January 1996 to August 1996; Senior Vice President, Sales and Marketing, Americas from February 1995 to January 1996; and Vice President, Sales, Americas from May 1993 to February 1995.

Brian C. Truex has been Senior Vice President -- Manufacturing Technologies and Quality of the Company since June 2001. Mr. Truex previously was with The Stanley Works, where he served as Director of Operations, Stanley Mechanics Tools, from 2000 to 2001. From 1994 - 2000, he was employed by Halliburton Company, where he served in various manufacturing positions including Director, Manufacturing Excellence Group.

Adri Verhagen has been Senior Vice President -- Special Projects of the Company since January 2002. He previously served as Senior Vice President of Sales and Marketing, Europe/Africa/Middle East and East Asia/Pacific from June 1999 to January 2002. Mr. Verhagen was Vice President of Sales, Europe/Africa/Middle East from September 1998 to May 1999, Director/General Manager, East Asia/Pacific from October 1995 to September 1998 and Managing Director, Massey Ferguson of Australia Ltd. from July 1979 to October 1995.

FINANCIAL INFORMATION ON GEOGRAPHICAL AREAS

For financial information on geographic areas, see pages 66 through 68 of this Form 10-K under the caption "Segment Reporting" which information is incorporated herein by reference.

ITEM 2. PROPERTIES

Our principal properties as of February 28, 2002 were as follows:

LEASED OWNED LOCATION
DESCRIPTION OF PROPERTY
(SQ. FT.) (SQ. FT.) - ----
---- ---------------------
-- --------- ---------
North America: Duluth,
Georgia...............
Corporate Headquarters
125,000 Coldwater, Ohio
(A)...........
Manufacturing 1,490,000
Hesston,
Kansas...............
Manufacturing 1,276,500
Independence, Missouri
(A).... Manufacturing
450,000 Jackson,
Minnesota............
Manufacturing 403,000
Lockney, Texas
(A)............
Manufacturing 190,000
Queretaro,
Mexico.............
Manufacturing 13,500
Willmar, Minnesota
(B)........ Manufacturing
223,400 Kansas City,
Missouri.........
Warehouse 425,000 Batavia,
Illinois.............
Parts Distribution 310,200
Parts Distribution/Service
Jackson,
Minnesota............
Support 70,770 Jackson,
Minnesota............
Training Center 37,500
International: Regional
Headquarters/ Coventry,
United Kingdom......
Manufacturing 4,135,150
Beauvais, France
(C)..........
Manufacturing 2,720,000
Marktoberdorf,
Germany........
Manufacturing 2,668,000
Baumenheim,
Germany...........
Manufacturing 1,249,000
Grubbenvorst,
Holland.........
Manufacturing 37,700
Kempten,
Germany..............
Manufacturing 582,000
Randers,
Denmark..............
Manufacturing 683,000
Haedo,
Argentina..............
Parts Distribution/Sales
Office 32,366 Noetinger,
Argentina (A)......
Warehouse 152,820 San
Luis, Argentina (D).......
Manufacturing 57,860
Canoas, Rio Grande do Sul,
Regional Headquarters/
Brazil.....................
Manufacturing 452,400
Santa Rosa, Rio Grande do
Sul,
Brazil.....................
Manufacturing 297,100
Ennery,
France................
Parts Distribution 861,000
Sunshine, Victoria,
Australia..................
Regional Headquarters

37,200 Tottenham,
Victoria,
Australia.................. Parts Distribution 180,000
Stoneleigh, United
Kingdom.... Training
Facility/Office 40,778

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(A) We closed our production facilities in Coldwater, Ohio; Independence, Missouri; Lockney, Texas; and Noetinger, Argentina in 2000. The Coldwater, Independence and Noetinger facilities currently are being marketed for sale.

(B) In connection with the Ag-Chem acquisition, we closed our production facility in Willmar, Minnesota. The Willmar location is being marketed for sale.

(C) Includes the GIMA Joint Venture, in which we own a 50% interest.

(D) Owned by the Argentina Engine Joint Venture, in which the Company has a 50% interest.

We consider each of our facilities to be in good condition and adequate for its present use. We believe that we have sufficient capacity to meet our current and anticipated manufacturing requirements.

ITEM 3. LEGAL PROCEEDINGS

We are a party to various legal claims and actions incidental to our business. We believe that none of these claims or actions, either individually or in the aggregate, is material to our business or financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol AG. As of the close of business on March 15, 2002, the closing stock price was $21.72, and there were 768 stockholders of record. The following table sets forth, for the periods indicated, the high and low sales prices for our common stock for each quarter within the last two fiscal years, as reported on the NYSE.

	HIGH	LOW	DIVIDENDS DECLARED
	(IN DOLLARS)		
2001			
First Quarter	$12.13	$ 9.48	$.01
Second Quarter	9.50	8.00	--
Third Quarter	12.30	8.55	--
Fourth Quarter	16.85	8.61	--

	HIGH	LOW	DIVIDENDS DECLARED
	(IN DOLLARS)		
2000			
First Quarter	$13.88	$10.06	$.01
Second Quarter	14.38	10.56	.01
Third Quarter	13.06	10.00	.01
Fourth Quarter	12.13	9.69	.01

Through the first quarter of 2001 we paid a regular dividend of $0.01 per share per quarter. However, under the indenture governing our 8 1/2% Senior Subordinated Notes due 2006, we currently are unable to pay any cash dividends. There can be no assurance that we will pay dividends in the future.

ITEM 6. SELECTED FINANCIAL DATA

The following tables present our selected consolidated financial data. The data set forth below should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and the related notes. Our operating data for the fiscal years ended December 31, 2001, 2000, 1999, 1998, and 1997 and the selected balance sheet data for the years then ended, are derived from our audited consolidated financial statements, which were audited by Arthur Andersen LLP, independent public accountants. The historical financial data may not be indicative of our future performance.

	YEARS ENDED DECEMBER 31,				
	2001	2000	1999	1998	1997
	(IN MILLIONS, EXCEPT PER SHARE DATA)				
OPERATING DATA:					
Net sales	$2,541.5	$2,336.1	$2,436.4	$2,970.8	$3,253.9
Gross profit	434.8	376.6	357.7	539.3	668.4
Income from operations(1)	96.7	65.8	40.6	155.7	303.9
Net income (loss)(1)	$ 22.6(2)	$ 3.5	$ (11.5)	$ 60.6	$ 168.7(2)
Net income (loss) per common share -- diluted(1)	$ 0.33(2)	$ 0.06	$ (0.20)	$ 0.99	$ 2.71(2)
Weighted average shares outstanding -- diluted	68.5	59.7	58.7	61.2	62.1
Dividends declared per common share	$ 0.01	$ 0.04	$ 0.04	$ 0.04	$ 0.04

	AS OF DECEMBER 31,				
	2001	2000	1999	1998	1997
	(IN MILLIONS, EXCEPT NUMBER OF EMPLOYEES)				
BALANCE SHEET DATA:					
Cash and cash equivalents	$ 28.9	$ 13.3	$ 19.6	$ 15.9	$ 31.2
Working capital	539.7	603.9	764.0	1,029.9	884.3
Total assets	2,173.3	2,104.2	2,273.2	2,750.4	2,620.9
Total long-term debt	617.7	570.2	691.7	924.2	727.4
Stockholders' equity	799.4	789.9	829.1	982.1	991.6
OTHER DATA:					
Number of employees	11,325	9,785	9,287	10,572	11,829

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(1) These amounts include restructuring and other infrequent expenses of $13.0 million, $21.9 million, $24.5 million, $40.0 million and $18.2 million for the years ended December 31, 2001, 2000, 1999, 1998 and 1997, respectively. The effect of these expenses reduced net income per common share on a diluted basis by $0.12, $0.22, $0.26, $0.41 and $0.19 for the years ended December 31, 2001, 2000, 1999, 1998 and 1997, respectively. See Management's Discussion and Analysis of Financial Condition and Results of Operations -- "Restructuring and Other Infrequent Expenses."

(2) Net income for the years ended December 31, 2001 and 1997 include extraordinary losses, net of taxes, for the write-off of unamortized debt

costs related to the refinancing of our revolving credit facility of $0.8 million, or $0.01 per share, in 2001 and $2.1 million, or $0.03 per share in 1997.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We are a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. We sell a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements. Our products are marketed under the following brand names: AGCO(R), AGCO(R) Allis, AGCOSTAR(R), Ag-Chem(R), Farmhand(R), FENDT(TM), Fieldstar(R), GLEANER(R), Glencoe(R), Hesston(R), Lor(*)Al(R), Massey Ferguson(R), New Idea(R), RoGator(R), SOILTEQ, Spra-Coupe(R), Terra-Gator(R), Tye(R), White Tractors, White Planters and Willmar(R). We distribute most of our products through a combination of approximately 7,350 independent dealers, distributors, associates and licensees. In addition, we provide retail financing in North America, the United Kingdom, France, Germany, Spain, Ireland and Brazil through our finance joint ventures with Rabobank.

RESULTS OF OPERATIONS

We sell our equipment and replacement parts to our independent dealers, distributors or other customers. A large majority of our sales are to independent dealers and distributors that sell our products to the end user. To the extent practicable, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on our manufacturing operations and to minimize our investment in inventory. However, retail sales by dealers to farmers are highly seasonal and are linked to the planting and harvesting seasons. In certain markets, particularly in North America, there is often a time lag, which varies based on the timing and level of retail demand, between our sale of the equipment to the dealer and the dealer's sale to a retail customer. During this time lag between the wholesale and retail sale, dealers may not return equipment to us unless the dealer's contract is terminated or we agree to accept returned products. Commissions payable under our salesman incentive programs are paid at the time of the retail sale, as opposed to when the products are sold to dealers.

The following table sets forth, for the periods indicated, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations:

	YEARS ENDED DECEMBER 31,		
	2001	2000	1999
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	82.9	83.9	85.3
Gross profit	17.1	16.1	14.7
Selling, general and administrative expenses	10.1	9.8	9.6
Engineering expenses	2.0	2.0	1.8
Restructuring and other infrequent expenses	0.5	0.9	1.0
Amortization of intangibles	0.7	0.6	0.6
Income from operations	3.8	2.8	1.7
Interest expense, net	2.3	2.0	2.4
Other expense, net	0.9	1.4	0.6
Income (loss) before income taxes, equity in net earnings of affiliates and extraordinary loss	0.6	(0.6)	(1.3)
Income tax provision (benefit)	0.1	(0.3)	(0.4)
Income (loss) before equity in net earnings of affiliates and extraordinary loss	0.5	(0.3)	(0.9)
Equity in net earnings of affiliates	0.4	0.4	0.4
Net income (loss) before extraordinary loss	0.9	0.1	(0.5)
Extraordinary loss, net of taxes	--	--	--
Net income (loss)	0.9%	0.1%	(0.5)%

2001 COMPARED TO 2000

Net income for 2001 was $22.6 million, or $0.33 per diluted share, compared to $3.5 million, or $0.06 per diluted share, for 2000. Our results for 2001 included restructuring and other infrequent expenses ("restructuring expenses") of $13.0 million, or $0.12 per share primarily related to the integration of Ag-Chem Equipment Company, Inc. acquired in April 2001 and the rationalization of certain manufacturing facilities. In addition, our 2001 earnings include an extraordinary loss, net of taxes, of $0.8 million, or $0.01 per share, for the write-off of unamortized debt costs associated with our revolving credit facility, which was refinanced in April 2001. Our results for 2000 included restructuring expenses of $21.9 million, or $0.22 per share associated with the closure of certain manufacturing facilities announced in 2000 and 1999.

Our earnings improvement in 2001 was primarily the result of margin improvement generated by our successful cost reduction initiatives including the impact of manufacturing facility rationalizations. Our results were negatively impacted by losses at Ag-Chem for the period since acquisition. The Ag-Chem acquisition was completed after Ag-Chem's seasonally strongest period, typically the first calendar quarter of the year. The impact of the Ag-Chem acquisition, excluding restructuring expenses, was a reduction in net income of approximately $10.5 million, or $0.15 per share.

Acquisitions

On April 16, 2001, we completed the acquisition of Ag-Chem, a manufacturer and distributor of self-propelled fertilizer and chemical sprayers for pre-emergent and post-emergent applications. This acquisition provided us a leading position in the self-propelled sprayer market. See "Ag-Chem Acquisition" for additional information.

Retail Sales

Industry demand for agricultural equipment in 2001 showed mixed results within the major markets of the world compared to the prior year. Commodity prices remained at relatively low levels in 2001 caused by high global commodity stocks and lower export demand for farm commodities. These conditions adversely affect farm income thereby negatively impacting demand for new equipment purchases.

In the United States and Canada, industry retail unit sales of tractors and combines for 2001 increased approximately 10% and 9%, respectively, compared to 2000, reflecting an improvement from the relatively low industry levels in 2000. Our retail unit sales of tractors in North America increased and our retail unit sales of combines declined in 2001 compared to 2000. Delays related to the relocation and start-up of combine production in our Hesston, Kansas facility negatively impacted our 2001 sales.

In Western Europe, industry retail unit sales of tractors declined approximately 7% for 2001 compared to 2000. Concerns over BSE (mad cow disease) and foot-and-mouth disease in the first half of 2001 contributed to the decline but subsequently diminished in the second half of the year. Our retail unit sales for 2001 also declined compared to 2000.

In South America, industry retail unit sales of tractors in 2001 increased approximately 13% compared to 2000. The major market of Brazil continued its strong growth due to full availability of a supplemental Brazilian government subsidized retail financing program. The growth in the Brazilian market was partially offset by declines in the Argentina market. Our retail unit sales also increased in 2001 compared to the prior year.

In our other international markets, our net sales for 2001 were below the prior year. The majority of the decline related to sales in Middle Eastern markets.

Statements of Operations

Net sales for 2001 were $2,541.5 million compared to $2,336.1 million for 2000. Net sales generated by Ag-Chem subsequent to acquisition in 2001 were $148.5 million. Net sales for 2001 were negatively impacted by foreign currency translation by approximately $127.3 million due to the strength of the U.S. dollar in relation to the Euro and Brazilian real. Excluding the impact of the Ag-Chem acquisition and foreign currency translation, net sales were 7.9% higher than 2000.

Net sales in North America increased $77.4 million, or 12.2%, in 2001 over 2000 due primarily to improved market conditions. In addition, combine sales were higher in 2001 than in 2000 resulting from increased combine production, which was limited in 2000 by its relocation to Hesston, Kansas during the second half of the year. In the Europe/Africa/Middle East region, net sales decreased $33.6 million, or 2.6%, compared to 2000 primarily due to the negative impact of foreign currency translation and the result of industry declines in Western Europe. Net sales in South America increased $15.0 million, or 6.2%, compared to 2000 with strong sales increases being partially offset by the impact of currency translation. In the Asia/Pacific region, net sales decreased approximately $0.5 million, or 0.5%, compared to 2000 primarily due to the impact of currency translation. In the Sprayer Division, net sales increased $147.1 million compared to 2000 primarily due to the acquisition of Ag-Chem, which contributed net sales of approximately $148.5 million.

Gross profit was $434.8 million (17.1% of net sales) in 2001 compared to $376.6 million (16.1% of net sales) for 2000. Gross margins improved primarily due to cost reduction initiatives and the impact of new higher margin products. This margin improvement was offset, in part, by cost inefficiencies during the first three quarters of 2001 in the Hesston, Kansas manufacturing facility of approximately $7.9 million during the initial production of products relocated from closed facilities. These inefficiencies were primarily associated with the initial production run of combines and planters in this facility.

Selling, general and administrative ("SG&A") expenses for 2001 were $257.0 million (10.1% of net sales) compared to $228.2 million (9.8% of net sales) for 2000. The increase as a percentage of net sales was the result of Ag-Chem, which had a higher SG&A expense ratio to net sales than the remainder of our operations. Engineering expenses for 2001 were $49.6 million (2.0% of net sales) compared to $45.6 million (2.0% of net sales) for 2000. This increase is due to the inclusion of a full year of engineering expenses of Hay & Forage Industries acquired in May 2000 and the addition of Ag-Chem subsequent to acquisition.

We recorded restructuring expenses of $13.0 million for 2001 and $21.9 million for 2000. The restructuring expenses in 2001 included $8.5 million for the integration Ag-Chem and $4.5 million for manufacturing facility rationalization programs. See "Restructuring and Other Infrequent Expenses" for further discussion. For 2000, the restructuring expenses were costs primarily associated with manufacturing facility closures.

Amortization of intangibles increased to $18.5 million in 2001 from $15.1 million in 2000 primarily due to the amortization of goodwill and other acquired intangibles associated with the Ag-Chem acquisition.

Income from operations was $96.7 million (3.8% of net sales) for 2001 compared to $65.8 million (2.8% of net sales) for 2000. Excluding restructuring expenses, operating income was $109.7 million (4.3% of net sales) for 2001 compared to $87.7 million (3.8% of net sales) for 2000. The improvement is due to higher gross margins as discussed previously.

Interest expense, net was $58.6 million for 2001 compared to $46.6 million for 2000. The increase in interest expense primarily relates to increased indebtedness related to the Ag-Chem acquisition partially offset by a decline in interest rates and the reduction in borrowings associated with new securitization facilities. Interest expense, net for 2001 also included a $2.0 million fee for the successful waiver solicitation on the Company's 8 1/2% Senior Subordinated Notes.

Other expense, net was $23.4 million in 2001 compared to $33.1 million in 2000. Losses on sales of receivables primarily under securitization facilities were $23.5 million compared to $24.5 million in 2000. The amount in 2001 included approximately $3.6 million of up-front losses and transaction costs associated with the initial funding of new securitization facilities in Europe and Canada totaling $152.0 million. The 2000 amount included $7.1 million of up-front losses and transaction costs associated with the initial

$200.0 million funding of a U.S. securitization facility. Other expense, net for 2001 also included a gain of $5.2 million associated with the sale of a minority interest investment in a European agricultural equipment company.

We recorded an income tax provision of $1.9 million in 2001 compared to an income tax benefit of $7.6 million in 2000. The 2001 provision reflects a lower tax provision on foreign income. The 2000 tax benefit includes a benefit for the recognition of a United States tax credit carryback of approximately $2.0 million. At December 31, 2001, we had deferred tax assets of $206.5 million, including $141.6 million related to net operating loss carryforwards. The amount of net operating losses has grown in the past three years primarily as a result of tax losses in the United States. These losses resulted from the industry decline in the U.S. market and from restructuring expenses associated with facility closures. Realization of the resulting deferred tax assets is dependent on generating sufficient taxable income in future periods. We have established valuation allowances of $52.7 million primarily related to net operating loss carryforwards in foreign jurisdictions where it is more likely than not that the losses will expire unused. We believe it is more likely than not that the remaining net deferred tax assets will be realized.

Equity in earnings of affiliates was $10.6 million for 2001 compared to $9.8 million for 2000. The increase in earnings was primarily the result of reduced losses in the Argentina engine joint venture. Equity in earnings in retail finance joint ventures in 2001 was consistent with the prior year.

2000 COMPARED TO 1999

Net income in 2000 was $3.5 million, or $0.06 per diluted share, compared to a loss of $11.5 million, or $0.20 per diluted share, in 1999. Our results included restructuring expenses of $21.9 million, or $0.22 per diluted share, in 2000 and $24.5 million, or $0.26 per diluted share, in 1999 associated with the closure of manufacturing facilities announced in 1999 and 2000. In addition, the results for 2000 included an $8.0 million loss, or $0.08 per share, associated with the completion of an accounts receivable securitization facility in January 2000 (see "Liquidity and Capital Resources"). Our results improved in 2000 primarily due to improved gross margins resulting from cost of sales reductions achieved through facility rationalizations and other initiatives.

Acquisitions

In May 2000, we acquired from CNH Global N.V. its 50% share in Hay and Forage Industries ("HFI") for $10 million. This acquisition terminated a joint venture agreement pursuant to which we and CNH each owned 50% interests in HFI, thereby providing us with sole ownership. HFI, located in Hesston, Kansas, develops and manufactures hay and forage equipment and implements that we sell under various brand names.

Retail Sales

Demand for agricultural equipment in 2000 showed mixed results within the major markets of the world compared to 1999. Low commodity prices caused by high global commodity stocks and lower export demand for farm commodities have continued to adversely affect worldwide demand for new equipment purchases over the past two years.

In the United States and Canada, industry unit retail sales of tractors and combines for 2000 increased approximately 8% and 5%, respectively, compared to 1999. Despite a lack of significant changes in commodity prices, there were moderate improvements in the core agricultural segments of the industry, which may have been influenced by aggressive pricing actions by competitors. Our unit retail sales of tractors and combines in the United States and Canada decreased in 2000 compared to 1999.

In Western Europe, industry unit retail sales of tractors for 2000 declined approximately 8% compared to 1999. The reduction was experienced in all significant Western European markets. Our unit retail sales in Western Europe in 2000 also declined compared to 1999. We experienced favorable acceptance of new tractor lines introduced in 1999 and 2000. However, retail unit sales of our UK-built products were negatively impacted by the weakness of the Euro versus the British pound.

Industry unit retail sales of tractors in South America for 2000 increased approximately 16% compared to 1999. In the major market of Brazil, industry retail sales increased approximately 28%, with significant increases since June 2000 due to full availability of a supplemental Brazilian government subsidized retail financing program. In the remaining South American markets, including Argentina, retail unit sales decreased due to economic uncertainty and tightening credit. Our unit retail sales of tractors in South America also increased compared to 1999.

In most other international markets, our net sales were higher than the prior year, particularly in the Middle East and Far East, primarily due to improved industry demand.

Statements of Operations

Net sales for 2000 were $2.3 billion compared to $2.4 billion for 1999. Net sales for 2000 decreased by approximately $181 million as a result of the foreign currency translation effect of the weakening Euro and British pound in relation to the U.S. dollar. Excluding the impact of currency translation, net sales for 2000 were approximately 3% above 1999.

Regionally, net sales in North America increased by $49.6 million, or 9%, compared to 1999. The increase was the result of our efforts in 1999 to lower dealer inventory levels by reducing wholesale shipments to dealers. In the Europe/Africa/Middle East region, net sales in 2000 decreased by $191.1 million, or 13%, compared to 1999, primarily due to the negative impact of foreign currency translation and industry declines in Western Europe. Net sales in South America increased by $35.5 million, or 17%, compared to 1999, due to favorable market conditions in Brazil. In the Asia/Pacific region, net sales increased by $2.1 million, or 2%, compared to 1999, primarily due to improvements in market demand in the Far East markets. Net sales in the Sprayer division increased $3.6 million, or 9%, over 1999.

Gross profit was $376.6 million (16.1% of net sales) for 2000 compared to $357.7 million (14.7% of net sales) for 1999. Gross margins improved in 2000 primarily due to cost reduction initiatives, including the impact of facility rationalizations, and lower sales incentive costs, particularly on used equipment. In addition, gross margins were negatively impacted in 1999 by a $5.0 million write-down of production inventory related to closure of our Coldwater, Ohio and Lockney, Texas manufacturing facilities.

Selling, general and administrative expenses ("SG&A expenses") for 2000 were $228.2 million (9.8% of net sales) compared to $233.2 million (9.6% of net sales) for 1999. The increase as a percentage of net sales was due to lower sales volume in 2000 compared to 1999. Engineering expenses for 2000 were $45.6 million (2.0% of net sales) compared to $44.6 million (1.8% of net sales) for 1999. The increase in engineering expenses was primarily due to the addition of HFI's engineering expenses subsequent to our acquisition of HFI.

We recorded restructuring and other infrequent expenses of $21.9 million and $24.5 million in 2000 and 1999, respectively. The restructuring expenses related to the closing of its Coldwater, Ohio; Independence, Missouri; Lockney, Texas; and Noetinger, Argentina manufacturing facilities announced in 1999 and 2000. These restructuring expenses related to employee severance, facility closure costs, the write-down of property, plant and equipment and production transition costs. In addition, the restructuring expenses in 2000 were net of a $3.0 million reduction related to a reversal of restructuring reserves established in 1997. See "Restructuring and Other Infrequent Expenses" for additional information.

Income from operations was $65.8 million for 2000 compared to $40.6 million in 1999. Excluding restructuring expenses, operating income was $87.7 million (3.8% of net sales) in 2000 compared to $65.1 million (2.7% of net sales) in 1999. Operating income increased primarily as a result of improved gross margins primarily related to cost of sales reductions achieved in 2000. These improvements were partially offset by the impact of currency translation that reduced 2000 operating income by approximately $16.0 million.

Interest expense, net was $46.6 million in 2000 compared to $57.6 million in 1999. The reduction in interest expense is due to a $200 million reduction in outstanding debt as a result of the United States accounts receivable securitization transaction completed during the first quarter of 2000 (see "Liquidity and Capital Resources").

Other expense, net was $33.1 million in 2000 compared to $15.2 million in 1999. The increase in other expense is related to losses on sales of receivables in connection with the establishment of the U.S. securitization facility in January 2000. We recorded losses totaling $24.5 million in 2000 including a loss of $7.1 million related to the initial funding of the U.S. securitization facility.

We recorded an income tax benefit of $7.6 million in 2000 compared to an income tax benefit of $10.2 million in 1999. The tax benefit in 2000 included the recognition of a United States tax credit carryback of approximately $2.0 million.

Equity in earnings of affiliates was $9.8 million in 2000 compared to $10.5 million in 1999. Equity in earnings of our retail finance affiliates, which represent the largest component of these earnings, was lower in 2000 due to portfolio declines.

QUARTERLY RESULTS

The following table presents unaudited interim operating results. We believe that the following information includes all adjustments (consisting only of normal, recurring adjustments) that we consider necessary for a fair presentation, in accordance with generally accepted accounting principles. The operating results for any period are not necessarily indicative of results for any future period.

	THREE MONTHS ENDED			
	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
	(IN MILLIONS, EXCEPT PER SHARE DATA)			
2001:				
Net sales	$532.1	$659.3	$577.2	$772.9
Gross profit	82.5	113.7	102.6	136.0
Income from operations(1)	7.7	29.4	16.7	42.9
Net income (loss)(1)(2)	(5.8)	4.8	0.4	23.2
Net income (loss) per common share -- diluted(1)(2)	(0.10)	0.07	0.01	0.32
2000:				
Net sales	$534.8	$640.8	$521.1	$639.4
Gross profit	77.1	105.0	90.3	104.2
Income from operations(1)	2.0	22.2	13.1	28.5
Net income (loss)(1)	(10.7)	4.1	2.4	7.7
Net income (loss) per common share -- diluted(1)	(0.18)	0.07	0.04	0.13

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(1) For 2001, the quarters ended March 31, June 30, September 30 and December 31 include restructuring and other infrequent expenses of $2.3 million, $3.3 million, $4.9 million and $2.5 million, respectively, thereby reducing net income per common share on a diluted basis by $0.02, $0.03, $0.04 and $0.02, respectively. For 2000, the quarters ended March 31, June 30, September 30 and December 31 include restructuring and other infrequent expenses of $1.9 million, $13.1 million, $4.5 million and $2.4 million, respectively, thereby reducing net income per common share on a diluted basis by $0.02, $0.13, $0.05 and $0.02, respectively.

(2) The quarter ended June 30, 2001 includes an extraordinary loss, net of taxes, of $0.8 million or $0.01 per share.

To the extent possible, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on our manufacturing operations and to minimize investments in inventory. However, retail sales of agricultural equipment are highly seasonal, with farmers traditionally purchasing agricultural equipment in the spring and fall in conjunction with the major planting and harvesting seasons.

AG-CHEM ACQUISITION

On April 16, 2001, we completed the acquisition of Ag-Chem. We paid Ag-Chem shareholders approximately $247.2 million consisting of approximately 11.8 million AGCO common shares and $147.5 million of cash. The funding of the cash component of the purchase price was made through borrowings under our revolving credit facility.

The Ag-Chem acquisition was accounted for as a purchase in accordance with Accounting Principles Board ("APB") No. 16, and, accordingly, the purchase price has been allocated to the assets acquired and the liabilities assumed based on a preliminary estimate of fair values as of the acquisition date. In connection with the acquisition of Ag-Chem, we established liabilities primarily related to severance, employee relocation and other costs associated with the planned closure of Ag-Chem's Benson, Minnesota manufacturing facility, Minnetonka, Minnesota administrative office and fifteen parts and service facilities. The activity related to these liabilities is summarized in the following table (in millions):

	LIABILITIES ESTABLISHED	EXPENSES INCURRED	BALANCE AT DECEMBER 31, 2001
Employee severance	$2.6	$2.5	$0.1
Employee relocation expense	0.3	0.2	0.1
Facility closure costs	0.2	--	0.2
	$3.1	$2.7	$0.4

The severance relates to the planned termination of approximately 350 Ag-Chem employees, of which approximately 340 had been terminated as of December 31, 2001.

RESTRUCTURING AND OTHER INFREQUENT EXPENSES

In the second quarter of 2001, we announced our intention to rationalize certain facilities as part of our Ag-Chem acquisition integration plan. The Company consolidated our existing Willmar, Minnesota manufacturing facility and Ag-Chem's Benson, Minnesota manufacturing facility into Ag-Chem's Jackson, Minnesota manufacturing plant. In addition, the Company closed Ag-Chem's Minnetonka, Minnesota administrative offices and relocated the majority of functions to the Jackson facility. Lastly, we closed fifteen Ag-Chem parts and service facilities and integrated parts warehousing and logistics into our existing North America parts distribution system. These closures are expected to result in the reduction of cost of goods sold and operating expenses for the combined businesses and generate a portion of the targeted $30 million of synergies to be achieved in the acquisition. We anticipate that a majority of these savings will be achieved in 2002.

In connection with these closures, we recorded restructuring and other infrequent expenses of $8.5 million in 2001. The components of the restructuring and other infrequent expenses are summarized in the following table (in millions):

	2001 EXPENSE	EXPENSES INCURRED	BALANCE AT DECEMBER 31, 2001
Employee severance	$1.3	$0.7	$0.6
Employee retention payments	1.4	1.2	0.2
Facility closure costs	0.8	0.7	0.1
Write-down of property, plant and equipment	0.4	0.4	--
Facility relocation and transition costs	4.6	4.6	--
	$8.5	$7.6	$0.9

The severance relates to the planned termination of approximately 200 AGCO employees of which approximately 190 were terminated as of December 31, 2001. The employee retention payments relate to incentives to be paid to Ag-Chem and AGCO employees who remain employed until certain future termination dates and are accrued over the term of retention period. The facility closure costs include employee costs and other exit costs to be incurred at Willmar after operations cease. The write-down of property, plant and equipment represents the impairment of machinery and equipment at Willmar from the facility closures and was based on the estimated fair value of the assets compared to their carrying value. The facility relocation and transition costs are being expensed as incurred and represent costs to relocate employees, inventory and machinery and costs to integrate operations into the remaining facilities. The $0.9 million of costs accrued at December 31, 2001 are expected to be incurred in 2002.

From 1999 to 2001, we completed several manufacturing rationalization initiatives, which included the closure in 1999 of our Coldwater, Ohio tractor and implement facility and the closures in 2000 of our combine manufacturing facility in Independence, Missouri and our implement manufacturing facilities in Lockney, Texas and Noetinger, Argentina. These initiatives included the relocation of the majority of production and engineering in these facilities to other existing facilities. The closure of these facilities is consistent with our strategy to reduce excess manufacturing capacity. Due to declines in industry demand since 1998, we determined that closure of these facilities and redeployment of the majority of production to other existing facilities and the remaining production to third-party suppliers was necessary to address the excess capacity in our U.S. and South American manufacturing plants. The manufacturing facility rationalization resulted in significant cost savings and improved the overall competitiveness of implements, hay equipment, high horsepower tractors and combines produced in these plants. We closed the Coldwater plant in 1999 and the Independence, Lockney and Noetinger plants in 2000. The rationalization of these production facilities is expected to generate annual cost savings of $20 million to $25 million from the elimination of production overhead costs and other efficiencies. We believe we achieved our savings targets in 2001 except for start-up inefficiencies of $7.9 million experienced in our Hesston manufacturing facility due to the initial production of combines and planters in the facility. A summary of expenses and related reserves associated with these initiatives is summarized in the following table (in millions):

	1999 EXPENSES	2000 EXPENSES	2001 EXPENSES	EXPENSES INCURRED	BALANCE AT DECEMBER 31, 2001
Employee severance	$ 1.9	$ 6.9	$ 0.4	$ 8.6	$0.6
Facility closure costs	7.7	5.4	(0.7)	12.0	0.4
Write-down of property, plant and equipment, net of recoveries	14.9	1.3	(0.7)	15.5	--
Production transition costs	--	11.3	5.5	16.8	--
	$24.5	$24.9	$ 4.5	$52.9	$1.0

The severance costs relate to the termination of approximately 1,050 employees of which all employees had been terminated at December 31, 2001. The facility closure costs include employee costs and other exit costs to be incurred after operations ceased in addition to noncancelable operating lease obligations. In 2001, we reversed $0.7 million of accrued facility closure costs which will not be incurred. The write-down of property, plant and equipment represents the impairment of assets resulting from the facility closures and was based on the estimated fair value of the assets compared to their carrying value. The write-down consisted of $0.5 million in 2000 and $7.0 million in 1999 related to machinery and equipment and $0.8 million in 2000 and $7.9 million in 1999 for building and improvements. In 2001, we recorded a recovery of $0.7 million for the sale of machinery and equipment. The write-down, net of recoveries, consisted of $11.6 related to Coldwater, $1.2 million related to Independence and $2.7 million related to Noetinger. The estimated fair value of the equipment and buildings was determined based on current conditions in the applicable markets. The machinery, equipment and tooling have been disposed of and the buildings and improvements are currently being marketed for sale. The production transition costs, which we expensed as incurred, represent costs to relocate and integrate production and engineering into other existing AGCO facilities. The remaining costs accrued at December 31, 2001 are expected to be incurred in 2002 and 2003.

In 1998, we recorded restructuring and other infrequent expenses of $40.0 million primarily related to severance and related costs associated with the reduction in our worldwide permanent workforce of approximately 1,400 employees. As of December 31, 2001, approximately $0.4 million of accrued severance remained to be paid. We expect the remaining costs to be paid in 2002.

CATERPILLAR CHALLENGER ACQUISITION

On March 5, 2002, we completed our acquisition of the design, assembly and marketing of Caterpillar Inc.'s new MT Series of Challenger tractors. We issued approximately 1.0 million shares of common stock in the transaction valued at approximately $21 million based on the closing price of our common stock on the acquisition date. In addition, we expect to purchase approximately $13 million of initial production inventory from Caterpillar. The addition of the Challenger tractor line provides us with a technological leader in high horsepower track-type tractors that will be marketed on a worldwide basis primarily through the Caterpillar distribution organization. Furthermore, we plan to provide Caterpillar dealers with additional products that should broaden their equipment offerings and enhance their competitive position. The results of operations for this product line will be included in our results as of the date of the acquisition. Since the Challenger tractors will not be sold until May 2002 and the complementary products will not be fully available in 2002, we anticipate that the impact of this acquisition will be neutral to slightly negative to earnings in 2002.

LIQUIDITY AND CAPITAL RESOURCES

Our financing requirements are subject to variations due to seasonal changes in inventory and receivable levels. Internally generated funds are supplemented when necessary from external sources, primarily our revolving credit facility and accounts receivable securitization facilities.

During 2001, we completed a number of transactions, which modified our capital structure and replaced our existing revolving credit facility, which was scheduled to expire in January 2002.

We entered into a $350.0 million multi-currency revolving credit facility with Rabobank that will mature October 2005. The facility is secured by a majority of our U.S., Canadian and U.K. based assets and a pledge of the stock of our domestic and material foreign subsidiaries. Interest will accrue on borrowings outstanding under the facility, at our option, at either (1) LIBOR plus a margin based on a ratio of our senior debt to EBITDA, as adjusted, or (2) the administrative agent's base lending rate or the federal funds rate plus a margin ranging between 0.625% and 1.5%, whichever is higher. The facility contains covenants, including covenants restricting the incurrence of indebtedness and the making of restrictive payments, including dividends. In addition, we must fulfill financial covenants including, among others, a total debt to EBITDA ratio, a senior debt to EBITDA ratio and a fixed charge coverage ratio, as defined in the facility. The proceeds were used to repay borrowings outstanding under our existing revolving credit facility. As of December 31, 2001, we had borrowings of $89.0 million and availability to borrow $256.6 million under the revolving credit facility.

We issued $250.0 million of 9 1/2% Senior Notes due 2008. The senior notes are unsecured obligations and are redeemable at our option, in whole or in part, commencing May 1, 2005 initially at 104.75% of their principal amount, plus accrued interest, declining to 100% of their principal amount plus accrued interest on May 1, 2007. The indenture governing the senior notes requires us to offer to repurchase the senior notes at 101% of their principal amount, plus accrued interest to the date of the repurchase in the event of a change in control. The indenture contains certain covenants that among other things, limits our ability (and that of its restricted subsidiaries) to incur additional indebtedness; make restricted payments (including dividends and share repurchases); make investments; guarantee indebtedness; create liens; and sell assets and share repurchases. The proceeds were used to pay borrowings outstanding under our existing revolving credit facility and support the financing of the Ag-Chem acquisition.

Lastly, we completed additional accounts receivable securitization facilities totaling approximately $152.0 million whereby certain European and Canadian wholesale accounts receivable may be sold to a third party on a revolving basis. We used the proceeds from these securitization facilities to reduce outstanding borrowings under our new revolving credit facility. In 2000, we completed a $250 million securitization facility for the sale of United States accounts receivable on a revolving basis.

As a result, our primary financing and funding sources are the $250.0 million 8 1/2% Senior Subordinated Notes due 2006, the $250.0 million 9 1/2% Senior Notes due 2008, a $350.0 million revolving credit facility and approximately $410.0 million of accounts receivable securitization facilities in the U.S., Canada and Europe.

We meet our short-term liquidity requirements through utilization of our revolving credit facility and the accounts receivable securitization facilities. Our revolving credit facility is committed through October 2005 and is subject to maintaining certain covenants as described above. The securitization facilities each have terms of five years but are subject to annual renewal. These facilities allow us to sell accounts receivables through financing conduits which obtain funding from commercial paper markets. Future funding under securitization facilities is dependent upon the adequacy of receivables, a sufficient demand for the underlying commercial paper and the maintenance of certain covenants concerning the quality of the receivables and our financial condition. In the event commercial paper demand is not adequate, our securitization facilities provide for liquidity backing from various financial institutions including Rabobank. These liquidity commitments would provide us with interim funding and should allow us time to find alternative sources of working capital financing, if necessary.

Under our securitization facilities, we sell accounts receivable on a revolving basis to commercial paper conduits either on a direct basis or through a wholly-owned special purpose entity. As of December 31, 2001, the unpaid balance of receivables sold was approximately $508.9 million, of which funding of $402.0 million had been advanced to us. The funded balance of $402.0 million has the effect of reducing accounts receivable and short-term liabilities by the same amount. Our risk of loss under the securitization facilities is limited to the receivables required to be contributed to the commercial paper conduit in excess of the amount funded. Currently, this receivable requirement is approximately 15% in excess of the funded amount. We maintain reserves for doubtful accounts associated with this risk. If the facilities were terminated, we would not be required to repurchase previously sold receivables but would be prevented from selling additional receivables.

Our working capital requirements are seasonal, with investments in working capital typically building in the first half of the year and then reducing in the second half of the year. We had $539.7 million of working capital at December 31, 2001, a decrease of $64.2 million from working capital of $603.9 million at December 31, 2000. Accounts receivable and inventory combined were $103.3 million lower than the prior year. The change includes a $145.0 million reduction resulting from the increased sales of receivables in 2001, offset by the addition of $106.8 million of Ag-Chem receivables and inventory. The net change in receivables and inventory, excluding these items is a reduction of approximately $65.1 million compared to December 31, 2000. The majority of this reduction is due to currency translation.

Cash flow provided by operating activities was $225.4 million for 2001 compared to $174.4 million for 2000. Operating cash flow benefited from an additional $145.0 million in receivables sales in 2001 and $200.0 million in 2000. Excluding securitization impacts, operating cash flow improved compared to the prior year.

Capital expenditures for 2001 were $39.3 million compared to $57.7 million for 2000. The decrease in capital expenditures was primarily due to the completion of capital expansion projects related to facility rationalizations. We anticipate that capital expenditures for 2002 will range from approximately $45.0 million to $55.0 million and will primarily be used to support the development and enhancement of new and existing products as well as facility, equipment and systems improvements.

Our debt to capitalization ratio (total long-term debt divided by the sum of total long-term debt and stockholders' equity) was 43.6% at December 31, 2001 compared to 41.9% at December 31, 2000. The increase is primarily attributable to higher debt incurred in connection with the Ag-Chem acquisition partially offset by the reduction in debt resulting from increased funding of accounts receivable securitization facilities as well as the negative impact of currency translation on our equity balance.

We believe that available borrowings under the revolving credit facility, funding under the accounts receivable securitization facilities, available cash and internally generated funds will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future.

From time to time, we review and will continue to review acquisition and joint venture opportunities as well as changes in the capital markets. If we were to consummate a significant acquisition or elect to take advantage of favorable opportunities in the capital markets, we may supplement availability or revise the terms under our credit facilities or complete public or private offerings of equity or debt securities.

CONTRACTUAL COMMITMENTS

During 1999, we entered into a sale/leaseback transaction involving certain real property. The proceeds from the transaction of $18.7 million were used to reduce the outstanding borrowings under the revolving credit facility. The terms of the lease require us to pay approximately $2.0 million per year for fifteen years at which time we have the option to extend the lease with annual payments ranging from $2.2 million to $2.7 million. In accordance with SFAS No. 13, we have accounted for the lease as an operating lease.

At December 31, 2001, we were obligated under certain circumstances to purchase through the year 2005 up to $4.2 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada Ltd., our retail finance joint ventures in North America, and end users. We also maintain a remarketing agreement with these joint ventures, whereby we are obligated to repurchase repossessed inventory at market values. Management believes that any losses, which might be incurred on the resale of this equipment, will not materially impact our financial position or results of operations.

At December 31, 2001, we guaranteed indebtedness owed to third parties of approximately $15.1 million, primarily related to dealer and end user financing of equipment. We believe the credit risk associated with these guarantees is not material to our financial position.

RELATED PARTIES

Rabobank Nederland, a AAA rated financial institution based in the Netherlands, is a 51% owner in our retail finance joint ventures which are located in the United States, Canada, the United Kingdom, France, Germany, Spain, Ireland and Brazil. Rabobank is also the principal agent and participant in our revolving credit facility and our securitization facilities. The finance joint ventures are also financed by lines of credit with Rabobank. These credit facilities are not directly guaranteed by us.

In 2000, the Company entered into supply agreements with SAME Deutz-Fahr Group S.p.A. ("SDFG") whereby SDFG supplies certain orchard and vineyard tractors and AGCO supplies SDFG with combines in the European market. At December 31, 2001, SDFG owned approximately 5% of AGCO's common stock, but has no involvement in AGCO management.

During 2001, we had net sales of $87.0 million to BayWa Corporation, a German distributor, in the ordinary course of business. The President and CEO of BayWa Corporation is also a member of our Board of Directors.

OUTLOOK

Our operations are subject to the cyclical nature of the agricultural industry. Sales of our equipment have been and are expected to continue to be affected by changes in net cash farm income, farm land values, weather conditions, the demand for agricultural commodities and general economic conditions.

Worldwide industry demand of agricultural equipment is expected to remain principally unchanged for 2002, as industry fundamentals, including commodity prices, are not anticipated to improve meaningfully in 2002. In the U.S., the proposed U.S. Farm Bill may provide more stability to farm income and farmer confidence. In Europe, farm consolidation and CAP reform will continue to negatively impact industry demand while concerns over livestock diseases, which impacted 2001 demand, have receded. In South America, Brazilian farm economics remain strong, however, equipment demand in 2002 will continue to be dependent on the availability of subsidized financing.

In light of the flat industry conditions, AGCO expects to continue to generate earnings growth in 2002 from cost reduction initiatives, the positive impact of upgraded product offerings and a full-year inclusion of Ag-Chem's results with acquisition synergies. In addition, we anticipate that the impact of adopting Statement of Financial Accounting Standards ("SFAS") No. 142, which eliminates the amortization of goodwill, will result in an increase in operating income in 2002 of $18 million. This impact to operating income will be more than offset by increased restricted stock expense associated with awards earned in 2002 under our Long-Term Incentive Plan. These awards are earned upon increases in the price of our common stock, which has increased significantly to date in 2002. Based on the restricted shares earned to date in 2002, we will record compensation expense of approximately $27 million, or $0.24 per share in the first quarter of 2002, of which approximately $15 million is non-cash expense.

As discussed further in "Accounting Changes," we expect the adoption of SFAS No. 142 will result in a non-cash goodwill impairment charge of $18 million to $28 million on a pre-tax basis recorded as a cumulative effect of an accounting change.

FOREIGN CURRENCY RISK MANAGEMENT

We have significant manufacturing operations in the United States, the United Kingdom, France, Germany, Denmark and Brazil, and we purchase a portion of our tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. We also sell products in over 140 countries throughout the world. The majority of our revenue outside the United States is denominated in the currency of the customer location with the exception of sales in the Middle East, Africa and Asia which is primarily denominated in British pounds, Euros or U.S. dollars (See "Segment Reporting" in the Notes to consolidated financial statements for sales by customer location). Our most significant transactional foreign currency exposures are the British pound in relation to the Euro and the British pound, Euro, Brazilian real and the Canadian dollar in relation to the U.S. dollar. Fluctuations in the value of foreign currencies create exposures, which can adversely affect our results of operations.

We attempt to manage our transactional foreign exchange exposure by hedging foreign currency cash flow forecasts and commitments arising from the settlement of receivables and payables, and from future purchases and sales. Where naturally offsetting currency positions do not occur, we hedge certain of our exposures through the use of foreign currency forward contracts. Our hedging policy prohibits foreign currency forward contracts for speculative trading purposes. Our translation exposure resulting from translating the financial statements of foreign subsidiaries into U.S. dollars is not hedged. Our most significant translation exposures are the British pound, the Euro and the Brazilian real in relation to the U.S. dollar. When practical, this translation impact is reduced by financing local operations with local borrowings.

The following is a summary of foreign currency forward contracts used to hedge currency exposures. All contracts have a maturity of less than one year. The net notional amounts and fair value gains or losses as of December 31, 2001 stated in U.S. dollars are as follows:

	NET NOTIONAL AMOUNT BUY/(SELL)	AVERAGE CONTRACT RATE*	FAIR VALUE GAIN/(LOSS)
	(IN MILLIONS)		
Australian dollar	$ 0.6	1.97	$ --
British pound	45.5	0.70	0.2
Canadian dollar	(39.9)	1.59	0.5
Danish krone	(16.9)	8.31	(0.1)
Euro dollar	82.0	1.13	(0.2)
Japanese yen	5.2	131.27	(0.4)
Mexican peso	11.3	9.21	--
Norwegian krone	(6.8)	8.99	--
South African rand	(0.8)	12.04	--
Swedish krona	(5.9)	10.49	--
Swiss franc	(1.0)	1.66	--
	$ 73.3		$ --

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* per U.S. dollar

Because these contracts were entered into for hedging purposes, the gains and losses on the contracts would largely be offset by gains and losses on the underlying firm commitment.

In January of 2002, the Argentine Peso incurred a significant devaluation. We accounted for this devaluation as of December 31, 2001 resulting in a negative currency translation adjustment to stockholder's equity of approximately $38 million.

INTEREST RATES

We manage interest rate risk through the use of fixed rate debt and interest rate swap contracts. We have fixed rate debt from our $250 million 8 1/2% Senior Subordinated Notes due 2006 and our $250 million 9 1/2% Senior Notes due 2008. During 2001, we had an interest rate swap contract outstanding to further minimize the effect of potential interest rate increases on floating rate debt. This contract expired on December 31, 2001 and we currently have no interest rate swap contracts outstanding. For 2001, the interest rate swap had the effect of converting a portion of our floating rate indebtedness to a fixed rate of 6.1%. Our floating rate exposure is related to our revolving credit facility and our securitization facilities, which are tied to changes in U.S. and European LIBOR rates. Assuming a 10% increase in interest rates, interest expense, net, excluding the effect of the interest rate swap contract for 2001, would have increased by approximately $2.1 million.

CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed in the preparation of the financial statements are detailed in Note 1 in the notes to consolidated financial statements. In the preparation of these financial statements, we make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We believe that our judgments, estimates and assumptions are reasonable. However, due to the level of judgment, complexity, and the period of time over which many items are resolved, actual results could differ from those estimated at the time of preparation of the financial statements. Adjustments to these estimates would impact our financial position and future results of operations. We believe that our application of policies involving significant judgments, estimates and complexity utilized in our financial statements include the establishment of the following:

Allowances for Discounts and Sales Incentives -- Allowances for discounts and sales incentives are made at the time of sale based on retail sales incentive programs available to the dealer or the retail customer. The cost of these programs is dependent on various factors including the timing of the retail sale and the volume of sales achieved by the dealer. These retail sales incentives may also be revised between the time we record the sale and the time the retail sale occurs. We monitor these factors and revise our provisions when necessary.

Allowances for Surplus and Obsolete Inventory -- Our allowances for surplus and obsolete inventory are based on historical usage and sales patterns and estimates of future sales and production. Changes in demand and product design can impact these estimates. We periodically evaluate and update our assumptions when assessing the adequacy of inventory allowances.

Valuation Allowances for Deferred Tax Assets -- Valuation allowances for deferred tax assets are established when we estimate it is more likely than not that the tax assets will not be realized. These estimates are based on projections of future income in certain tax jurisdictions. Changes in industry conditions and the competitive environment may impact the accuracy of our projections.

Warranty Reserves -- Provisions for estimated expenses related to product warranties are made at the time products are sold. These estimates are based on historical experience of the nature, frequency and average cost of warranty claims. We frequently review warranty trends to monitor our estimates and develop actions to minimize future claims.

Insurance Reserves -- Insurance reserves are provided for our estimates of losses due to claims for worker's compensation, product liability and other liabilities for which we are self-insured. These estimates are based on the ultimate value of claims, which often have long periods of resolution. We closely monitor the claims to maintain adequate reserves.

Additional details for these accounts are located in Note 1 to the consolidated financial statements with the exception of the valuation allowances for deferred taxes which are located in Note 6 to the consolidated financial statements.

ACCOUNTING CHANGES

In September 1999, the Financial Accounting Standards Board ("FASB") issued SFAS No. 137, providing for a one year delay of the effective date of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" to January 1, 2001. SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value. SFAS No. 133 requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting treatment is met. In June 2000, the FASB issued SFAS No. 138 that amends the accounting and reporting of derivatives under SFAS No. 133 to exclude, among other things, contracts for normal purchases and normal sales. As discussed further in Note 11 to the consolidated financial statements, we adopted SFAS No. 133 on January 1, 2001.

In July 2001, the FASB issued SFAS No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 141 prospectively prohibits the pooling of interest method of accounting for business combinations initiated after June 30, 2001. SFAS No. 142 requires companies to cease amortizing goodwill and other indefinite lived assets on December 31, 2001 that were in existence at June 30, 2001. Any goodwill and other indefinite lived assets resulting from acquisitions completed after June 30, 2001 will not be amortized. SFAS No. 142 also establishes a new method of testing goodwill and other indefinite lived assets for impairment on an annual basis or on an interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. The adoption of SFAS No. 142 will result in the discontinuation of amortization of our goodwill; however, we will be required to test our goodwill for impairment under the new standard beginning in 2002, which could have an adverse effect on our future results of operations if an impairment occurs. SFAS No. 142 requires that an initial impairment assessment be performed on all goodwill and indefinite lived intangible assets. This assessment involves determining an estimate of the fair value of our reporting units and trademarks in order to evaluate whether an impairment of the current carrying amount of goodwill and other intangible assets exists. Fair values will be derived based on an evaluation of past and expected future performance of our reporting units. Any impairment charge from this initial assessment will be recorded as a cumulative effect of an accounting change. We are currently performing the initial fair value assessment. Although the assessment has not been completed and is subject to change, we estimate that the cumulative effect of adopting this standard will result in a non-cash charge of $18 million to $28 million on a pre-tax basis. We expect to complete our assessment and record the impact of adoption of the standard in the first quarter of 2002. The adoption of this standard will also benefit pre-tax earnings beginning in 2002 by approximately $18 million, or $.16 per share, from reduced amortization of intangibles.

In July 2001, the FASB also issued SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"). SFAS No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the entity either settles the obligation for the amount recorded or incurs a gain or loss. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. We are evaluating the effect of this statement on our results of operations and financial position, but do not believe the impact will be material.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). SFAS No. 144 supersedes FASB statement No. 121. "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS No. 121"), and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations -- Reporting the Effects of Disposal of Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" ("Opinion 30") for the disposal of a segment of business (as previously defined in Opinion 30). The FASB issued SFAS No. 144 to establish a single accounting model, based on the framework established in SFAS No. 121, for long-lived assets to be disposed of by sale. SFAS No. 144 broadens the presentation of discontinued operations in the statement of operations to include a component of an entity (rather than a segment of a business). A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. SFAS No. 144 also requires that discontinued operations be measured at the lower of the carrying amount or fair value less cost to sell. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001 and should be applied prospectively. This standard will not impact our current results of operations or financial position, but will be applied if appropriate circumstances arise.

FORWARD LOOKING STATEMENTS

Certain statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this annual report on Form 10-K are forward looking, including certain statements set forth under the headings "Results of Operations" and "Liquidity and Capital Resources." Forward looking statements include our expectations with respect to factors that affect industry conditions, net sales and income, restructuring and other infrequent expenses, impairment charges, future capital expenditures, fulfillment of working capital needs, and plans with respect to acquisitions. Although we believe that the statements it has made are based on reasonable assumptions, they are based on current information and beliefs and, accordingly, we can give no assurance that its statements will be achieved. In addition, these statements are subject to factors that could cause actual results to differ materially from those suggested by the forward looking statements. These factors include, but are not limited to, general economic and capital market conditions, the demand for agricultural products, world grain stocks, crop production, commodity prices, farm income, farm land values, government farm programs and legislation, pervasive livestock diseases, the levels of new and used field inventories, weather conditions, interest and foreign currency exchanges rates, the conversion to the Euro, pricing and product actions taken by competitors, customer access to credit, production disruptions, supply and capacity constraints, cost reduction and control initiatives, research and development efforts, labor relations, dealer and distributor actions, technological difficulties, changes in environmental, international trade and other laws, and political and economic uncertainty in various areas of the world. Further information concerning factors that could significantly affect our results is included in our filings with the Securities and Exchange Commission. We disclaim any responsibility to update any forward looking statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Quantitative and Qualitative Disclosures about Market Risk information required by this Item set forth under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Foreign Currency Risk Management" and "-- Interest Rates" on pages 28 through 29 under Item 7 of this Form 10-K is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements of AGCO and its subsidiaries for the year ended December 31, 2001 are included in this item:

The information under the heading "Quarterly Results" of Item 7 on page 22 of this Form 10-K is incorporated herein by reference.

The financial statements of AGCO Finance LLC (formerly Agricredit Acceptance LLC) included as Exhibits 99.1 and 99.2 to this Form 10-K are incorporated herein by reference.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To AGCO Corporation:

We have audited the accompanying consolidated balance sheets of AGCO CORPORATION AND SUBSIDIARIES as of December 31, 2001 and 2000 and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the 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. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AGCO Corporation and subsidiaries as of December 31, 2001 and 2000 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

As explained in Note 11 to the consolidated financial statements, in accordance with the requirements of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," AGCO Corporation and Subsidiaries changed their method of accounting for derivative instruments and hedging activities effective January 1, 2001.

/s/ Arthur Andersen LLP

Atlanta, Georgia
February 6, 2002

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN MILLIONS, EXCEPT PER SHARE DATA)

YEARS ENDED DECEMBER 31,	2001	2000	1999
Net sales	$2,541.5	$2,336.1	$2,436.4
Cost of goods sold	2,106.7	1,959.5	2,078.7
Gross profit	434.8	376.6	357.7
Selling, general and administrative expenses	257.0	228.2	233.2
Engineering expenses	49.6	45.6	44.6
Restructuring and other infrequent expenses	13.0	21.9	24.5
Amortization of intangibles	18.5	15.1	14.8
Income from operations	96.7	65.8	40.6
Interest expense, net	58.6	46.6	57.6
Other expense, net	23.4	33.1	15.2
Income (loss) before income taxes, equity in net earnings of affiliates and extraordinary loss	14.7	(13.9)	(32.2)
Income tax provision (benefit)	1.9	(7.6)	(10.2)
Income (loss) before equity in net earnings of affiliates and extraordinary loss	12.8	(6.3)	(22.0)
Equity in net earnings of affiliates	10.6	9.8	10.5
Income (loss) before extraordinary loss	23.4	3.5	(11.5)
Extraordinary loss, net of taxes	(0.8)	--	--
Net income (loss)	$ 22.6	$ 3.5	$ (11.5)
Net income (loss) per common share:			
Basic:			
Income (loss) before extraordinary loss	$ 0.34	$ 0.06	$ (0.20)
Extraordinary loss, net of taxes	(0.01)	--	--
Net income (loss)	$ 0.33	$ 0.06	$ (0.20)
Diluted:			
Income (loss) before extraordinary loss	$ 0.34	$ 0.06	$ (0.20)
Extraordinary loss, net of taxes	(0.01)	--	--
Net income (loss)	$ 0.33	$ 0.06	$ (0.20)
Weighted average number of common and common equivalent shares outstanding:			
Basic	68.3	59.2	58.7
Diluted	68.5	59.7	58.7

See accompanying notes to consolidated financial statements.

AGCO CORPORATION

CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE AMOUNTS)

	DECEMBER 31, 2001	DECEMBER 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 28.9	$ 13.3
Accounts and notes receivable, net	471.9	602.9
Inventories, net	558.8	531.1
Other current assets	122.9	93.0
Total current assets	1,182.5	1,240.3
Property, plant and equipment, net	316.9	316.2
Investment in affiliates	69.6	85.3
Other assets	190.9	176.0
Intangible assets, net	413.4	286.4
Total assets	$2,173.3	$2,104.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 272.2	$ 244.4
Accrued expenses	350.7	357.6
Other current liabilities	19.9	34.4
Total current liabilities	642.8	636.4
Long-term debt	617.7	570.2
Postretirement health care benefits	25.6	27.5
Other noncurrent liabilities	87.8	80.2
Total liabilities	1,373.9	1,314.3
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock; $0.01 par value, 150,000,000 shares authorized, 72,311,107 and 59,589,428 shares issued and outstanding in 2001 and 2000, respectively	0.7	0.6
Additional paid-in capital	531.5	427.1
Retained earnings	645.0	622.9
Unearned compensation	(0.6)	(1.4)
Accumulated other comprehensive loss	(377.2)	(259.3)
Total stockholders' equity	799.4	789.9
Total liabilities and stockholders' equity	$2,173.3	$2,104.2

See accompanying notes to consolidated financial statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(IN MILLIONS, EXCEPT SHARE AMOUNTS)
PREFERRED STOCK COMMON STOCK ADDITIONAL ----
----------- ------------------ PAID-IN
RETAINED UNEARNED SHARES AMOUNT SHARES
AMOUNT CAPITAL EARNINGS COMPENSATION ------
------ ---------- ------ --------- --------
------------ Balance, December 31,
1998..................... -- $-- 59,535,921
$0.6 $427.3 $635.8 $(11.1) Net
loss......................................
-- -- -- -- -- (11.5) -- Issuance of
restricted stock.................. -- --
26,500 -- 0.2 -- (0.2) Stock options
exercised...................... -- --
17,138 -- 0.2 -- -- Common stock dividends
($0.04 per common
share).....................................
-- -- -- -- -- (2.4) -- Amortization of
unearned compensation.......... -- -- -- --
-- -- 6.2 Change in cumulative translation
adjustment.... -- -- -- -- -- -- -- ---- --
---------- ---- ------ ------ ------
Balance, December 31,
1999..................... -- -- 59,579,559
0.6 427.7 621.9 (5.1) Net
income...................................
-- -- -- -- -- 3.5 -- Forfeitures of
restricted stock............... -- --
(29,833) -- (0.9) -- 0.2 Stock options
exercised...................... -- --
39,702 -- 0.3 -- -- Common stock dividends
($0.04 per common
share).....................................
-- -- -- -- -- (2.5) -- Amortization of
unearned compensation.......... -- -- -- --
-- -- 3.5 Additional minimum pension
liability.......... -- -- -- -- -- -- -- --
Change in cumulative translation
adjustment.... -- -- -- -- -- -- -- ---- --
---------- ---- ------ ------ ------
Balance, December 31,
2000..................... -- -- 59,589,428
0.6 427.1 622.9 (1.4) Net
income...................................
-- -- -- -- -- 22.6 -- Issuance of preferred
shares.................. 555 -- -- -- 5.3 -
- -- Conversion of preferred shares into
common
stock......................................
(555) -- 555,000 -- -- -- -- Issuance of
common stock, net of offering
expenses...................................
-- -- 11,799,377 0.1 99.2 -- -- Issuance of
restricted stock.................. -- --
226,960 -- 3.5 -- (0.4) Tax difference on
restricted stock expense..... -- -- -- --
(4.7) -- -- Stock options
exercised...................... -- --
140,342 -- 1.1 -- -- Common stock dividends
($0.01 per common
share).....................................
-- -- -- -- -- (0.5) -- Amortization of
unearned compensation.......... -- -- -- --
-- -- 1.2 Additional minimum pension
liability, net...... -- -- -- -- -- -- -- --
Deferred gains and losses on derivatives,
net..
-- -- -- -- -- -- -- Deferred gains and
losses on derivatives held by affiliates,
net......................... -- -- -- -- -
- -- -- Change in cumulative translation
adjustment.... -- -- -- -- -- -- -- ---- --
---------- ---- ------ ------ ------
Balance, December 31,
2001..................... -- $-- 72,311,107
$0.7 $531.5 $645.0 $ (0.6) ==== ==
========= ==== ====== ====== ======
ACCUMULATED OTHER COMPREHENSIVE LOSS -------

---- ADDITIONAL ACCUMULATED MINIMUM
CUMULATIVE DEFERRED OTHER TOTAL PENSION
TRANSLATION LOSSES ON COMPREHENSIVE
STOCKHOLDERS' LIABILITY ADJUSTMENT

DERIVATIVES LOSS EQUITY ---------- ---------
--- ----------- ------------ ------------
Balance, December 31,
1998..................... $ -- $ (70.5) $ -
- $ (70.5) $ 982.1 Net
loss......................................
-- -- -- -- (11.5) Issuance of restricted
stock.................. -- -- -- -- --
Stock options
exercised...................... -- -- -- -
- 0.2 Common stock dividends ($0.04 per
common
share)....................................
-- -- -- -- (2.4) Amortization of unearned
compensation.......... -- -- -- -- 6.2
Change in cumulative translation
adjustment.... -- (145.5) -- (145.5) (145.5)
------ ------- ----- ------- -------
Balance, December 31,
1999..................... -- (216.0) --
(216.0) 829.1 Net
income....................................
-- -- -- -- 3.5 Forfeitures of restricted
stock................ -- -- -- -- (0.7)
Stock options
exercised...................... -- -- -- -
- 0.3 Common stock dividends ($0.04 per
common
share)....................................
-- -- -- -- (2.5) Amortization of unearned
compensation.......... -- -- -- -- 3.5
Additional minimum pension
liability........... (2.8) -- -- (2.8) (2.8)
Change in cumulative translation
adjustment.... -- (40.5) -- (40.5) (40.5) --
---- ------- ----- ------- ------- Balance,
December 31, 2000.....................
(2.8) (256.5) -- (259.3) 789.9 Net
income....................................
-- -- -- -- 22.6 Issuance of preferred
shares.................. -- -- -- -- 5.3
Conversion of preferred shares into common
stock.....................................
-- -- -- -- -- Issuance of common stock, net
of offering
expenses..................................
-- -- -- -- 99.3 Issuance of restricted
stock.................. -- -- -- -- 3.1 Tax
difference on restricted stock expense.....
-- -- -- -- (4.7) Stock options
exercised...................... -- -- -- -
- 1.1 Common stock dividends ($0.01 per
common
share)....................................
-- -- -- -- (0.5) Amortization of unearned
compensation.......... -- -- -- -- 1.2
Additional minimum pension liability,
net...... (34.3) -- -- (34.3) (34.3)
Deferred gains and losses on derivatives,
net.......................................
-- -- (0.1) (0.1) (0.1) Deferred gains and
losses on derivatives held by affiliates,
net......................... -- -- (5.8)
(5.8) (5.8) Change in cumulative translation
adjustment.... -- (77.7) -- (77.7) (77.7) --
---- ------- ----- ------- ------- Balance,
December 31, 2001.....................
$(37.1) $(334.2) $(5.9) $(377.2) $ 799.4
====== ======= ===== ======= =======
COMPREHENSIVE LOSS ------------- Balance,
December 31, 1998..................... Net
loss......................................
$ (11.5) Issuance of restricted
stock.................. Stock options
exercised...................... Common
stock dividends ($0.04 per common
share)....................................
Amortization of unearned
compensation.......... Change in cumulative
translation adjustment.... (145.5) -------
Balance, December 31,
1999..................... (157.0) =======
Net
income....................................
3.5 Forfeitures of restricted
stock................ Stock options
exercised...................... Common
stock dividends ($0.04 per common

share).......................................
Amortization of unearned
compensation.......... Additional minimum
pension liability........... (2.8) Change in
cumulative translation adjustment.... (40.5)
------- Balance, December 31,
2000...................... (39.8) =======
Net
income....................................
22.6 Issuance of preferred
shares................... Conversion of
preferred shares into common
stock..
Issuance of common stock, net of offering
expenses...................................
Issuance of restricted
stock................... Tax difference on
restricted stock expense..... Stock options
exercised........................ Common
stock dividends ($0.01 per common
share).......................................
Amortization of unearned
compensation.......... Additional minimum
pension liability, net...... (34.3) Deferred
gains and losses on derivatives,
net...
(0.1) Deferred gains and losses on
derivatives held by affiliates,
net........................... (5.8) Change
in cumulative translation adjustment....
(77.7) ------- Balance, December 31,
2001...................... $ (95.3) =======

See accompanying notes to consolidated financial statements.

AGCO CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31,		
	2001	2000	1999
	(IN MILLIONS)		
Cash flows from operating activities:			
Net income (loss)	$ 22.6	$ 3.5	$ (11.5)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Extraordinary loss, net of taxes	0.8	--	--
Depreciation and amortization	51.9	51.6	55.8
Amortization of intangibles	18.5	15.1	14.8
Restricted stock compensation	4.3	3.0	6.2
Equity in net earnings of affiliates, net of cash received	4.0	(0.1)	2.4
Deferred income tax benefit	(32.8)	(37.6)	(47.2)
Write-down/(recoveries) of property, plant and equipment	(0.3)	1.3	14.9
Gain on sale of investment in affiliate	(5.2)	--	--
Changes in operating assets and liabilities, net of effects from purchase of businesses:			
Accounts and notes receivable, net	111.7	127.8	194.3
Inventories, net	39.6	23.7	72.1
Other current and noncurrent assets	1.0	(9.9)	(20.3)
Accounts payable	16.0	(0.6)	(38.5)
Accrued expenses	(8.2)	(7.8)	(3.5)
Other current and noncurrent liabilities	1.5	4.4	(5.8)
Total adjustments	202.8	170.9	245.2
Net cash provided by operating activities	225.4	174.4	233.7
Cash flows from investing activities:			
Purchases of property, plant and equipment	(39.3)	(57.7)	(44.2)
Proceeds from sales of property, plant and equipment	4.7	--	18.7
Sale/(purchase) of businesses, net	(147.5)	(10.0)	6.0
Sale of/(investments in) affiliates, net	1.3	(2.0)	(1.1)
Net cash used in investing activities	(180.8)	(69.7)	(20.6)
Cash flows from financing activities:			
Proceeds from long-term debt	1,256.6	413.3	536.1
Repayments of long-term debt	(1,276.3)	(520.8)	(740.8)
Proceeds from issuance of preferred and common stock	6.4	0.3	--
Payment of debt and common stock issuance costs	(13.1)	--	--
Dividends paid on common stock	(0.5)	(2.5)	(2.4)
Net cash used in financing activities	(26.9)	(109.7)	(207.1)
Effects of exchange rate changes on cash and cash equivalents	(2.1)	(1.3)	(2.3)
Increase (decrease) in cash and cash equivalents	15.6	(6.3)	3.7
Cash and cash equivalents, beginning of period	13.3	19.6	15.9
Cash and cash equivalents, end of period	$ 28.9	$ 13.3	$ 19.6

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS

AGCO Corporation ("AGCO" or the "Company") is a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. The Company sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements. The Company's products are widely recognized in the agricultural equipment industry and are marketed under the following brand names: AGCO(R), AGCO(R)Allis, AGCOSTAR(R), Ag-Chem(R), Farmhand(R), FENDT(TM), Fieldstar(R), GLEANER(R), Glencoe(R), Hesston(R), Lor(*)Al(R), Massey Ferguson(R), New Idea(R), RoGator(R), SOILTEQ, Spra-Coupe(R), Terra-Gator(R), Tye(R), White Tractors, White Planters and Willmar(R). The Company distributes most of its products through a combination of approximately 7,350 independent dealers, distributors, associates and licensees. In addition, the Company provides retail financing in North America, the United Kingdom, France, Germany, Spain, Ireland and Brazil through its retail finance joint ventures with Cooperative Centrale Raiffeisen-Boerenleenbank B.A.,"Rabobank Nederland".

BASIS OF PRESENTATION

The consolidated financial statements represent the consolidation of all majority-owned companies where controlling interest exists. The Company records all affiliate companies representing a 20% to 50% ownership using the equity method of accounting. Other investments representing an ownership of less than 20% are recorded at cost. All significant intercompany transactions have been eliminated to arrive at the consolidated financial statements.

Certain prior period amounts have been reclassified to conform to the current period presentation.

REVENUE RECOGNITION

Sales of equipment and replacement parts are recorded by the Company when title and risks of ownership have been transferred to the independent dealer, distributor or other customer. Payment terms vary by market and product with fixed payment schedules on all sales. The Company does not offer consignment terms on any of its products. The terms of sale generally require that a purchase order or order confirmation accompany all shipments. Title passes to the dealer or distributor upon shipment and the risk of loss upon damage, theft or destruction of the equipment is the responsibility of the dealer or distributor. The dealer or distributor may not return equipment or replacement parts while its contract with the Company is in force. Replacement parts may be returned only under promotional annual return programs. Provisions for returns under these programs are made at the time of sale based on the terms of the program and historical returns experience. The Company may provide certain sales incentives to dealers and distributors. Provisions for sales incentives are made at the time of sale for existing incentive programs. These provisions are revised in the event of subsequent modification to the incentive program.

In the United States and Canada, all equipment sales to dealers are immediately due upon a retail sale of the equipment by the dealer. If not already paid by the dealer in the United States and Canada, installment payments are required generally beginning 7 to 13 months after shipment with the remaining outstanding equipment balance generally due within 12 to 24 months of shipment. Interest is generally charged on the outstanding balance 4 to 13 months after shipment. Sales terms of some highly seasonal products provide for payment and due dates based on a specified date during the year regardless of the shipment date. Equipment sold to dealers in the United States and Canada are paid in full on average within twelve months of shipment. Sales of replacement parts are generally payable within 30 days of shipment with terms for some larger seasonal stock orders generally payable within 6 months of shipment.

In other international markets, equipment sales are payable in full within 30 to 180 days of shipment. Payment terms for some highly seasonal products have a specific due date during the year regardless of the shipment date. Sales of replacement parts are generally payable within 30 days of shipment with terms for some larger seasonal stock orders generally payable within 6 months of shipment.

In certain markets, particularly in North America, there is a time lag, which varies based on the timing and level of retail demand, between the date the Company records a sale and when the dealer sells the equipment to a retail customer.

FOREIGN CURRENCY TRANSLATION

The financial statements of the Company's foreign subsidiaries are translated into U.S. currency in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation." Assets and liabilities are translated to U.S. dollars at period-end exchange rates. Income and expense items are translated at average rates of exchange prevailing during the period. Translation adjustments are included in "Accumulated other comprehensive loss" in stockholders' equity. Gains and losses which result from foreign currency transactions are included in the accompanying consolidated statements of operations.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates made by management primarily relate to receivable and inventory allowances and certain accrued liabilities, principally relating to reserves for volume discounts and sales incentives, warranty and insurance.

CASH AND CASH EQUIVALENTS

The Company considers all investments with an original maturity of three months or less to be cash equivalents.

ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable arise from the sale of equipment and replacement parts to independent dealers, distributors or other customers. Payments due under the Company's terms of sale are not contingent upon the sale of the equipment by the dealer or distributor to a retail customer. Under normal circumstances, payment terms are not extended and equipment may not be returned. In certain regions, including the United States and Canada, the Company is obligated to repurchase equipment and replacement parts upon cancellation of a dealer or distributor contract. These obligations are required by national, state or provincial laws and require the Company to repurchase dealer or distributor's unsold inventory, including inventory for which the receivable has already been paid.

For sales outside of the United States and Canada, the Company does not normally charge interest on outstanding receivables with its dealers and distributors. For sales to dealers or distributors in the United States and Canada, where approximately 29% of the Company's net sales were generated in 2001, interest is charged at or above prime lending rates on outstanding receivable balances after interest-free periods. These interest-free periods vary by product and range from 1 to 12 months with the exception of certain seasonal products, which bear interest after various periods depending on the time of year of the sale and the dealer or distributor's sales volume during the preceding year. For the year ended December 31, 2001, 20.7%, 5.1%, 1.9% and 1.3% of the Company's net sales had maximum interest-free periods ranging from 1 to 6 months, 7 to 12 months, 13 to 20 months and 21 months or more, respectively. Actual interest-free periods are shorter than above because the equipment receivable to dealers or distributors in the United States and Canada is due immediately upon sale of the equipment to a retail customer. Under normal circumstances, interest is not forgiven and interest-free periods are not extended.

Accounts and notes receivable are shown net of allowances for sales incentive discounts available to dealers and for doubtful accounts. Accounts and notes receivable allowances at December 31, 2001 and 2000 were as follows (in millions):

	2001	2000
Sales incentive discounts	$ 61.1	$54.9
Doubtful accounts	49.1	43.4
	$110.2	$98.3

The Company occasionally transfers certain accounts receivable to various financial institutions. The Company records such transfers as sales of accounts receivable when it is considered to have surrendered control of such receivables under the provisions of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, a Replacement of FASB No. 125" (see Note 4).

INVENTORIES

Inventories are valued at the lower of cost or market using the first-in, first-out method. Market is net realizable value for finished goods and repair and replacement parts. For work in process, production parts and raw materials, market is replacement cost.

Inventory balances at December 31, 2001 and 2000 were as follows (in millions):

	2001	2000
Finished goods	$235.8	$233.0
Repair and replacement parts	235.3	222.2
Work in process, production parts and raw materials	161.2	143.6
Gross inventories	632.3	598.8
Allowance for surplus and obsolete inventories	(73.5)	(67.7)
Inventories, net	$558.8	$531.1

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over the estimated useful lives of 10 to 40 years for buildings and improvements, 3 to 15 years for machinery and equipment and 3 to 10 years for furniture and fixtures. Expenditures for maintenance and repairs are charged to expense as incurred.

Property, plant and equipment at December 31, 2001 and 2000 consisted of the following (in millions):

	2001	2000
Land	$ 36.6	$ 39.1
Buildings and improvements	120.6	104.6
Machinery and equipment	262.8	258.0
Furniture and fixtures	61.7	55.3
Gross property, plant and equipment	481.7	457.0
Accumulated depreciation and amortization	(164.8)	(140.8)
Property, plant and equipment, net	$ 316.9	$ 316.2

INTANGIBLE ASSETS

Intangible assets at December 31, 2001 and 2000 consisted of the following (in millions):

	2001	2000
Goodwill	$400.7	$285.0
Trademarks	93.4	66.0
Other	1.6	4.9
Accumulated amortization	(82.3)	(69.5)
Intangible assets, net	$413.4	$286.4

Through 2001, the excess of cost over net assets acquired ("goodwill") was being amortized to income on a straight-line basis over periods ranging from 10 to 40 years. The Company also assigned values to certain acquired trademarks, which are being amortized to income on a straight-line basis over 40 years. In 2002, the accounting for intangible assets will change based on the adoption of SFAS No. 142, "Goodwill and Other Intangibles." See Accounting Changes for discussion.

The Company periodically reviews the carrying values assigned to goodwill and other intangible assets based on expectations of future cash flows and operating income generated by the underlying tangible assets.

LONG-LIVED ASSETS

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the undiscounted future cash flows estimated to be generated by the asset are not sufficient to recover the unamortized balance of the asset. An impairment loss would be recognized based on the difference between the carrying values and estimated fair value. The estimated fair value will be determined based on either the discounted future cash flows or other appropriate fair value methods with the amount of any such deficiency charged to income in the current year. If the asset being tested for recoverability was acquired in a business combination, intangible assets resulting from the acquisition that are related to the asset are included in the assessment. Estimates of future cash flows are based on many factors, including current operating results, expected market trends and competitive influences. The Company also evaluates the amortization periods assigned to its intangible assets to determine whether events or changes in circumstances warrant revised estimates of useful lives.

ACCRUED EXPENSES

Accrued expenses at December 31, 2001 and 2000 consisted of the following (in millions):

	2001	2000
Reserve for volume discounts and sales incentives	$ 91.4	$ 88.8
Warranty reserves	61.1	58.7
Accrued employee compensation and benefits	65.6	61.3
Accrued taxes	46.5	41.3
Other	86.1	107.5
	$350.7	$357.6

WARRANTY RESERVES

The Company's agricultural equipment products are generally under warranty against defects in material and workmanship for a period of one to four years. The Company accrues for future warranty costs at the time of sale based on historical warranty experience.

INSURANCE RESERVES

Under the Company's insurance programs, coverage is obtained for significant liability limits as well as those risks required to be insured by law or contract. It is the policy of the Company to self-insure a portion of certain expected losses related primarily to workers' compensation and comprehensive general, product and vehicle liability. Provisions for losses expected under these programs are recorded based on the Company's estimates of the aggregate liabilities for the claims incurred.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are expensed as incurred and are included in engineering expenses in the Consolidated Statements of Operations.

ADVERTISING COSTS

The Company expenses all advertising costs as incurred. Cooperative advertising costs are normally expensed at the time the revenue is earned. Advertising expenses for the years ended December 31, 2001, 2000, and 1999 totaled approximately $9.9 million, $7.9 million and $7.6 million, respectively.

SHIPPING AND HANDLING EXPENSES

All shipping and handling fees charged to customers are included as a component of net sales. Shipping and handling costs are included as a part of cost of goods sold, with the exception of certain handling costs included in selling, general and administrative expenses in the amount of $11.7 million, $11.1 million and $11.9 million for 2001, 2000 and 1999, respectively.

INTEREST EXPENSE, NET

Interest expense, net for the years ended December 31, 2001, 2000 and 1999 consisted of the following (in millions):

	2001	2000	1999
Interest expense	$ 70.8	$ 60.3	$ 71.4
Interest income	(12.2)	(13.7)	(13.8)
	$ 58.6	$ 46.6	$ 57.6

NET INCOME PER COMMON SHARE

Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted earnings per share assumes exercise of outstanding stock options and vesting of restricted stock into common stock during the periods outstanding when the effects of such assumptions are dilutive.

A reconciliation of net income (loss) and the weighted average number of common and common equivalent shares outstanding used to calculate basic and diluted net income (loss) per common share for the years ended December 31, 2001, 2000 and 1999 is as follows (in millions, except per share data):

	2001	2000	1999
Basic Earnings Per Share			
Weighted average number of common shares outstanding	68.3	59.2	58.7
Income (loss) before extraordinary loss	$ 23.4	$ 3.5	$(11.5)
Extraordinary loss, net of taxes	(0.8)	--	--
Net income (loss)	$ 22.6	$ 3.5	$(11.5)
Net income (loss) per share:			
Income (loss) before extraordinary loss	$ 0.34	$0.06	$(0.20)
Extraordinary loss, net of taxes	(0.01)	--	--
Net income (loss)	$ 0.33	$0.06	$(0.20)
Diluted Earnings Per Share			
Weighted average number of common shares outstanding	68.3	59.2	58.7
Shares issued upon assumed vesting of restricted stock	0.1	0.4	--
Shares issued upon assumed exercise of outstanding stock options	0.1	0.1	--
Weighted average number of common and common equivalent shares	68.5	59.7	58.7
Income (loss) before extraordinary loss	$ 23.4	$ 3.5	$(11.5)
Extraordinary loss, net of taxes	(0.8)	--	--
Net income (loss)	$ 22.6	$ 3.5	$(11.5)
Net income (loss) per share:			
Income (loss) before extraordinary loss	$ 0.34	$0.06	$(0.20)
Extraordinary loss, net of taxes	(0.01)	--	--
Net income (loss)	$ 0.33	$0.06	$(0.20)

Stock options to purchase 2.1 million, 1.4 million, and 1.1 million shares during 2001, 2000 and 1999, respectively, were outstanding but not included in the calculation of weighted average shares outstanding because the option exercise prices were higher than the market price of the Company's common stock during the related period.

COMPREHENSIVE INCOME (LOSS)

The Company reports comprehensive income (loss), defined as the total of net income and all other non-owner changes in equity and the components thereof in the Consolidated Statements of Stockholders' Equity. The components of other comprehensive loss and the related tax effects for 2001 are as follows (in millions):

	BEFORE-TAX AMOUNT	INCOME TAXES	AFTER-TAX AMOUNT
Foreign currency translation adjustments	$ (77.7)	$ --	$ (77.7)
Additional minimum pension liability	(49.0)	14.7	(34.3)
Unrealized loss on derivatives	(0.2)	0.1	(0.1)
Unrealized loss on derivatives held by affiliates	(9.8)	4.0	(5.8)
Total other comprehensive loss	$(136.7)	$18.8	$(117.9)

FINANCIAL INSTRUMENTS

The carrying amounts reported in the Company's Consolidated Balance Sheets for "Cash and cash equivalents," "Accounts and notes receivable" and "Accounts payable" approximate fair value due to the immediate or short-term maturity of these financial instruments. The carrying amount of long-term debt under the Company's Revolving Credit Facility (Note 7) approximates fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. At December 31, 2001, the estimated fair values of the Company's 9.5% Senior Notes and 8.5% Senior Subordinated Notes (Note 7), based on their listed market values, were $260.0 million and $248.3 million, respectively, compared to their carrying values of $250.0 million and $248.9 million, respectively.

The Company enters into foreign exchange forward contracts to hedge the foreign currency exposure of certain receivables, payables and committed purchases and sales. These contracts are for periods consistent with the exposure being hedged and generally have maturities of one year or less. At December 31, 2001 and 2000, the Company had foreign exchange forward contracts outstanding with gross notional amounts of $216.1 million and $244.7 million, respectively. The net market value of the foreign forward exchange contracts at December 31, 2001 was not significant. These foreign exchange forward contracts do not subject the Company's results of operations to risk due to exchange rate fluctuations because gains and losses on these contracts generally offset gains and losses on the exposure being hedged. The Company does not enter into any foreign exchange forward contracts for speculative trading purposes.

The notional amounts of foreign exchange forward contracts do not represent amounts exchanged by the parties and therefore are not a measure of the Company's risk. The amounts exchanged are calculated on the basis of the notional amounts and other terms of the contracts. The credit and market risks under these contracts are not considered to be significant.

ACCOUNTING CHANGES

In September 1999, the Financial Accounting Standards Board ("FASB") issued SFAS No. 137, providing for a one year delay of the effective date of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" to January 1, 2001. SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value. SFAS No. 133 requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting treatment is met. In June 2000, the FASB issued SFAS No. 138 that amends the accounting and reporting of derivatives under SFAS No. 133 to exclude, among other things, contracts for normal purchases and normal sales. As discussed further in Note 11, the Company adopted SFAS No. 133 on January 1, 2001.

In July 2001, the FASB issued SFAS No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 141 prospectively prohibits the pooling of interest method of accounting for business combinations initiated after June 30, 2001. SFAS No. 142 requires companies to cease amortizing goodwill and other indefinite lived assets on December 31, 2001 that were in existence at June 30, 2001. Any goodwill and other indefinite lived assets resulting from acquisitions completed after June 30, 2001 will not be amortized. SFAS No. 142 also establishes a new method of testing goodwill and other indefinite lived assets for impairment on an annual basis or on an interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. The adoption of SFAS No. 142 will result in the Company's discontinuation of amortization of its goodwill; however, the Company will be required to test its goodwill for impairment under the new standard beginning in 2002, which could have an adverse effect on the Company's future results of operations if an impairment occurs. SFAS No. 142 requires that an initial impairment assessment be performed on all goodwill and indefinite lived intangible assets. This assessment involves determining an estimate of the fair value of the Company's reporting units and trademarks in order to evaluate whether an impairment of the current carrying amount of goodwill and other intangible assets exist. Fair values will be derived based on an evaluation of past and expected future performance of the Company's reporting units. Any impairment charge from this initial assessment will be recorded as a cumulative effect of an accounting change. The Company is currently performing its initial fair value assessment. Although the assessment has not been completed and is subject to change, the Company estimates that the cumulative effect of adopting this standard will result in non-cash charge of $18 million to $28 million on a pre-tax basis. The Company expects to complete its assessment and record the impact of adoption of the standard in the first quarter of 2002. The adoption of this standard will also benefit annual pre-tax earnings beginning in 2002 by approximately $18 million, or $0.16 per share, from reduced amortization of intangibles.

In July 2001, the FASB also issued SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"). SFAS No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the entity either settles the obligation for the amount recorded or incurs a gain or loss. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. Management is evaluating the effect of this statement on the Company's results of operations and financial position, but does not believe the impact will be material.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). SFAS No. 144 supersedes FASB statement No. 121. "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS No. 121"), and the accounting and reporting provisions of Accounting Principles Board ("APB") Opinion No. 30, "Reporting the Results of Operations -- Reporting the Effects of Disposal of Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" ("Opinion 30") for the disposal of a segment of business (as previously defined in Opinion 30). The FASB issued SFAS No. 144 to establish a single accounting model, based on the framework established in SFAS

No. 121, for long-lived assets to be disposed of by sale. SFAS No. 144 broadens the presentation of discontinued operations in the statement of operations to include a component of an entity (rather than a segment of a business). A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. SFAS No. 144 also requires that discontinued operations be measured at the lower of the carrying amount or fair value less cost to sell. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001 and should be applied prospectively. This standard will not impact the Company's current results of operations or financial position, but will be applied if appropriate circumstances arise.

2. ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS

On April 16, 2001, the Company completed the acquisition of Ag-Chem Equipment Co., Inc. ("Ag-Chem"), a manufacturer and distributor of self-propelled sprayers. The Company paid Ag-Chem shareholders approximately $247.2 million consisting of approximately 11.8 million AGCO common shares and $147.5 million of cash. The funding of the cash component of the purchase price was made through borrowings under the Company's revolving credit facility. The acquired assets and liabilities primarily consisted of technology, trademarks, tradenames, accounts receivables, inventories, property, plant and equipment, accounts payable and accrued liabilities. The results of operations for the Ag-Chem acquisition are included in the Company's consolidated financial statements as of and from the date of acquisition. The Company recorded approximately $141.6 million of goodwill and $27.2 million of trademarks and other identifiable intangible assets associated with the acquisition of Ag-Chem.

In May 2000, the Company acquired from CNH Global N.V. ("CNH") its 50% share in Hay and Forage Industries ("HFI") for $10.0 million. This agreement terminated a joint venture agreement in which CNH and AGCO each owned 50% interests in HFI, thereby providing AGCO with sole ownership of the facility. HFI, located in Hesston, Kansas develops and manufactures hay and forage equipment and implements that AGCO sells under various brand names. The acquired assets and liabilities primarily consisted of technology, production inventories, property, plant and equipment related to its manufacturing operations, accounts payable and accrued liabilities. The financial statements of HFI, which were previously accounted for under the equity method of accounting, were consolidated with the Company's financial statements as of the date of the acquisition.

The Company's acquisitions were accounted for as purchases in accordance with APB No. 16, and, accordingly, each purchase price has been allocated to the assets acquired and the liabilities assumed based on the estimated fair values as of the acquisition dates. The purchase price allocation for the Ag-Chem acquisition is preliminary and is subject to adjustment and will be completed in 2002. The purchase price allocation for certain acquisitions included liabilities associated with costs to integrate the acquired businesses into the Company's operations. In connection with the acquisition of Ag-Chem, the Company established liabilities primarily related to severance, employee relocation and other costs associated with the planned closure of Ag-Chem's Benson, Minnesota manufacturing facility, Minnetonka, Minnesota administrative office and fifteen parts and service facilities. The activity related to these liabilities is summarized in the following table (in millions):

	LIABILITIES ESTABLISHED	EXPENSES INCURRED	BALANCE AT DECEMBER 31, 2001
Employee severance	$2.6	$2.5	$0.1
Employee relocation expense	0.3	0.2	0.1
Facility closure costs	0.2	--	0.2
	$3.1	$2.7	$0.4

The severance relates to the planned termination of approximately 350 Ag-Chem employees, of which approximately 340 were terminated as of December 31, 2001.

In connection with the acquisition of Xaver Fendt GmbH in 1997, the Company established liabilities primarily related to severance and other costs associated with the planned closure of certain sales and marketing offices and parts distribution operations. As of December 31, 2001 approximately $3.1 million remains of the $7.1 million of reserves originally established.

The following unaudited pro forma data summarizes the results of operations for the year ended December 31, 2001 and 2000 as if the Ag-Chem acquisition had occurred at the beginning of 2000. The unaudited pro forma information has been prepared for comparative purposes only and does not purport to represent what the results of operations of the Company would actually have been had the transactions occurred on the dates indicated or what the results of operations may be in any future period.

	YEARS ENDED DECEMBER 31, 2001	2000
	(IN MILLIONS, EXCEPT PER SHARE DATA)	
Net sales	$2,662.6	$2,633.3
Net income (loss) before extraordinary loss	23.3	(8.8)
Net income (loss)	22.5	(8.8)
Net income (loss) per common share -- basic	$ 0.31	$ (0.12)
Net income (loss) per common share -- fully diluted	$ 0.31	$ (0.12)

DISPOSITIONS

Effective February 5, 1999, the Company sold its manufacturing plant in Haedo, Argentina (the "Haedo Sale") for approximately $19.0 million. The Company received $12.3 million of the purchase price in December 1998 in the form of a deposit and received the remaining balance in December 1999. The Haedo Sale included property, plant and equipment at the facility in addition to the transfer of manufacturing hourly and salaried employees. The Haedo Sale had no material impact to the Company's 1999 results of operations.

3. RESTRUCTURING AND OTHER INFREQUENT EXPENSES

The Company recorded restructuring and other infrequent expenses of $13.0 million, $21.9 million and $24.5 million in 2001, 2000 and 1999, respectively. The 2001 expense consisted of $8.5 million associated with the integration of the Ag-Chem acquisition and $4.5 million associated with manufacturing facilities rationalizations commenced in prior years. The 2000 expense consisted of $24.9 million associated with the closure of certain manufacturing facilities in the United States and Argentina and a credit of

$3.0 million related to the reversal of reserves established in 1997. The 1999 expense also related to the manufacturing facility closures.

AG-CHEM ACQUISITION INTEGRATION

In 2001, the Company announced its plans to rationalize certain facilities as part of the Ag-Chem acquisition integration. The Company consolidated AGCO's Willmar, Minnesota manufacturing facility and Ag-Chem's Benson, Minnesota manufacturing facility into Ag-Chem's Jackson, Minnesota manufacturing plant. In addition, the Company closed Ag-Chem's Minnetonka, Minnesota administrative offices and relocated all functions to the Jackson facility. Lastly, the Company closed fifteen parts and service facilities and integrated parts warehousing and logistics into AGCO's North American parts distribution system. The Company believes that these closures did not have a material impact on 2001 revenues. The components of the restructuring and other infrequent expenses are summarized in the following table (in millions):

	2001 EXPENSE	EXPENSES INCURRED	BALANCE AT DECEMBER 31, 2001
Employee severance	$1.3	$0.7	$0.6
Employee retention payments	1.4	1.2	0.2
Facility closure costs	0.8	0.7	0.1
Write-down of property, plant and equipment	0.4	0.4	--
Facility relocation and transition costs	4.6	4.6	--
	$8.5	$7.6	$0.9

The severance relates to the planned termination of approximately 200 AGCO employees of which approximately 190 were terminated as of December 31, 2001. The employee retention payments relate to incentives to be paid to Ag-Chem and AGCO employees who remain employed until certain future termination dates and are accrued over the term of retention period. The facility closure costs include employee costs and other exit costs to be incurred at Willmar after operations cease. The write-down of property, plant and equipment represents the impairment of machinery and equipment at Willmar from the facility closures and was based on the estimated fair value of the assets compared to their carrying value. The facility relocation and transition costs are being expensed as incurred and represent costs to relocate employees, inventory and machinery and costs to integrate operations into the remaining facilities. The $0.9 million of costs accrued at December 31, 2001 are expected to be incurred in 2002.

MANUFACTURING FACILITY RATIONALIZATIONS

From 1999 to 2001, the Company completed several manufacturing rationalization initiatives, which included the closure in 1999 of its Coldwater, Ohio tractor and implement facility and the closures in 2000 of its combine manufacturing facility in Independence, Missouri and its implement manufacturing facilities in Lockney, Texas and Noetinger, Argentina implement manufacturing facilities in 2000. These initiatives included the relocation of the majority of production and engineering in these facilities to other existing Company facilities. The Company believes that closure of these facilities did not have a significant impact on 2000 or 1999 revenues. A summary of the expenses and related reserves associated with these initiatives is included in the following table (in millions):

	1999 EXPENSE	2000 EXPENSE	2001 EXPENSE	EXPENSE INCURRED	BALANCE AT DECEMBER 31, 2001
Employee severance....................	$ 1.9	$ 6.9	$ 0.4	$ 8.6	$0.6
Facility closure costs................	7.7	5.4	(0.7)	12.0	0.4
Write-down of property, plant and equipment, net of recoveries........	14.9	1.3	(0.7)	15.5	--
Production transition costs...........	--	11.3	5.5	16.8	--
	$24.5	$24.9	$ 4.5	$52.9	$1.0

The severance costs relate to the termination of approximately 1,050 employees of which all employees had been terminated at December 31, 2001. The facility closure costs include employee costs and other exit costs to be incurred after operations ceased in addition to noncancelable operating lease obligations. In 2001, the Company reversed $0.7 million of accrued facility closure costs which will not be incurred. The write-down of property, plant and equipment represents the impairment of assets resulting from the facility closures and was based on the estimated fair value of the assets compared to their carrying value. The write-down consisted of $0.5 million in 2000 and $7.0 million in 1999 related to machinery and equipment and $0.8 million in 2000 and $7.9 million in 1999 for building and improvements. In 2001, the Company recorded a recovery of $0.7 million for the sale of machinery and equipment. The write-down, net of recoveries, consisted of $11.6 related to Coldwater, $1.2 million related to Independence and $2.7 million related to Noetinger. The estimated fair value of the equipment and buildings was determined based on current conditions in the applicable markets. The machinery, equipment and tooling have been disposed of and the buildings and improvements are currently being marketed for sale. The production transition costs, which are expensed as incurred, represent costs to relocate and integrate production and engineering into other existing AGCO facilities. The remaining costs accrued at December 31, 2001 are expected to be incurred in 2002 and 2003.

1998 EXPENSE

In 1998, the Company recorded restructuring and other infrequent expenses of $40.0 million primarily related to severance and related costs associated with the reduction in the Company's worldwide permanent workforce of approximately 1,400 employees. As of December 31, 2001, approximately $0.4 million of accrued severance remained to be paid. The Company expects the remaining costs to be paid in 2002.

4. ACCOUNTS RECEIVABLE SECURITIZATION

At December 31, 2001, the Company has accounts receivable securitization facilities in the United States, Canada, and Europe totaling approximately $410.0 million. Under these facilities, wholesale accounts receivable are sold on a revolving basis to commercial paper conduits either on a direct basis or through a wholly-owned special purpose U.S. subsidiary. The Company completed the U.S. securitization facility in 2000 and completed the Canadian and European securitization facilities in 2001. Outstanding funding under these facilities totaled approximately $402.0 million at December 31, 2001 and $200.0 million at December 31, 2000. The funded balance has the effect of reducing accounts receivable and short-term liabilities by the same amount.

Losses on sales of receivables primarily from securitization facilities were $23.5 million in 2001 and $24.5 million in 2000. These amounts include losses and transaction fees associated with the initial closing and funding of the facilities in the amount of $3.6 million in 2001 and $7.1 million in 2000. The losses are determined by calculating the estimated present value of receivables sold compared to their carrying amount. The present value is based on historical collection experience and a discount rate representing the spread over LIBOR as prescribed under the terms of the agreements. Other information related to these facilities and assumptions used in loss calculations are summarized below (in millions):

	U.S. 2001	U.S. 2000	CANADA 2001	CANADA 2000	EUROPE 2001	EUROPE 2000	TOTAL 2001	TOTAL 2000
Unpaid balance of receivables sold at December 31	$323.8	$267.4	$78.1	$ --	$107.0	$ --	$508.9	$267.4
Retained interest in receivables sold	73.8	67.4	18.1	--	15.0	--	106.9	67.4
Credit losses on receivables sold	$ 1.4	$ 0.4	$ --	$ --	$ --	$ --	$ 1.4	$ 0.4
Average liquidation period (months)	5.5	6.2	5.5	--	2.3	--		
Discount rate	4.5%	5.2%	4.3%	--	5.0%	--		

The Company continues to service the sold receivables and maintains a retained interest in the receivables. The Company received approximately $4.3 million and $2.6 million in servicing fees in 2001 and 2000, respectively. No servicing asset or liability has been recorded since the cost to service the receivables approximates the servicing income. The retained interest in the receivables sold is included in the caption "Accounts and notes receivable, net" in the accompanying Consolidated Balance Sheets and represents the Company's maximum exposure under these facilities. The Company maintains reserves for the portion of the residual interest it estimates is uncollectible. At December 31, 2001, approximately $3.2 million of the unpaid balance of receivables sold was past due sixty days or more. The fair value of the retained interest is approximately $104.8 million compared to the carrying amount of $106.9 million and is based on the present value of the receivables calculated in a method consistent with the losses on sales of receivables discussed above. Assuming a 10% and 20% increase in the average liquidation period, the fair value of the residual interest would decline by $0.2 million and $0.4 million, respectively. Assuming a 10% and 20% increase in the discount rate assumed, the fair value of the residual interest would decline by $0.2 million and $0.4 million, respectively. For 2001, the Company received approximately $879.2 million from sales of receivables and $4.3 million for servicing fees. For 2000, the Company received $406.2 from sales of receivables and $2.6 million for servicing fees.

5. INVESTMENTS IN AFFILIATES

Investments in affiliates as of December 31, 2001 and 2000 were as follows (in millions):

	2001	2000
Retail finance joint ventures	$57.5	$67.7
Manufacturing joint ventures	4.6	7.6
Other	7.5	10.0
	$69.6	$85.3

The manufacturing joint ventures as of December 31, 2001 consisted of joint ventures with unrelated manufacturers to produce transmissions in Europe and engines in South America. The other joint ventures represent minority investments in farm equipment manufacturers and licensees. In 2001, the Company sold its minority interest in a European farm equipment manufacturer for $8.6 million. In connection with the sale, the Company recorded a pre-tax gain of $5.2 million, which is included in other expense, net in the Consolidated Statements of Operations. The Company's equity in earnings of this investment was not significant for 2001, 2000 or 1999.

The Company's equity in net earnings of affiliates for 2001, 2000 and 1999 were as follows (in millions):

	2001	2000	1999
Retail finance joint ventures	$ 10.1	$ 10.3	$ 11.0
Other	0.5	(0.5)	(0.5)
	$ 10.6	$ 9.8	$ 10.5

The manufacturing joint ventures of the Company primarily sell their products to the joint venture partners at prices which result in operating at or near breakeven on an annual basis.

Summarized combined financial information of the Company's retail finance joint ventures as of and for the years ended December 31, 2001 and 2000 were as follows (in millions):

AS OF DECEMBER 31,	2001	2000
Total assets	$1,314.6	$1,311.0
Total liabilities	1,195.4	1,176.0
Partner's equity	119.2	135.0

FOR THE YEARS ENDED DECEMBER 31,	2001	2000	1999
Revenues	$ 138.1	$ 145.2	$ 144.1
Costs	104.5	112.8	109.3
Income before income taxes	$ 33.6	$ 32.4	$ 34.8

The majority of the assets of the Company's retail finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest.

6. INCOME TAXES

The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

The sources of income (loss) before income taxes, equity in net earnings of affiliates and extraordinary loss were as follows for the years ended December 31, 2001, 2000 and 1999 (in millions):

	2001	2000	1999
United States	$ (104.6)	$ (109.3)	$ (96.9)
Foreign	119.3	95.4	64.7
Income (loss) before income taxes, equity in net earnings of affiliates and extraordinary loss	$ 14.7	$ (13.9)	$ (32.2)

The provision (benefit) for income taxes by location of the taxing jurisdiction for the years ended December 31, 2001, 2000 and 1999 consisted of the following (in millions):

	2001	2000	1999
Current:			
United States:			
Federal	$ --	$ (7.4)	$ (3.3)
State	--	(0.2)	--
Foreign	34.7	37.6	40.3
	34.7	30.0	37.0
Deferred:			
United States:			
Federal	(33.8)	(33.4)	(31.2)
State	(4.1)	(5.2)	(4.1)
Foreign	5.1	1.0	(11.9)
	(32.8)	(37.6)	(47.2)
	$ 1.9	$ (7.6)	$(10.2)

Certain foreign operations of the Company are subject to United States as well as foreign income tax regulations. Therefore, the preceding sources of income (loss) before income taxes by location and the provision (benefit) for income taxes by taxing jurisdiction are not directly related. At December 31, 2001, the Company had approximately $639.2 million of undistributed earnings of the Company's foreign subsidiaries. These earnings are considered to be indefinitely invested, and accordingly, no United States federal or state income taxes have been provided on these earnings. Determination of the amount of unrecognized deferred taxes on these earnings is not practical, however, unrecognized foreign tax credits would be available to reduce a portion of the tax liability.

A reconciliation of income taxes computed at the United States federal statutory income tax rate (35%) to the provision (benefit) for income taxes reflected in the Consolidated Statements of Operations for the years ended December 31, 2001, 2000 and 1999 is as follows (in millions):

	2001	2000	1999
Provision (benefit) for income taxes at United States federal statutory rate of 35%	$ 5.2	$ (4.9)	$(11.3)
State and local income taxes, net of federal income tax benefit	(4.1)	(4.3)	(3.9)
Taxes on foreign income which differ from the United States statutory rate	(2.5)	0.6	(0.7)
Losses with no tax benefit	2.8	4.2	6.2
Benefit of foreign sales corporation	--	--	(0.5)
Other	0.5	(3.2)	--
	$ 1.9	$ (7.6)	$(10.2)

For 2000, the Company has included in "Other" the recognition of a United States tax credit carryback of approximately $2.0 million.

The significant components of the net deferred tax assets at December 31, 2001 and 2000 were as follows (in millions):

	2001	2000
Deferred Tax Assets:		
Net operating loss carryforwards	$141.6	$139.0
Sales incentive discounts	30.6	22.8
Inventory valuation reserves	15.0	8.3
Postretirement benefits	7.8	8.2
Other	64.2	74.1
Valuation allowance	(52.7)	(71.8)
Total deferred tax assets	206.5	180.6
Deferred Tax Liabilities:		
Tax over book depreciation	23.5	24.2
Tax over book amortization of goodwill	18.2	17.9
Other	19.1	16.3
Total deferred tax liabilities	60.8	58.4
Net deferred tax assets	$145.7	$122.2
Amounts recognized in Consolidated Balance Sheet:		
Other current assets	$ 95.6	$ 65.6
Other assets	97.6	96.8
Other noncurrent liabilities	(47.5)	(40.2)
	$145.7	$122.2

The Company has recorded a net deferred tax asset of $145.7 million and $122.2 million as of December 31, 2001 and 2000, respectively, of which the majority relates to taxes in the United States. Realization of the asset is dependent on generating sufficient taxable income in future periods. Management believes that it is more likely than not that the deferred tax asset will be realized. As reflected in the preceding table, the Company established a valuation allowance of $52.7 million and $71.8 million as of December 31, 2001 and 2000, respectively. The majority of the valuation allowance relates to net operating loss carryforwards in certain foreign entities where there is an uncertainty regarding their realizability and will more likely than not expire unused. The decline in the valuation allowance in 2001 is primarily due to the impact of foreign currency translation, which reduced both gross deferred tax assets and the valuation allowance. The impact on the net deferred tax asset was not significant. The Company has net operating loss carryforwards of $352.6 million as of December 31, 2001, with expiration dates as follows: 2002 -- $8.9 million, 2003 -- $9.8 million, 2004 -- $25.0 million, 2005 -- $15.3 million, 2006 -- $10.8 million and thereafter or unlimited -- $282.8 million. The Company paid income taxes of $26.9 million, $49.3 million and $6.1 million for the years ended December 31, 2001, 2000 and 1999, respectively.

7. LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2001 and 2000 (in millions):

	2001	2000
Revolving credit facility	$ 89.0	$314.2
Senior Notes	250.0	--
Senior Subordinated Notes	248.9	248.6
Other long-term debt	29.8	7.4
Total long-term debt	$617.7	$570.2

On April 17, 2001 the Company issued $250.0 million of 9 1/2% Senior Notes due 2008 (the "Senior Notes"). The Senior Notes are unsecured obligations of the Company and are redeemable at the option of the Company, in whole or in part, commencing May 1, 2005 initially at 104.75% of their principal amount, plus accrued interest, declining to 100% of their principal amount plus accrued interest on or after May 1, 2007. The indenture governing the Senior Notes requires the Company to offer to repurchase the Senior Notes at 101% of their principal amount, plus accrued interest to the date of the repurchase in the event of a change in control. The indenture also contains certain covenants that, among other things, limit the Company's ability (and that of its restricted subsidiaries) to incur additional indebtedness; make restricted payments (including dividends and share repurchases); make investments; guarantee indebtedness; create liens; and sell assets. The proceeds were used to repay borrowings outstanding under the Company's existing revolving credit facility and support the financing of the Ag-Chem acquisition.

On April 17, 2001 the Company entered into a $350.0 million multi-currency revolving credit facility with Rabobank that will mature October 2005. The facility, which replaced the Company's existing revolving credit facility, is secured by a majority of the Company's U.S., Canadian and U.K. based assets and a pledge of the stock of the Company's domestic and material foreign subsidiaries. Interest will accrue on borrowings outstanding under the facility, at the Company's option, at either (1) LIBOR plus a margin based on a ratio of the Company's senior debt to EBITDA, as adjusted, or (2) the administrative agent's base lending rate or the federal funds rate plus a margin ranging between 0.625% and 1.5%, whichever is higher. The facility contains covenants, including, among others, covenants restricting the incurrence of indebtedness and the making of restrictive payments, including dividends. At December 31, 2001, interest rates on the outstanding borrowings, ranged from 4.6% to 6.3%, and the weighted average interest rate during 2001 was 6.8%. Including the impact of an interest rate swap contract outstanding in 2001, the weighted average interest rate was 6.6%. In addition, the Company must fulfill financial covenants including, among others, a total debt to EBITDA ratio, a senior debt to EBITDA ratio and a fixed charge coverage ratio, as defined in the facility. Approximately $35.5 million and $189.9 million of the revolving credit facility was payable in Euros and approximately $18.8 million and $70.7 million was payable in Canadian dollars at December 31, 2001 and 2000, respectively. As of December 31, 2001, the Company had borrowings of $89.0 million and availability to borrow $256.6 million under the revolving credit facility.

In 1996, the Company issued $250.0 million of 8 1/2% Senior Subordinated Notes due 2006 (the "Notes") at 99.139% of their principal amount. The Notes are unsecured obligations of the Company and are redeemable at the option of the Company, in whole or in part, at any time on or after March 15, 2001 initially at 104.25% of their principal amount, plus accrued interest, declining ratably to 100% of their principal amount plus accrued interest, on or after March 15, 2003. The Notes include certain covenants restricting the incurrence of indebtedness and the making of certain restrictive payments, including dividends.

In March 2001, the Company was issued a notice of default by the trustee of its $250 million 8 1/2% Senior Subordinated Notes due 2006 (the "Notes") regarding the violation of a covenant restricting the payment of dividends during periods in 1999, 2000 and 2001 when an interest coverage ratio was not met. During those periods, the Company paid approximately $4.8 million in dividends based upon its interpretation that it did not need to meet the interest coverage ratio but, instead, an alternative total debt test. The Company subsequently received sufficient waivers from the holders of the Notes for any violations of the covenant that might have resulted from the dividend payments. In connection with the solicitation of waivers, the Company incurred costs of approximately $2.6 million, which were expensed in the first quarter of 2001. Currently, the Company is prohibited from paying dividends until such time as the interest coverage ratio in the indenture is met.

At December 31, 2001, the aggregate scheduled maturities of long-term debt are as follows (in millions):

2003	$ 11.6
2004	1.9
2005	90.8
2006	250.6
2007	1.5
2008 and thereafter	261.3
	$617.7

Cash payments for interest were $65.7 million, $60.7 million and $71.8 million for the years ended December 31, 2001, 2000 and 1999, respectively.

The Company has arrangements with various banks to issue letters of credit or similar instruments, which guarantee the Company's obligations for the purchase or sale of certain inventories and for potential claims exposure for insurance coverage. At December 31, 2001, outstanding letters of credit totaled $10.4 million, of which $4.4 million were issued under the revolving credit facility.

8. EMPLOYEE BENEFIT PLANS

The Company has defined benefit pension plans covering certain employees principally in the United States, the United Kingdom and Germany. The Company also provides certain postretirement health care and life insurance benefits for certain employees principally in the United States.

Net annual pension and postretirement cost and the measurement assumptions for the plans for the years ended December 31, 2001, 2000 and 1999 are set forth below (in millions):

PENSION BENEFITS	2001	2000	1999
Service cost	$ 7.8	$ 8.1	$ 8.0
Interest cost	26.7	27.4	25.9
Expected return on plan assets	(29.0)	(30.6)	(27.9)
Amortization of prior service cost	--	0.2	0.5
Amortization of net actuarial loss	0.1	0.6	1.1
Special termination benefits	--	0.5	--
Curtailment loss	--	1.4	--
Net annual pension costs	$ 5.6	$ 7.6	$ 7.6
Weighted average discount rate	6.4%	6.4%	6.4%
Weighted average expected long-term rate of return on plan assets	7.6%	7.3%	7.3%
Rate of increase in future compensation	4.0-5.0%	4.0-5.0%	4.0%

POSTRETIREMENT BENEFITS	2001	2000	1999
Service cost	$ 0.3	$ 0.4	$ 0.9
Interest cost	1.5	1.4	1.5
Amortization of transition and prior service cost	0.1	--	(0.1)
Amortization of unrecognized net gain	(0.5)	(0.4)	(0.1)
Curtailment gain	--	(1.4)	--
Net annual postretirement costs	$ 1.4	$ --	$ 2.2
Weighted average discount rate	7.5%	7.7%	7.8%

The following tables set forth reconciliations of the changes in benefit obligations, plan assets and funded status as of December 31, 2001 and 2000 (in millions):

	PENSION BENEFITS		POSTRETIREMENT BENEFITS	
CHANGE IN BENEFIT OBLIGATION	2001	2000	2001	2000
Benefit obligation at beginning of year	$444.3	$461.1	$21.0	$21.3
Service cost	7.8	8.1	0.3	0.4
Interest cost	26.7	27.4	1.5	1.4
Plan participants' contributions	2.1	2.3	--	--
Actuarial (gain) loss	(14.0)	(2.1)	2.0	(2.4)
Acquisitions	--	--	--	3.6
Curtailments	--	2.0	--	(1.7)
Special termination benefits	--	0.5	--	--
Benefits paid	(24.8)	(22.6)	(3.1)	(1.6)
Foreign currency exchange rate changes	(10.8)	(32.4)	--	--
Benefit obligation at end of year	$431.3	$444.3	$21.7	$21.0

	PENSION BENEFITS		POSTRETIREMENT BENEFITS	
CHANGE IN PLAN ASSETS	2001	2000	2001	2000
Fair value of plan assets at beginning of year	$443.0	$426.8	$ --	$ --
Actual return on plan assets	(52.1)	57.0	--	--
Employer contributions	15.5	9.8	3.1	1.6
Plan participants' contributions	2.1	2.3	--	--
Benefits paid	(24.8)	(22.6)	(3.1)	(1.6)
Foreign currency exchange rate changes	(10.8)	(30.3)	--	--
Fair value of plan assets at end of year	$372.9	$443.0	$ --	$ --
Funded status	$(58.4)	$ (1.2)	$(21.7)	$(21.0)
Unrecognized net obligation	--	--	0.3	0.3
Unrecognized net actuarial loss (gain)	80.7	16.1	(4.3)	(7.0)
Unrecognized prior service cost	--	--	0.1	0.2
Net amount recognized	$ 22.3	$ 14.9	$(25.6)	$(27.5)
Amounts recognized in consolidated balance sheets:				
Prepaid benefit cost	$ --	$ 33.3	$ --	$ --
Accrued benefit liability	(29.5)	(21.2)	(25.6)	(27.5)
Additional minimum pension liability	51.8	2.8	--	--
Net amount recognized	$ 22.3	$ 14.9	$(25.6)	$(27.5)

The aggregate projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $431.3 million, $401.5 million and $372.9 million, respectively, as of December 31, 2001 and $52.2 million, $52.2 million and $31.9 million, respectively, as of December 31, 2000. At December 31, 2001, the Company had recorded a reduction to equity of $51.8 million, less taxes of $14.7 million related to the recording of a minimum pension liability primarily related to the Company's UK plans where the accumulated benefit obligation exceeded plan assets.

For measuring the expected postretirement benefit obligation, a 6.75% health care cost trend rate was assumed for 2002, decreasing to 6.0% and remaining at that level thereafter. For 2001, a 7.5% health care cost trend rate was assumed. Changing the assumed health care cost trend rates by one percentage point each year and holding all other assumptions constant would have the following effect to service and interest cost and the accumulated postretirement benefit obligation at December 31, 2001 (in millions):

	ONE PERCENTAGE POINT INCREASE	ONE PERCENTAGE POINT DECREASE
Effect on service and interest cost	$0.1	$(0.1)
Effect on accumulated benefit obligation	$1.6	$(1.4)

The Supplemental Executive Retirement Plan ("SERP") is an unfunded plan that provides Company executives with retirement income for a period of ten years based on a percentage of their final base salary, reduced by the executive's social security benefits and 401(k) employer matching contributions account. The benefit paid to the executive is equal to 3% of the final base salary times credited years of service, with a maximum benefit of 60% of the final base salary. Benefits under the SERP vest at age 65 or, at the discretion of the Board of Directors, at age 62 reduced by a factor to recognize early commencement of the benefit payments.

Net annual SERP cost and the measurement assumptions for the plan for the years ended December 31, 2001 and 2000 are set forth below (in millions):

	2001	2000
Service cost	$ 0.4	$ 0.4
Interest cost	0.3	0.2
Amortization of prior service cost	0.3	0.2
Net annual SERP costs	$ 1.0	$ 0.8
Discount rate	7.5%	7.5%
Rate of increase in future compensation	4.0%	4.0%

The following tables for the SERP set forth reconciliations of the changes in benefit obligations and funded status as of December 31, 2001 and 2000 (in millions):

CHANGE IN BENEFIT OBLIGATION	2001	2000
Benefit obligation at beginning of year	$ 4.6	$ --
Service cost	0.4	0.4
Interest cost	0.3	0.2
Actuarial gain (loss)	(0.9)	--
Plan adoption	--	4.0
Benefit obligation at end of year	$ 4.4	$ 4.6
Funded status	$ 4.4	$ 4.6
Unrecognized net actuarial gain	0.8	--
Unrecognized prior service cost	(3.5)	(3.8)
Net amount recognized	$ 1.7	$ 0.8
Amounts recognized in consolidated balance sheets:		
Accrued benefit liability	$ 2.8	$ 2.8
Intangible asset	(1.1)	(2.0)
Net amount recognized	$ 1.7	$ 0.8

The Company maintains separate defined contribution plans covering certain employees primarily in the United States and United Kingdom. Under the plans, the Company contributes a specified percentage of each eligible employee's compensation. The Company contributed $2.8 million, $1.6 million and $1.5 million for the years ended December 31, 2001, 2000 and 1999, respectively.

9. COMMON STOCK

At December 31, 2001, the Company had 150.0 million authorized shares of common stock with a par value of $0.01, with 72.3 million shares of common stock outstanding, 1.9 million shares reserved for issuance under the Company's 1991 Stock Option Plan (Note 10), 0.1 million shares reserved for issuance under the Company's Nonemployee Director Stock Incentive Plan (Note 10) and 3.3 million shares reserved for issuance under the Company's Long-Term Incentive Plan (Note 10).

In April, 1994, the Company designated 300,000 shares of Junior Cumulative Preferred Stock ("Junior Preferred Stock") in connection with the adoption of a Stockholders' Rights Plan (the "Rights Plan"). Under the terms of the Rights Plan, one-third of a preferred stock purchase right (a "Right") is attached to each outstanding share of the Company's common stock. The Rights Plan contains provisions that are designed to protect stockholders in the event of certain unsolicited attempts to acquire the Company. Under the terms of the Rights Plan, each Right entitles the holder to purchase one one-hundredth of a share of Junior Preferred Stock, par value of $0.01 per share, at an exercise price of $200 per share. The Rights are exercisable a specified number of days following (i) the acquisition by a person or group of persons of 20% or more of the Company's common stock or (ii) the commencement of a tender or exchange offer for 20% or more of the Company's common stock. In the event the Company is the surviving company in a merger with a person or group of persons that owns 20% or more of the Company's outstanding stock, each Right will entitle the holder (other than such 20% stockholder) to receive, upon exercise, common stock of the Company having a value equal to two times the Right's exercise price. In addition, in the event the Company sells or transfers 50% or more of its assets or earning power, each Right will entitle the holder to receive, upon exercise, common stock of the acquiring company having a value equal to two times the Right's exercise price. The Rights may be redeemed by the Company at $0.01 per Right prior to their expiration on April 27, 2004.

In March 2001, the Company sold 555 non-voting preferred shares, which were convertible into shares of the Company's common stock in a private placement with net proceeds of approximately $5.3 million. In June 2001, the preferred shares were converted into 550,000 shares of the Company's common stock.

10. STOCK INCENTIVE PLANS

NONEMPLOYEE DIRECTOR STOCK INCENTIVE PLAN

The Company's Nonemployee Director Stock Incentive Plan (the "Director Plan") provides for restricted stock awards to nonemployee directors based on increases in the price of the Company's common stock. The awarded shares are earned in specified increments for each 15% increase in the average market value of the Company's common stock over the initial base price established under the plan. When an increment of the awarded shares is earned, the shares are issued to the participant in the form of restricted stock which vests at the earlier of 12 months after the specified performance period or upon departure from the board of directors. When the restricted shares are earned, a cash bonus equal to 40% of the value of the shares on the date the restricted stock award is earned is paid by the Company to satisfy a portion of the estimated income tax liability to be incurred by the participant. Expense related to the cash bonus is recognized when shares are earned. Expense related to the shares is recognized over the vesting period.

At December 31, 2001, there were no shares awarded but not earned under the Director Plan and 10,000 shares that have been earned but not vested under the Director Plan.

LONG-TERM INCENTIVE PLAN

The Company's Long-Term Incentive Plan (the "LTIP") provides for restricted stock awards to executives based on increases in the price of the Company's common stock. The awarded shares may be earned over a five-year performance period in specified increments for each 20% increase in the average market value of the Company's common stock over the established initial base price. For all restricted stock awards prior to 2000, earned shares are issued to the participant in the form of restricted stock which generally carries a five-year vesting period with one-third of each earned award vesting at the end of the third, fourth and fifth year after each award is earned. In 2000, the LTIP was amended to replace the vesting schedule with a non-transferability period for all future grants. Accordingly, for restricted stock awards in 2000 and all future awards, earned shares are subject to a non-transferability period, which expires over a five-year period with the transfer restrictions lapsing in one-third increments at the end of the third, fourth and fifth year after each award is earned. During the non-transferability period, participants will be restricted from selling, assigning, transferring, pledging or otherwise disposing of any earned shares, but earned shares are not subject to forfeiture. In the event a participant terminates employment with the Company, the non-transferability period is extended by two years. When the earned shares have vested and are no longer subject to forfeiture, the Company is obligated to pay a cash bonus equal to 40% of the value of the shares on the date the shares are earned in order to satisfy a portion of the estimated income tax liability to be incurred by the participant.

For awards granted in 2000 and in the future, the Company will record the entire compensation expense relating to the market value of the earned shares and related cash bonus in the period in which the award is earned. For awards granted prior to 2000, the market value of awards earned are added to common stock and additional paid-in capital and an equal amount is deducted from stockholders' equity as unearned compensation. The LTIP unearned compensation and the amount of cash bonus to be paid when the awarded shares become vested are amortized to expense ratably over the vesting period. The Company recognized compensation expense associated with the LTIP of $7.1 million, $3.8 million and $8.5 million for the years ended December 31, 2001, 2000 and 1999, respectively, consisting of compensation expense relating to earned shares, amortization of stock awards for earned shares issued prior to 2000 and the related cash bonuses.

Additional information regarding the LTIP for the years ended December 31, 2001, 2000 and 1999 is as follows:

	2001	2000	1999
Shares awarded but not earned at January 1	1,930,000	1,046,000	927,500
Shares awarded	260,000	2,075,000	150,000
Shared forfeited or expired unearned	(196,000)	(1,191,000)	(16,500)
Shares earned	(277,000)	--	(15,000)
Shares awarded but not earned at December 31	1,717,000	1,930,000	1,046,000
Shares available for grant	1,536,000	1,600,000	1,234,000
Total shares reserved for issuance	3,253,000	3,530,000	2,280,000

In 2001, the LTIP was amended to permit a participant to elect to forfeit a portion of an earned award in order to fully satisfy federal, state and employment taxes which are payable at the time the shares and the related cash bonus are earned. The number of shares of common stock equal to the value of the participant's tax liability, net of the cash bonus, are thereby forfeited in lieu of an additional cash payment contributed to the participant's tax withholding. In 2001, 52,540 earned shares were forfeited in this manner.

In 2000, the LTIP was amended to increase the number of shares authorized for issuance by 1,250,000 shares.

For awards granted prior to 2000, the number of shares vested during the years 2001, 2000 and 1999 were 166,500, 411,667 and 441,166, respectively. All awards granted after 2000 vest immediately upon being earned.

STOCK OPTION PLAN

The Company's Stock Option Plan (the "Option Plan") provides for the granting of nonqualified and incentive stock options to officers, employees, directors and others. The stock option exercise price is determined by the board of directors except in the case of an incentive stock option for which the purchase price shall not be less than 100% of the fair market value at the date of grant. Each recipient of stock options is entitled to immediately exercise up to 20% of the options issued to such person, and the remaining 80% of such options vest ratably over a four-year period and expire not later than ten years from the date of grant.

Stock option transactions during the three years ended December 31, 2001, 2000 and 1999 were as follows:

	2001	2000	1999
Options outstanding at January 1	2,433,497	1,855,919	1,238,294
Options granted	727,500	802,000	701,700
Options exercised	(140,342)	(39,702)	(17,138)
Options canceled	(170,310)	(184,720)	(66,937)
Options outstanding at December 31	2,850,345	2,433,497	1,855,919
Options available for grant at December 31	1,908,938	123,438	740,718
Option price ranges per share:			
Granted	$8.19-15.12	$11.63-13.13	$ 11.00
Exercised	1.52-14.63	1.52-11.00	1.52-11.00
Canceled	6.25-31.25	14.63-31.25	14.63-31.25
Weighted average option prices per share:			
Granted	$ 14.32	$ 11.69	$ 11.00
Exercised	8.07	8.12	3.09
Canceled	15.87	18.66	23.15
Outstanding at December 31	15.28	15.19	16.90

At December 31, 2001, the outstanding options had a weighted average remaining contractual life of approximately 7.6 years and there were 1,521,425 options currently exercisable with option prices ranging from $2.50 to $31.25 and with a weighted average exercise price of $16.83.

In 2001, the Company's shareholders approved a new Stock Option Plan to replace the existing plan that was scheduled to expire in September 2001. The new plan substantially contains the same terms as the prior plan and expires in 2011. The new plan allows the Company to issue stock option grants for the remaining unissued shares under the prior plan of 123,438, plus an additional 2,500,000 shares.

The following table sets forth the exercise price range, number of shares, weighted average exercise price, and remaining contractual lives by groups of similar price and grant date:

OPTIONS OUTSTANDING OPTIONS EXERCISABLE ---------- ---------- ---------- --------- ---------- ---------- --- WEIGHTED AVERAGE WEIGHTED EXERCISABLE WEIGHTED REMAINING AVERAGE AS OF AVERAGE NUMBER OF CONTRACTUAL LIFE EXERCISE DECEMBER

31, EXERCISE

RANGE OF EXERCISE PRICES	SHARES	(YEARS)	PRICE	2001	PRICE
$ 2.50 - $ 3.75	54,600	0.7	$ 2.64	54,600	$ 2.64
$ 6.25 - $ 8.94	61,300	8.0	$ 8.00	21,300	$ 7.26
$10.50 - $15.12	2,053,449	8.4	$12.79	852,469	$12.47
$16.96 - $22.31	423,700	6.4	$22.26	339,760	$22.25
$25.50 - $31.25	257,296	4.8	$28.08	253,296	$28.10
	2,850,345			1,521,425	

The Company accounts for all stock-based compensation awarded under the Director Plan, the LTIP and the Option Plan as prescribed under APB No. 25, "Accounting for Stock Issued to Employees," and also provides the disclosures required under SFAS No. 123, "Accounting for Stock-Based Compensation." APB No. 25 requires no recognition of compensation expense for options granted under the Option Plan as long as certain conditions are met. There was no compensation expense recorded under APB No. 25 for the Option Plan. However, APB No. 25 does require recognition of compensation expense under the Director Plan and the LTIP.

For disclosure purposes only, under SFAS No. 123, the Company estimated the fair value of grants under the Company's stock incentive plans using the Black-Scholes option pricing model. Based on this model, the weighted average fair value of options granted under the Option Plan and the weighted average fair value of awards granted under the Director Plan and the LTIP, including the related cash bonus, were as follows (in millions):

	2001	2000	1999
Director Plan	$ --	$ --	$13.61
LTIP	9.88	8.50	12.13
Option Plan	8.63	6.23	7.07

The fair value of the grants and awards are amortized over the vesting period for stock options and earned awards under the Director Plan and LTIP and over the performance period for unearned awards under the Director Plan and LTIP. Based on applying the provisions of SFAS No. 123, pro forma net income (loss), net income (loss) per common share and the assumptions under the Black-Scholes pricing model were as follows (in millions, except per share data):

	YEARS ENDED DECEMBER 31,		
	2001	2000	1999
Net income (loss)	$18.4	$ (2.5)	$(14.0)
Net income (loss) per common share -- diluted	$0.27	$(0.04)	$(0.24)
Weighted average assumptions under Black-Scholes:			
Expected life of options (years)	7.0	5.6	7.0
Risk-free interest rate	4.8%	5.8%	5.9%
Expected volatility	52.0%	44.0%	61.0%
Expected dividend yield	--	0.3%	0.4%

11. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Effective January 1, 2001, the Company adopted SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138. The cumulative effect for adopting this standard as of January 1, 2001 resulted in a fair value asset, net of taxes of approximately $0.5 million, which was reclassified to earnings over the next twelve months. All derivatives are recognized on the balance sheet at fair value. On the date the derivative contract is entered, the Company designates the derivative as either (1) a fair value hedge of a recognized liability, (2) a cash flow hedge of a forecasted transaction, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument. The Company currently engages in derivatives that are classified as cash flow hedges and non-designated derivative instruments. Changes in the fair value of a derivative that is designated as a cash flow hedge are recorded in other comprehensive income until reclassified into earnings at the time of settlement of the forecasted transaction. Changes in the fair value of non-designated derivative contracts and the ineffective portion of designated derivative instruments are reported in current earnings.

The Company formally documents all relationships between hedging instruments and hedged items, as well as the risk management objectives and strategy for undertaking various hedge transactions. The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flow of hedged items. When it is determined that a derivative is no longer highly effective as a hedge, hedge accounting is discontinued on a prospective basis.

FOREIGN CURRENCY RISK

The Company has significant manufacturing operations in the United States, the United Kingdom, France, Germany, Denmark and Brazil, and it purchases a portion of its tractors, combines and components from third party foreign supplies, primarily in various European countries and in Japan. The Company also sells products in over 140 countries throughout the world. The Company's most significant transactional foreign currency exposures include: (i) the British pound in relation to the Euro and the U.S. dollar and (ii) the Euro and the Canadian dollar in relation to the U.S. dollar.

The Company attempts to manage its transactional foreign exchange exposure by hedging identifiable foreign currency cash flow commitments and forecasts arising from receivables, payables, and expected purchases and sales. Where naturally offsetting currency positions do not occur, the Company hedges certain of its exposures through the use of foreign currency forward contracts.

The Company uses foreign currency forward contracts to hedge receivables and payables on the Company's balance sheet that are denominated in foreign currencies other than the functional currency. These forward contracts are classified as non-designated derivatives instruments. For the year ended December 31, 2001, the Company recorded losses of approximately $7.8 million included in current earnings under the caption of other expense, net. These losses were substantially offset by gains on the remeasurement of the underlying asset or liability being hedged.

The Company uses foreign currency forward contracts to hedge forecasted foreign currency inflows and outflows resulting from purchases and sales. The Company currently has hedged anticipated foreign currency cash flows up to twelve months in the future. As of December 31, 2001, the Company had deferred losses, net of taxes, of approximately $0.1 million included in stockholders' equity as a component of accumulated other comprehensive loss. The deferred loss is expected to be reclassified to earnings during the next twelve months. The Company recorded no gain or loss resulting from a forward contract's ineffectiveness or discontinuance as a cash flow hedge.

INTEREST RATE RISK

The Company may use interest rate swap agreements to manage its exposure to interest rate changes. Currently, the Company has no interest rate swap agreements outstanding.

The following table summarizes activity in accumulated other comprehensive loss related to derivatives held by the Company during the period from January 1, 2001 through December 31, 2001 (in millions):

	BEFORE-TAX AMOUNT	INCOME TAX	AFTER-TAX AMOUNT
Cumulative effect of adopting SFAS No. 133, net	$ 0.8	$(0.3)	$ 0.5
Net changes in fair value of derivatives	(3.4)	1.4	(2.0)
Net gains reclassified from accumulated other comprehensive loss into earnings	2.4	(1.0)	1.4
Accumulated derivative net losses as of December 31, 2001	$(0.2)	$ 0.1	$(0.1)

In addition to the above, the Company recorded a deferred loss of $5.8 million, net of taxes of $4.0 million, to other comprehensive loss related to derivatives held by affiliates. These losses are on interest rate swap contracts in the Company's retail finance joint ventures. These swap contracts have the effect of converting floating rate debt to fixed rates in order to secure its yield against its fixed rate loan portfolio. Of this amount, $2.2 million, net of taxes of $1.5 million, represented the cumulative effect of the adoption of SFAS No. 133.

The Company's senior management establishes the Company's foreign currency and interest rate risk management policies. This policy is reviewed periodically by the Audit Committee of the Board of Directors. The policy allows for the use of derivative instruments to hedge exposures to movements in foreign currency and interest rates. The Company's policy prohibits the use of derivative instruments for speculative purposes.

12. COMMITMENTS AND CONTINGENCIES

The Company leases land, buildings, machinery, equipment and furniture under various noncancelable operating lease agreements. At December 31, 2001, future minimum lease payments under noncancelable operating leases were as follows (in millions):

2002	$14.4
2003	12.4
2004	9.6
2005	6.6
2006	5.5
Thereafter	23.6
	$72.1

Total lease expense under noncancelable operating leases was $17.2 million, $17.4 million and $14.5 million for the years ended December 31, 2001, 2000 and 1999, respectively.

During 1999, the Company entered into a sale/leaseback transaction involving certain real property. The proceeds from the transaction of $18.7 million were used to reduce the outstanding borrowings under the revolving credit facility. The terms of the lease require the Company to pay approximately $2.0 million per year for 15 years at which time the Company has the option to extend the lease with annual payments ranging from $2.2 million to $2.7 million. In accordance with SFAS No. 13, the Company has accounted for the lease as an operating lease. The gain on sale of $2.4 million is being amortized over the life of the operating lease.

At December 31, 2001, the Company was obligated under certain circumstances to purchase through the year 2005 up to $4.2 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada Ltd., the Company's retail finance joint ventures in North America, and end users. The Company also maintains a remarketing agreement with these joint ventures, whereby it is obligated to repurchase repossessed inventory at market values. Management believes that any losses, which might be incurred on the resale of this equipment, will not materially impact the Company's financial position or results of operations.

At December 31, 2001, the Company had guaranteed indebtedness owed to third parties of approximately $15.1 million, primarily related to dealer and end user financing of equipment. The Company believes the credit risk associated with these guarantees is not material to the financial position of the Company.

The Company is party to various claims and lawsuits arising in the normal course of business. It is the opinion of management, after consultation with legal counsel, that those claims and lawsuits, when resolved, will not have a material adverse effect on the financial position or results of operations of the Company.

13. RELATED PARTY TRANSACTIONS

Rabobank Nederland, a AAA rated by financial institution based in the Netherlands, is a 51% owner in the Company's retail finance joint ventures which are located in the United States, Canada, the United Kingdom, France, Germany, Spain, Ireland and Brazil. Rabobank is also the principal agent and participant in the Company's revolving credit facility and securitization facilities. The finance joint ventures are also financed by lines of credit with Rabobank. These credit facilities are not directly guaranteed by the Company.

In 2000, the Company entered into supply agreements with SAME Deutz-Fahr Group S.p.A. ("SDFG") whereby SDFG supplies certain orchard and vineyard tractors and AGCO supplies SDFG with combines in the European market. At December 31, 2001, SDFG owned approximately 5% of AGCO's common stock, but has no involvement in AGCO management.

During 2001, the Company had net sales of $87.0 million to BayWa Corporation, a German distributor, in the ordinary course of business. The President and CEO of BayWa Corporation is also a member of the Board of Directors of the Company.

14. SEGMENT REPORTING

The Company has five reportable segments: North America; South America; Europe/Africa/Middle East; Asia/Pacific; and Sprayer Division. Each regional segment distributes a full range of agricultural equipment and related replacement parts. The Sprayer division manufactures and distributes self-propelled agricultural sprayers and replacement parts. The Company evaluates segment performance primarily based on income from operations. Sales for each regional segment are based on the location of the third-party customer. All significant intercompany transactions between the segments have been eliminated. The Company's selling, general and administrative expenses and engineering expenses are charged to each segment based on the region and division where the expenses are incurred. As a result, the components of operating income for one segment may not be comparable to another segment. As a result of the Ag-Chem acquisition, the Company created a new segment, the Sprayer Division, which includes Ag-Chem and the Company's existing sprayer operations. Prior period segment results have been restated to conform to the new segments. Segment results for the years ended December 31, 2001, 2000 and 1999 are as follows (in millions):

YEARS ENDED DECEMBER 31,	NORTH AMERICA	SOUTH AMERICA	EUROPE/AFRICA /MIDDLE EAST	ASIA/ PACIFIC	SPRAYER DIVISION	CONSOLIDATED
2001						
Net sales	$713.4	$257.8	$1,283.6	$97.9	$188.8	$2,541.5
Income (loss) from operations	2.9	22.5	94.5	16.0	(0.6)	135.3
Depreciation and amortization	9.4	5.1	31.3	3.3	2.8	51.9
Assets	427.5	176.3	553.5	30.3	151.6	1,339.2
Capital expenditures	13.0	5.1	18.6	--	2.6	39.3
2000						
Net sales	$636.0	$242.8	$1,317.2	$98.4	$ 41.7	$2,336.1
Income (loss) from operations	(18.6)	6.3	101.4	16.2	1.3	106.6
Depreciation and amortization	12.8	5.6	29.5	2.5	1.2	51.6
Assets	500.0	209.3	685.6	27.3	17.6	1,439.8
Capital expenditures	23.4	4.3	29.0	--	1.0	57.7
1999						
Net sales	$586.4	$207.3	$1,508.3	$96.3	$ 38.1	$2,436.4
Income (loss) from operations	(31.4)	(11.6)	114.2	13.6	3.6	88.4
Depreciation and amortization	11.7	6.1	35.0	2.0	1.0	55.8
Assets	651.6	189.0	728.1	32.8	15.8	1,617.3
Capital expenditures	2.9	7.6	31.7	--	2.0	44.2

A reconciliation from the segment information to the consolidated balances for income from operations and assets is set forth below (in millions):

	2001	2000	1999
Segment income from operations	$ 135.3	$ 106.6	$ 88.4
Restricted stock compensation expense	(7.1)	(3.8)	(8.5)
Restructuring and other infrequent expenses	(13.0)	(21.9)	(24.5)
Amortization of intangibles	(18.5)	(15.1)	(14.8)
Consolidated income from operations	$ 96.7	$ 65.8	$ 40.6
Segment assets	$1,339.2	$1,439.8	$1,617.3
Cash and cash equivalents	28.9	13.3	19.6
Receivables from affiliates	8.4	10.4	12.8
Investments in affiliates	69.6	85.3	93.6
Other current and noncurrent assets	313.8	269.0	217.3
Intangible assets	413.4	286.4	312.6

Consolidated total assets.............................. $2,173.3 $2,104.2 $2,273.2 ======== ======== ========

Net sales by customer location for the years ended December 31, 2001, 2000 and 1999 were as follows (in millions):

	2001	2000	1999
Net sales:			
United States	$ 754.8	$ 540.2	$ 495.6
Canada	115.2	114.8	95.1
Germany	362.8	371.5	440.4
France	240.6	266.9	315.8
United Kingdom and Ireland	137.6	109.0	135.4
Other Europe	422.3	418.2	481.4
South America	249.4	235.6	198.6
Middle East	99.8	114.3	97.7
Asia	49.6	57.6	48.7
Australia	48.3	40.8	47.6
Africa	29.2	37.3	37.6
Mexico, Central America and Caribbean	31.9	29.9	42.5
	$2,541.5	$2,336.1	$2,436.4

Net sales by product for the years ended December 31, 2001, 2000 and 1999 were as follows (in millions):

	2001	2000	1999
Net sales:			
Tractors	$1,470.3	$1,474.5	$1,550.3
Combines	195.3	145.4	162.3
Sprayers	153.4	30.8	29.0
Other machinery	250.3	238.6	222.3
Replacement parts	472.2	446.8	472.5
	$2,541.5	$2,336.1	$2,436.4

15. GUARANTOR/NON-GUARANTOR FINANCIALS

On April 17, 2001, AGCO Corporation issued the Senior Notes (Note 7). The Senior Notes are fully and unconditionally guaranteed by the following U.S. subsidiaries of AGCO Corporation: Ag-Chem Equipment Co., Inc., Ag-Chem Equipment International, Inc. and Ag-Chem Equipment Canada, Ltd. The following financial information presents condensed consolidating balance sheets, statements of operations and cash flows of (i) AGCO Corporation, the parent company, as if it accounted for its subsidiaries on the equity method, (ii) the guarantor subsidiaries on a combined basis, and (iii) the non-guarantor subsidiaries on a combined basis. The guarantor subsidiaries were acquired on April 16, 2001 as part of the acquisition of Ag-Chem, and accordingly, are not included in the following financial information for periods prior to acquisition.

AGCO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2001
(IN MILLIONS)

	PARENT COMPANY	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
Net sales	$746.8	$165.4	$1,930.2	$(300.9)	$2,541.5
Cost of goods sold	662.0	139.6	1,606.0	(300.9)	2,106.7
Gross profit	84.8	25.8	324.2	--	434.8
Selling, general and administrative expenses	102.1	24.9	130.0	--	257.0
Engineering expenses	14.8	2.7	32.1	--	49.6
Restructuring and other infrequent expenses	5.8	5.5	1.7	--	13.0
Amortization of intangibles	6.9	3.2	8.4	--	18.5
Income (loss) from operations	(44.8)	(10.5)	152.0	--	96.7
Interest expense, net	48.4	0.7	9.5	--	58.6
Other (income) expense, net	9.8	(1.5)	15.1	--	23.4
Income (loss) before income taxes and equity in net earnings of unconsolidated subsidiaries and affiliates and extraordinary loss	(103.0)	(9.7)	127.4	--	14.7
Income tax provision (benefit)	(35.3)	(2.6)	39.8	--	1.9
Income (loss) before equity in net earnings of unconsolidated subsidiaries and affiliates and extraordinary loss	(67.7)	(7.1)	87.6	--	12.8
Equity in net earnings of unconsolidated subsidiaries and affiliates	91.1	0.2	5.1	(85.8)	10.6
Income (loss) before extraordinary loss	23.4	(6.9)	92.7	(85.8)	23.4
Extraordinary loss, net of taxes	(0.8)	--	--	--	(0.8)
Net income (loss)	$ 22.6	$ (6.9)	$ 92.7	$ (85.8)	$ 22.6

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2000
(IN MILLIONS)

	PARENT COMPANY	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
Net sales	$671.5	$--	$1,897.8	$(233.2)	$2,336.1
Cost of goods sold	603.6	--	1,589.1	(233.2)	1,959.5
Gross profit	67.9	--	308.7	--	376.6
Selling, general and administrative expenses	93.9	--	134.3	--	228.2
Engineering expenses	13.1	--	32.5	--	45.6
Restructuring and other infrequent expenses	23.1	--	(1.2)	--	21.9
Amortization of intangibles	6.1	--	9.0	--	15.1
Income (loss) from operations	(68.3)	--	134.1	--	65.8
Interest expense, net	29.2	--	17.4	--	46.6
Other expense, net	19.3	--	13.8	--	33.1
Income (loss) before income taxes and equity in net earnings of unconsolidated subsidiaries and affiliates	(116.8)	--	102.9	--	(13.9)
Income tax provision (benefit)	(46.1)	--	38.5	--	(7.6)
Income (loss) before equity in net earnings of unconsolidated subsidiaries and affiliates	(70.7)	--	64.4	--	(6.3)
Equity in net earnings of unconsolidated subsidiaries and affiliates	74.2	--	4.7	(69.1)	9.8
Net income (loss)	$ 3.5	$--	$ 69.1	$ (69.1)	$ 3.5

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 1999
(IN MILLIONS)

	PARENT COMPANY	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
Net sales..................	$ 609.5	$ --	$2,019.1	$(192.2)	$2,436.4
Cost of goods sold.........	552.0	--	1,718.9	(192.2)	2,078.7
Gross profit.............	57.5	--	300.2	--	357.7
Selling, general and administrative expenses.................	91.8	--	141.4	--	233.2
Engineering expenses.......	9.5	--	35.1	--	44.6
Restructuring and other infrequent expenses......	22.5	--	2.0	--	24.5
Amortization of intangibles.............	5.6	--	9.2	--	14.8
Income (loss) from operations..............	(71.9)	--	112.5	--	40.6
Interest expense, net......	34.2	--	23.4	--	57.6
Other expense, net.........	1.9	--	13.3	--	15.2
Income (loss) before income taxes and equity in net earnings of unconsolidated subsidiaries and affiliates..............	(108.0)	--	75.8	--	(32.2)
Income tax provision (benefit)................	(38.8)	--	28.6	--	(10.2)
Income (loss) before equity in net earnings of unconsolidated subsidiaries and affiliates..............	(69.2)	--	47.2	--	(22.0)
Equity in net earnings of unconsolidated subsidiaries and affiliates..............	57.7	--	4.5	(51.7)	10.5
Net income (loss)..........	$ (11.5)	$ --	$ 51.7	$ (51.7)	$ (11.5)

CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF DECEMBER 31, 2001
(IN MILLIONS)

	PARENT COMPANY	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
ASSETS					
Current assets:					
Cash and cash equivalents	$ 9.0	$ 1.5	$ 18.4	$ --	$ 28.9
Accounts and notes receivable, net	127.9	13.1	322.4	--	463.4
Receivables from unconsolidated subsidiaries and affiliates	148.8	20.9	192.3	(353.5)	8.5
Inventories, net	184.4	103.5	278.9	(8.0)	558.8
Other current assets	70.0	0.6	52.3	--	122.9
Total current assets	540.1	139.6	864.3	(361.5)	1,182.5
Property, plant and equipment, net	55.5	35.1	226.3	--	316.9
Investment in unconsolidated subsidiaries and affiliates	961.3	0.8	78.5	(971.0)	69.6
Other assets	126.2	18.7	45.9	0.1	190.9
Intangible assets, net	31.0	165.7	216.7	--	413.4
Total assets	$1,714.1	$359.9	$1,431.7	$(1,332.4)	$2,173.3
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 56.2	$ 23.4	$ 179.9	$ --	$ 259.5
Payables to unconsolidated subsidiaries and affiliates	185.6	59.6	121.0	(353.5)	12.7
Accrued expenses	106.3	14.7	229.7	--	350.7
Other current liabilities	2.0	7.6	10.3	--	19.9
Total current liabilities	350.1	105.3	540.9	(353.5)	642.8
Long-term debt	534.0	14.3	69.4	--	617.7
Postretirement health care benefits	25.6	--	--	--	25.6
Other noncurrent liabilities	5.0	--	82.8	--	87.8
Total liabilities	914.7	119.6	693.1	(353.5)	1,373.9
Total stockholders' equity	799.4	240.3	738.6	(978.9)	799.4
Total liabilities and stockholders' equity	$1,714.1	$359.9	$1,431.7	$(1,332.4)	$2,173.3

CONDENSED CONSOLIDATING BALANCE SHEETS
AS OF DECEMBER 31, 2000
(IN MILLIONS)

	PARENT COMPANY	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
ASSETS					
Current assets:					
Cash and cash equivalents............	$ 0.1	$--	$ 13.2	$ --	$ 13.3
Accounts and notes receivable, net....	123.6	--	468.9	--	592.5
Receivables from unconsolidated subsidiaries and affiliates........	105.1	--	154.5	(249.2)	10.4
Inventories, net......................	217.8	--	319.3	(6.0)	531.1
Other current assets.................	47.8	--	45.2	--	93.0
Total current assets..............	494.4	--	1,001.1	(255.2)	1,240.3
Property, plant and equipment, net......	58.5	--	257.7	--	316.2
Investment in unconsolidated subsidiaries and affiliates...........	745.0	--	84.9	(744.6)	85.3
Other assets...........................	108.2	--	67.8	--	176.0
Intangible assets, net..................	37.7	--	248.7	--	286.4
Total assets......................	$1,443.8	$--	$1,660.2	$(999.8)	$2,104.2
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable......................	$ 53.9	$--	$ 190.5	$ --	$ 244.4
Payables to unconsolidated subsidiaries and affiliates........	124.4	--	124.8	(249.2)	--
Accrued expenses......................	115.7	--	241.9	--	357.6
Other current liabilities.............	12.9	--	21.5	--	34.4
Total current liabilities.....	306.9	--	578.7	(249.2)	636.4
Long-term debt.........................	303.1	--	267.1	--	570.2
Postretirement health care benefits.....	27.5	--	--	--	27.5
Other noncurrent liabilities............	16.4	--	63.8	--	80.2
Total liabilities.................	653.9	--	909.6	(249.2)	1,314.3
Total stockholders' equity.........	789.9	--	750.6	(750.6)	789.9
Total liabilities and stockholders' equity..........	$1,443.8	$--	$1,660.2	$(999.8)	$2,104.2

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2001
(IN MILLIONS)

	PARENT COMPANY	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
Net cash provided by (used for) operating activities	$ 21.5	$(8.8)	$212.7	$ --	$ 225.4
Cash flows from investing activities:					
Purchases of property, plant and equipment	(13.0)	(2.4)	(23.9)	--	(39.3)
Proceeds on sale of property, plant and equipment	2.5	2.2	--	--	4.7
Purchase of business, net of cash acquired	(147.5)	--	--	--	(147.5)
Investment in unconsolidated subsidiaries and affiliates	(0.5)	0.5	1.3	--	1.3
Net cash (used for) provided by investing activities	(158.5)	0.3	(22.6)	--	(180.8)
Cash flows from financing activities:					
Proceeds (payments) on long-term debt, net	219.9	(47.4)	(192.2)	--	(19.7)
Proceeds (payments) from intercompany loans, net	(66.8)	57.4	9.4	--	--
Proceeds from the issuance of preferred and common stock	6.4	--	--	--	6.4
Payment of debt and common stock issuance costs	(13.1)	--	--	--	(13.1)
Dividends paid on common stock	(0.5)	--	--	--	(0.5)
Net cash provided by (used for) financing activities	145.9	10.0	(182.8)	--	(26.9)
Effect of exchange rate changes on cash & cash equivalents	--	--	(2.1)	--	(2.1)
Increase in cash and cash equivalents	8.9	1.5	5.2	--	15.6
Cash and cash equivalents, beginning of year	0.1	--	13.2	--	13.3
Cash and cash equivalents, end of year	$ 9.0	$ 1.5	$ 18.4	$ --	$ 28.9

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2000
(IN MILLIONS)

	PARENT COMPANY	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
Net cash provided by operating activities	$139.6	$ --	$34.8	$ --	$174.4
Cash flows from investing activities:					
Purchases of property, plant and equipment	(24.4)	--	(33.3)	--	(57.7)
Purchase of business	(10.0)	--	--	--	(10.0)
Investment in unconsolidated subsidiaries and affiliates	(2.0)	--	(2.0)	2.0	(2.0)
Net cash used for investing activities	(36.4)	--	(35.3)	2.0	(69.7)
Cash flows from financing activities:					
Payments on long-term debt, net	(80.4)	--	(27.1)	--	(107.5)
Proceeds (payments) from intercompany loans, net	(22.5)	--	22.5	--	--
Proceeds from the issuance of common stock	2.3	--	--	(2.0)	0.3
Dividends paid on common stock	(2.5)	--	--	--	(2.5)
Net cash used for financing activities	(103.1)	--	(4.6)	(2.0)	(109.7)
Effect of exchange rate changes on cash & cash equivalents	--	--	(1.3)	--	(1.3)
Increase (decrease) in cash and cash equivalents	0.1	--	(6.4)	--	(6.3)
Cash and cash equivalents, beginning of year	--	--	19.6	--	19.6
Cash and cash equivalents, end of year	$ 0.1	$ --	$13.2	$ --	$ 13.3

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1999
(IN MILLIONS)

	PARENT COMPANY	GUARANTOR SUBSIDIARIES	NON-GUARANTOR SUBSIDIARIES	ELIMINATION ENTRIES	CONSOLIDATED
Net cash provided by operating activities	$35.8	$ --	$197.9	$ --	$ 233.7
Cash flows from investing activities:					
Purchases of property, plant and equipment	(4.8)	--	(39.4)	--	(44.2)
Proceeds from sale/leaseback of property	18.7	--	--	--	18.7
Sale of businesses	--	--	6.0	--	6.0
Investment in unconsolidated subsidiaries and affiliates	(0.5)	--	(0.6)	--	(1.1)
Net cash provided by (used for) investing activities	13.4	--	(34.0)	--	(20.6)
Cash flows from financing activities:					
Payments on long-term debt, net	(51.7)	--	(153.0)	--	(204.7)
Proceeds (payments) from intercompany loans, net	4.9	--	(4.9)	--	--
Dividends paid on common stock	(2.4)	--	--	--	(2.4)
Net cash used for financing activities	(49.2)	--	(157.9)	--	(207.1)
Effect of exchange rate changes on cash & cash equivalents	--	--	(2.3)	--	(2.3)
Increase in cash and cash equivalents	--	--	3.7	--	3.7
Cash and cash equivalents, beginning of year	--	--	15.9	--	15.9
Cash and cash equivalents, end of year	$ --	$ --	$ 19.6	$ --	$ 19.6

16. SUBSEQUENT EVENTS (UNAUDITED)

2002 ACQUISITION

On March 5, 2002, the Company completed its agreement with Caterpillar, Inc. to acquire the design, assembly and marketing of the new MT Series of Caterpillar's Challenger tractor line. The Company issued approximately 1.0 million shares of common stock in the transaction valued at approximately $21 million based on the closing price of the Company's common stock on the acquisition date. In addition, the Company expects to purchase approximately $13 million of initial production inventory from Caterpillar. The addition of the Challenger tractor line provides the Company with a technological leader in high horsepower track-type tractors that will be marketed on a worldwide basis primarily through the Caterpillar distribution organization. Furthermore, the Company plans to provide Caterpillar dealers with additional products that should broaden their equipment offerings and enhance their competitive position. The results of operations for this product line will be included in the Company's results as of the date of the acquisition. The acquired assets consist of technology, trademarks, trade names, inventory, and property plant and equipment. There were no accounts receivable acquired or liabilities assumed in the transaction since all rights and obligations relating to past sales of the prior series of the Challenger product line remain with Caterpillar. The Company expects its preliminary allocation of the $21 million purchase price to be solely to property plant and equipment. Since the preliminary fair value of the assets acquired is in

excess of the purchase price, the Company does not expect to record any intangible assets or goodwill associated with the acquisition.

RESTRICTED STOCK EXPENSE

As a result of increases in the Company's common stock price in 2002, a portion of the outstanding awards under the LTIP (Note 10) have been earned by participants. Based on the restricted shares earned to date, the Company will record compensation expense of approximately $27 million in the first quarter of 2002, of which approximately $15 million is non-cash expense.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

The information called for by Items 10, 11, 12 and 13, if any, will be contained in our Proxy Statement for the 2002 Annual Meeting of Stockholders which we intend to file on or about April 1, 2002.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT

The information with respect to directors required by this item set forth in our Proxy Statement for the 2002 Annual Meeting of Stockholders in the sections entitled "Election of Directors" and "Directors Continuing in Office" is incorporated herein by reference. The information under the heading "Executive Officers of the Registrant" set forth on pages 12 and 13 of this Form 10-K is incorporated herein by reference. The information with respect to executive officers required by this item set forth in our Proxy Statement for the 2002 Annual Meeting of Stockholders in the section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information with respect to executive compensation required by this item set forth in our Proxy Statement for the 2002 Annual Meeting of Stockholders in the sections entitled "Board of Directors and Certain Committees of the Board," "Compensation Committee Interlocks and Insider Participation" and "Executive Compensation" is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item set forth in our Proxy Statement for the 2002 Annual Meeting of Stockholders in the section entitled "Principal Holders of Common Stock" is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item set forth in our Proxy Statement for the 2002 Annual Meeting of Stockholders in the section entitled "Certain Relationships and Related Transactions" is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Form 10-K:

(1) The consolidated financial statements, notes to consolidated financial statements and the Report of Independent Public Accountants for AGCO Corporation and its subsidiaries are presented on pages 33 to 77 under Item 8 of this Form 10K.

(2) The financial statements, notes to financial statements and the Report of Independent Public Accountants for AGCO Finance LLC for the year ended December 31, 2001 included in Exhibit 99.1.

(3) The financial statements, notes to financial statements and the Independent Auditor's Report for AGCO Finance LLC (formerly known as Agricredit Acceptance LLC) for the year ended December 31, 2000 included as Exhibit 99.2.

(4) Financial Statement Schedules:

The following report of Independent Public Accountants and the Consolidated Financial Statement Schedule of AGCO Corporation and its subsidiaries are included herein on pages II-1 through II-3.

SCHEDULE DESCRIPTION
- --------

- Schedule II Report of Independent Public Accountants on Financial Statement Schedule Valuation and Qualifying Accounts

Schedules other than that listed above have been omitted because the required information is contained in Notes to the Consolidated Financial Statements or because such schedules are not required or are not applicable.

(5) The following exhibits are filed or incorporated by reference as part of this report.

EXHIBIT NUMBER DESCRIPTION
- ------- --

3.1 Certificate of Incorporation of the Registrant incorporated by reference to Exhibit 3.0 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.

3.2 Amended and Restated By-Laws of the Registrant.

4.1 Rights Agreement, as amended, between and among AGCO Corporation and SunTrust Bank, as rights agent, dated as of April 27, 1994 incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994 and to Exhibit 4.1 to the

Company's Form 8-A/ A dated August 8, 1999. 4.2 Indenture dated as of March 20, 1996, between AGCO Corporation and SunTrust Bank, as Trustee, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995. 4.3 Indenture, dated as of April 17, 2001, between AGCO Corporation and SunTrust Bank and the other parties named therein incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001. 10.1 2001 Stock Option Plan incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001.* 10.2 Form of Stock Option Agreements (Statutory and Nonstatutory) incorporated by reference to the Company's Registration Statement on Form S-1 (No. 33-43437) dated April 16, 1992.* 10.3 Amended and Restated Long-Term Incentive Plan (LTIP III) incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 30, 2000.* 10.4 First Amendment to the AGCO Corporation Amended and Restated Long-Term Incentive Plan (LTIP III).* 10.5 Nonemployee Director Stock Incentive Plan, as amended incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.* 10.6 First Amendment to the AGCO Corporation Nonemployee Director Stock Incentive Plan.* 10.7 Management Incentive Compensation Plan incorporated by reference to the Company's Annual Report on Form 10-K for the Year ended December 31, 1995.* 10.8 Employment and Severance Agreement by and between AGCO Corporation and Robert J. Ratliff incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.* 10.9 Employment and Severance Agreement by and between AGCO

Corporation and Norman L. Boyd incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2000.* 10.10 Employment and Severance Agreement by and between AGCO Corporation and Donald R. Millard.*

EXHIBIT NUMBER DESCRIPTION - ------- ----- ------ 10.11 Receivables Purchase Agreement dated as of January 27, 2000, among AGCO Corporation, AGCO Funding Corporation and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., as administrative agent, incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999. 10.12 Credit Agreement dates as of April 17, 2001, among AGCO Corporation, Cooperatieve Centrale Raiffeisen-Boereleenbank B.A., and the other parties named therein incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001. 10.13 Canadian Receivables Purchase Agreement dated as of April 11, 2001, among AGCO Corporation, Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. and the parties named therein incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June

30, 2001. 10.14 European Receivables Purchase Agreement dated as of April 11, 2001, among AGCO Corporation, Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. and the parties named therein incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001. 10.15 Agreement and Plan of Merger, dated as of November 20, 2000, by and among AGCO Corporation, Agri Acquisition Corp. and Ag-Chem Equipment Co., Inc. incorporated by reference to the Company's Registration Statement on Form S-4 (No. 333-52304) filed on March 29, 2001. 10.16 Asset Purchase Agreement, dated as of December 16, 2001, by and among AGCO Corporation, Caterpillar Inc. and Caterpillar Agricultural Products Inc. incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on March 13, 2002. 10.17 AGCO Corporation Supplemental Executive Retirement Plan.* 10.18 1991 Stock Option Plan, as amended, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1998.* 12.0 Statement re: Computation of Earnings to Combined Fixed Charges. 21.0 Subsidiaries of the Registrant. 23.1 Consent of Arthur Andersen LLP, independent public accountants, for the financial statements of AGCO Corporation. 23.2 Consent of Arthur Andersen LLP, independent public accountants, for the financial statements of AGCO Finance LLC. 23.3 Consent of KPMG LLP for the financial statements of AGCO Finance LLC (formerly Agricredit Acceptance LLC). 24.0 Power of Attorney. 99.1 Financial statements of AGCO Finance LLC for the year ended December 31, 2001. 99.2 Financial Statements of AGCO Finance LLC (formerly Agricredit Acceptance LLC) for the year ended December 31, 2000. 99.3 Assurance letter regarding Arthur Andersen LLP.

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* Management contract or compensatory plan or arrangement.

(b) Reports on Form 8-K.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

AGCO CORPORATION

By: /s/ ROBERT J. RATLIFF

Robert J. Ratliff
Chairman, President and Chief
Executive Officer

Dated: March 29, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been below by the following persons on behalf of the registrant in the capacities and on the date indicated.

SIGNATURE TITLE DATE /s/ ROBERT J. RATLIFF Chairman, President and Chief March 29, 2002 Executive Officer Robert J. Ratliff /s/ DONALD R. MILLARD Senior Vice President and Chief March 29, 2002 Financial Officer (Principal Donald R. Millard Financial Officer and Principal Accounting Officer) Director March , 2002 Henry J. Claycamp /s/ WOLFGANG DEML * Director March 29, 2002 Wolfgang Deml /s/

GERALD B.
JOHANNESON
* Director
March 29,
2002 -----

--- Gerald
B.
Johanneson
/s/
ANTHONY D.
LOEHNIS *
Director
March 29,
2002 -----

Anthony D.
Loehnis
/s/
WOLFGANG
SAUER *
Director
March 29,
2002 -----

Wolfgang
Sauer /s/
W. WAYNE
BOOKER *
Director
March 29,
2002 -----

--- W.
Wayne
Booker /s/
CURTIS E.
MOLL *
Director
March 29,
2002 -----

--- Curtis
E. Moll
/s/ DAVID
E. MOMOT *
Director
March 29,
2002 -----

--- David
E. Momot
Director
March ,
2002 -----

Hendrikus
Visser
*By: /s/
STEPHEN D.
LUPTON ---

Stephen D.
Lupton
Attorney-
in-Fact

ANNUAL REPORT ON FORM 10-K

ITEM 14 (A)(2)

FINANCIAL STATEMENT SCHEDULE
YEAR ENDED DECEMBER 31, 2001

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To AGCO Corporation:

We have audited in accordance with auditing standards generally accepted in the United States, the financial statements of AGCO CORPORATION AND SUBSIDIARIES included in this annual report on Form 10-K and have issued our report thereon dated February 6, 2002. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule II-Valuation and Qualifying Accounts is the responsibility of the company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
February 6, 2002

SCHEDULE II

AGCO CORPORATION AND SUBSIDIARIES

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS
(IN MILLIONS)

		ADDITIONS				
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ACQUIRED BUSINESSES	CHARGED TO COSTS AND EXPENSES	CHARGED (CREDITED) TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
Year ended December 31, 2001 Allowances for sales incentive discounts......	$54.9	$ --	$94.6	$ --	$(88.4)	$61.1
Year ended December 31, 2000 Allowances for sales incentive discounts......	$53.6	$ --	$79.6	$ --	$(78.3)	$54.9
Year ended December 31, 1999 Allowances for sales incentive discounts......	$58.4	$ --	$80.3	$ --	$(85.1)	$53.6

		ADDITIONS				
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ACQUIRED BUSINESSES	CHARGED TO COSTS AND EXPENSES	CHARGED (CREDITED) TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
Year ended December 31, 2001 Allowances for doubtful accounts................	$43.4	$ 0.9	$ 9.3	$ --	$ (4.5)	$49.1
Year ended December 31, 2000 Allowances for						

doubtful
accounts.................
$43.0 $ -- $ 2.5 $ -- $
(2.1) $43.4 ===== =====
===== ===== ====== =====
Year ended December 31,
1999 Allowances for
doubtful
accounts.................
$49.4 $ -- $ 3.8 $ --
$(10.2) $43.0 =====
===== ===== ===== ======
=====

BALANCE AT
CHARGED TO
BALANCE AT
BEGINNING
ACQUIRED
COSTS AND
REVERSAL END
OF
DESCRIPTION
OF PERIOD
BUSINESSES
EXPENSES OF
ACCRUAL
DEDUCTIONS
PERIOD - ---
-------- ---
------- ----
------ -----
----- ------
---- -------
--- --------
-- Year
ended
December 31,
2001
Accruals of
severance,
relocation
and other
integration
costs........
$10.3 $ -- $
3.9 $(0.7) $
(7.7) $ 5.8
----- -----
----- -----
------ -----
Year ended
December 31,
2000
Accruals of
severance,
relocation
and other
integration
costs........
$22.2 $ --
$12.3 $(3.0)
$(21.2)
$10.3 =====
===== =====
===== ======
===== Year
ended
December 31,
1999
Accruals of
severance,
relocation
and other
integration
costs........
$35.0 $ -- $
9.6 $ --
$(22.4)
$22.2 =====
===== =====
===== ======
=====

EXHIBIT 3.2

AMENDED AND RESTATED BY-LAWS

OF

AGCO CORPORATION

(reflecting amendments through February 28, 2002)

ARTICLE I

STOCKHOLDERS MEETINGS

1. PLACES OF MEETINGS. All meetings of stockholders shall be held at such place or places in or outside of Delaware as the board of directors may from time to time determine or as may be designated in the notice of meeting or waiver of notice thereof, subject to any provisions of the laws of Delaware.

2. ANNUAL MEETINGS. Unless otherwise determined from time to time by the board of directors, the annual meeting of stockholders shall be held each year for the election of directors and the transaction of such other business as may properly come before the meeting on the first Monday in the fourth month following the close of the fiscal year commencing at some time between 10 A.M. and 3 P.M., if not a legal holiday and if a legal holiday, then on the day following at the same time. If the annual meeting is not held on the date designated, it may be held as soon thereafter as convenient and shall be called the annual meeting. Written notice of the time and place of the annual meeting shall be given by mail to each stockholder entitled to vote at his address as it appears on the records of the corporation not less than the minimum nor more than the maximum number of days permitted under the laws of Delaware prior to the scheduled date thereof, unless such notice is waived as provided by Article VIII of these By-Laws.

3. SPECIAL MEETINGS. A special meeting of stockholders may be called at any time by order of the board of directors or the executive committee. Written notice of the time, place and specific purposes of such meetings shall be given by mail to each stockholder entitled to vote thereat at his address as it appears on the records of the corporation not less than the minimum nor more than the maximum number of days prior to the scheduled date thereof permitted under the laws of Delaware, unless such notice is waived as provided in Article VIII of these By-Laws.

4. MEETINGS WITHOUT NOTICE. Meetings of the stockholders may be held at any time without notice when all the stockholders entitled to vote thereat are present in person or by proxy.

5. VOTING. At all meetings of stockholders, each stockholder entitled to vote on the record date as determined under Article V, Section 3 of these By-Laws or if not so determined as prescribed under the laws of Delaware shall be entitled to one vote for each share of stock standing on record in his name, subject to any restrictions or qualifications set forth in the certificate of incorporation or any amendment thereto.

6. QUORUM. At any stockholders' meeting, a majority of the number of shares of stock outstanding and entitled to vote thereat present in person or by proxy shall constitute a quorum but a smaller interest may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice, subject to such limitation as may be imposed under the laws of Delaware. When a quorum is present at any meeting, a majority of the number of shares of stock entitled to vote present thereat shall decide any question brought before such meeting unless the question is one upon which a different vote is required by express provision of the laws of Delaware, the certificate of incorporation or these By-Laws, in which case such express provisions shall govern.

7. LIST OF STOCKHOLDERS. At least ten days before every meeting, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of and the number of shares registered in the name of each stockholder, shall be prepared by the secretary or the transfer agent in charge of the stock ledger of the corporation. Such list shall be open for examination by any stockholder as required by the laws of Delaware. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine such list or the books of the corporation or to vote in person or by proxy at such meeting.

8. NO ACTION IN WRITING. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

9. NOTICE OF BUSINESS. No business may be transacted at any meeting of stockholders, whether annual or special, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors (or any duly authorized committee thereof), (b) otherwise properly brought before the meeting by or at the direction of the board of directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 9 of this Article I and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who complies with the notice procedures set forth in

Section 9 of this Article I. The nomination by a stockholder of any person for election as a director, other than the persons nominated by the board of directors or any duly authorized committee thereof, shall be considered business other than business specified in clauses (a) and (b) above and shall be permitted only upon compliance with the requirements of this Section 9 of this Article I.

In addition to any other applicable requirements for business to be properly brought before a meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

In the case of a meeting of stockholders which is an annual meeting, to be timely, a stockholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs. In the case of a meeting of stockholders which is not an annual meeting, to be timely, a stockholder's notice to the secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the meeting; provided, however, that in the event that less than forty-five (45) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the secretary must be set forth as to each matter such stockholder proposes to bring before the meeting (i) a brief description of the business described to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business, (v) a representation that such stockholder intends to appear in person or by proxy at the meeting to bring such business before the meeting, and (vi) in the case of the nomination of a person as a director, a brief description of the background and credentials of such person including (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Corporation which are beneficially owned by such person, and (D) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors, or as otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including without limitation such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected).

No business shall be conducted at a meeting of stockholders except business brought before such meeting in accordance with the procedures set forth in this Section 9 of this Article I, provided, however, that, once business has been properly brought before a meeting in accordance with such procedures, nothing in this Section 9 of this Article I shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of a meeting determines that business was not properly brought before the meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

ARTICLE II

BOARD OF DIRECTORS

1. NUMBER AND ELECTION OF DIRECTORS. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than three nor more than 13 directors, the exact number of directors to be determined from time to time by resolution adopted by the affirmative vote of a majority of the directors then in office. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. Immediately following the adoption by the Corporation of this by-law, a majority of the Board of Directors shall elect Class I directors for a one-year term, Class II directors for a two-year term and Class III directors for a three-year term. At the next ensuing annual meeting of stockholders (the "First Meeting"), the term of office of the Class I directors shall expire and successors to the Class I directors shall be elected for a three-year term. At the next ensuing annual meeting of stockholders held after the First Meeting (the "Second Meeting"), the term of office of the Class II directors shall expire and successors to the Class II directors shall be elected for a three-year term. At the next ensuing annual meeting of stockholders held after the Second Meeting, the term of office of the Class III directors shall expire and successors to the Class III directors shall be elected for a three-year term. Thereafter, at each annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case shall a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of preferred stock issued by the Corporation, if any, shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the Restated Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Section 1 of this Article III unless expressly provided by such terms.

2. POWERS. The business and affairs of the Corporation shall be carried on by or under the direction of the board of directors, which shall have all the powers authorized by the laws of Delaware, subject to such limitations as may be provided by the certificate of incorporation or these By-Laws.

3. COMPENSATION. The board of directors may from time to time by resolution authorize the payment of fees or other compensation to the directors for services as such to the corporation, including, but not limited to, fees for attendance at all meetings of the board or of the executive or other committees, and determine the amount of such fees and compensation. Directors shall in any event be paid their traveling expenses for attendance at all meetings of the board or of the executive or other committees. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor in amounts authorized or otherwise approved from time to time by the board or the executive committee.

4. MEETINGS AND QUORUM. Meetings of the board of directors may be held either in or outside of Delaware. A quorum shall be one-third the then authorized total number of directors, but not less than two directors. A director will be considered present at a meeting, even though not physically present, to the extent and in the manner authorized by the laws of Delaware.

The board of directors elected at any annual stockholders' meeting shall, at the close of that meeting without further notice if a quorum of directors be then present or as soon thereafter as may be convenient, hold a meeting for the election of officers and the transaction of any other business. At such meeting they shall elect a president, a secretary and a treasurer, and such other officers as they may deem proper, none of whom except the chairman of the board, if elected, need be members of the board of directors.

The board of directors may from time to time provide for the holding of regular meetings with or without notice and may fix the times and places at which such meetings are to be held. Meetings other than regular meetings may be called at any time by the president or the chairman of the board and must be called by the president or by the secretary or an assistant secretary upon the request of any director.

Notice of each meeting, other than a regular meeting (unless required by the board of directors), shall be given to each director by mailing the same to each director at his residence or business address at least two days before the meeting or by delivering the same to him personally or by telephone or telegraph to him at least one day before the meeting unless, in case of exigency, the chairman of the board, the president or secretary shall prescribe a shorter notice to be given personally or by telephone, telegraph, cable or wireless to all or any one or more of the directors at their respective residences or places of business.

Notice of any meeting shall state the time and place of such meeting, but need not state the purpose thereof unless otherwise required by the laws of Delaware, the certificate of incorporation, the By-Laws, or the board of directors.

5. EXECUTIVE COMMITTEE. The board of directors may by resolution passed by a majority of the whole board provide for an executive committee of two or more directors and shall elect the members thereof to serve during the pleasure of the board and may designate one of such members to act as chairman. The board may at any time change the membership of the committee, fill vacancies in it, designate alternate members to replace any absent or disqualified members at any meeting of the committee, or dissolve it.

During the intervals between the meetings of the board of directors, the executive committee shall perform all the powers of the Board except as limited by the General Corporation Law of the State of Delaware or by the Company's Certificate of Incorporation or By-Laws.

The executive committee may determine its rules of procedure and the notice to be given of its meetings, and it may appoint such committees and assistants as it shall from time to time deem necessary. A majority of the members of the committee shall constitute a quorum.

6. AUDIT COMMITTEE. The functions of the audit committee shall be to meet with external auditors to discuss the current year audit plan; meet with external auditors to discuss the results of the audit and their opinion regarding the fairness of the annual financial statements; review audit fees and fees for management advisory services; meet with management to discuss the internal audit plan and current staffing; meet with management, internal and external auditors to discuss the auditor's "management letter" and management's response; and meet with management and the internal auditors to discuss the corporate control environment and regulatory compliance. The audit committee is hereby authorized to perform such functions. The audit committee shall meet once before the external audit begins and again near the completion date with meetings at other times as appropriate.

7. COMPENSATION COMMITTEE. The functions of the compensation committee shall be to review, approve, recommend and report to the chief executive officer and the board matters specifically relative to the compensation of the Company's chief executive officer and other key executives and administration of the Company's 1991 Stock Option Plan and Management Incentive Compensation Plan, and the compensation committee is hereby authorized to perform such functions.

8. GOVERNANCE COMMITTEE. The functions of the governance committee are to develop appropriate long range plans for the size and composition of the board of directors and the succession of directors; to develop and implement procedures for identifying, screening and nominating director candidates to the board of directors; to recommend directors for membership and chairmanship of standing committees of the board of directors; to develop and implement procedures for conducting and reporting annual evaluations of board performance and recommend actions to improve board performance and governance; to perform other duties as the board of directors may from time to time delegate to the committee.

Nominations for board membership shall be consistent with criteria contained in the governance committee charter. In nominations for committee membership and chairmanship the governance committee shall: a. include the chairman of the board, chief executive officer and chairmen of the standing committees as members of the executive committee; b. include the chairman of the board and the chief executive officer as members of the strategic planning committee; c. include only Independent Directors (as defined in Section 11 of this Article II) to serve as members of the audit, compensation and governance committees; and d. consider differences in individual director expertise and availability and the efficiencies of continuity of committee experience versus the desirability of altering committee composition at reasonable intervals."

9. OTHER COMMITTEES. The board of directors may by resolution provide for such other committees as it deems desirable and may discontinue the same at its pleasure. Each such committee shall have the powers and perform such duties, not inconsistent with law, as may be assigned to it by the board.

10. ACTION WITHOUT MEETINGS. Any action required or permitted to be taken at any meeting of the board of directors or any committee thereof may be taken without meeting by written consent setting forth the action so taken signed by all of the directors entitled to vote with respect to the subject matter thereof.

11. INDEPENDENCE OF DIRECTORS. The board of directors of the Company shall not knowingly (a) nominate a candidate for election to the board of directors or (a) cause any vacancy on the board of directors to be filled by a director, that, in either case, would result in the

board of directors being comprised of less than a majority of Independent Directors (as hereinafter defined).

For purposes of this Article II, "Independent Director" shall mean a Director who meets the independence requirements of Section 303.01(B)(3) of The New York Stock Exchange Listed Company Manual (as such section may be modified from time to time).

ARTICLE III

OFFICERS

1. TITLES AND ELECTION. The officers of the corporation shall be a president, a secretary and a treasurer, who shall initially be elected as soon as convenient by the board of directors and thereafter, in the absence of earlier resignations or removals, shall be elected at the first meeting of the board following any annual stockholders' meeting, each of whom shall hold office at the pleasure of the board except as may otherwise be approved by the board or executive committee, or until his earlier resignation, removal under these By-Laws or other termination of his employment. Any person may hold more than one office if the duties can be consistently performed by the same person, and to the extent permitted by the laws of Delaware.

The board of directors, in its discretion, may also at any time elect or appoint a chairman of the board of directors who shall be a director, and one or more vice presidents, assistant secretaries and assistant treasurers and such other officers as it may deem advisable, each of whom shall hold office at the pleasure of the board, except as may otherwise be approved by the board or executive committee, or until his earlier resignation, removal or other termination of employment, and shall have such authority and shall perform such duties as may be prescribed or determined from time to time by the board or in case of officers other than the chairman of the board, it not so prescribed or determined by the board, as the president or the then senior executive officer may prescribe or determine.

The board of directors may require any officer or other employee or agent to give bond for the faithful performance of his duties in such form and with such sureties as the board may require.

2. DUTIES. Subject to such extension, limitations, and other provisions as the board of directors or the By-Laws may from time to time prescribe or determine, the following officers shall have the following powers and duties:

(a) CHAIRMAN OF THE BOARD. The chairman of the board, when present, shall preside at all meetings of the stockholders and of the board of directors and shall be charged with general supervision of the management and policy of the corporation, and shall have such other powers and perform such other duties as the board of directors may prescribe from time to time.

(b) PRESIDENT. Subject to the board of directors and the provisions of these By-Laws, the president shall be the chief executive officer of the corporation, shall exercise the powers and authority and perform all of the duties commonly incident to his office, shall in the absence of the chairman of the board preside at all meetings of the stockholders and of the board of directors if he is a director, and shall perform such other duties as the board of directors or executive committee shall specify from time to time. The president or a vice president, unless some other person is thereunto specifically authorized by the board of directors or executive committee, shall sign all bonds, debentures, promissory notes, deeds and contracts of the corporation.

(c) VICE PRESIDENT. The vice president or vice presidents shall perform such duties as may be assigned to them from time to time by the board of directors or by the president if the board does not do so. In the absence or disability of the president, the vice presidents in order of seniority may, unless otherwise determined by the board, exercise the powers and perform the duties pertaining to the office of president, except that if one or more executive vice presidents has been elected or appointed, the person holding such office in order or seniority shall exercise the powers and perform the duties of the office of president.

(d) SECRETARY. The secretary or in his absence the assistant secretary shall keep the minutes of all meetings of stockholders and of the board of directors, give and serve all notices, attend to such correspondence as may be assigned to him, keep in safe custody the seal of the corporation, and affix such seal to all such instruments properly executed as may require it, and shall have such other duties and powers as may be prescribed or determined from time to time by the board of directors or by the president if the board does not do so.

(e) TREASURER. The treasurer, subject to the order of the board of directors, shall have the care and custody of the moneys, funds, valuable papers and documents of the corporation (other than his own bond, if any, which shall be in the custody of the president), and shall have, under the supervision of the board of directors, all the powers and duties commonly incident to his office. He shall deposit all funds of the corporation in such bank or banks, trust company or trust companies, or with such firm or firms doing a banking business as may be designated by the board of directors or by the president if the board does not do so. He may endorse for deposit or collection all checks, notes, etc., payable to the corporation or to its order. He shall keep accurate books of account of the corporation's transactions, which shall be the property of the corporation, and together with all its property in his possession, shall be subject at all times to the inspection and control of the board of directors. The treasurer shall be subject in every way to the order of the board of directors, and shall render to the board of directors and/or the president of the corporation, whenever they may require it, an account of all his transactions and of the financial condition of the corporation. In addition to the foregoing, the treasurer shall have such duties as may be prescribed or determined from time to time by the board of directors or by the president if the board does not do so.

3. DELEGATION OF AUTHORITY. The board of directors or the executive committee may at any time delegate the powers and duties of any officer for the time being to any other officer, director or employee.

4. COMPENSATION. The compensation of the chairman of the board, the president, all vice presidents, the secretary and the treasurer shall be fixed by the board of directors or the executive committee, and the fact that any officer is a director shall not preclude him from receiving compensation or from voting upon the resolution providing the same.

ARTICLE IV

RESIGNATIONS, VACANCIES AND REMOVALS

1. RESIGNATIONS. Any director or officer may resign at any time by giving written notice thereof to the board of directors, the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time be not specified, upon receipt thereof; and unless otherwise specified therein, the acceptance of any resignation shall not be necessary to make it effective.

2. VACANCIES.

(a) DIRECTORS. When the office of any directors, becomes vacant or unfilled whether by reason of death, resignation, removal, increase in the authorized number of directors or otherwise, such vacancy or vacancies may be filled by the remaining director or directors, although less than a quorum. Any director so elected by the board shall serve until the election and qualification of his successor or until his earlier resignation or removal as provided in these By-Laws. The directors may also reduce their authorized number by the number of vacancies in the board, provided such reduction does not reduce the board to less than the minimum authorized by the Charter or the laws of Delaware.

(b) OFFICERS. The board of directors may at any time or from time to time fill any vacancy among the officers of the corporation.

3. REMOVALS.

(a) DIRECTORS. The stockholders may remove directors from office only for cause.

(b) OFFICERS. Subject to the provisions of any validly existing agreement, the board of directors may at any meeting remove from office any officer, with or without cause, and may elect or appoint a successor; provided that if action is to be taken to remove the president the notice of meeting or waiver of notice thereof shall state that one of the purposes thereof is to consider and take action on his removal.

ARTICLE V

CAPITAL STOCK

1. CERTIFICATE OF STOCK. Every stockholder shall be entitled to a certificate or certificates for shares of the capital stock of the corporation in such form as may be prescribed or authorized by the board of directors, duly numbered and setting forth the number and kind of shares represented thereby. Such certificates shall be signed by the chairman of the board, the president or a vice president and by the treasurer or an assistant treasurer or by the secretary or an assistant secretary. Any or all of such signatures may be in facsimile if and to the extent authorized under the laws of Delaware.

In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on a certificate has ceased to be such officer, transfer agent or registrar before the certificate has been issued, such certificate may nevertheless be issued and delivered by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

2. TRANSFER OF STOCK. Shares of the capital stock of the corporation shall be transferable only upon the books of the corporation upon the surrender of the certificate or certificates properly assigned and endorsed for transfer. If the corporation has a transfer agent or agents or transfer clerk and registrar of transfers acting on its behalf, the signature of any officer or representative thereof may be in facsimile.

The board of directors may appoint a transfer agent and one or more cotransfer agents and a registrar and one or more coregistrars of transfer and may make or authorize the transfer agents to make all such rule and regulations deemed expedient concerning the issue, transfer and registration of shares of stock.

3. RECORD DATES.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix in advance a record date which, in the case of a meeting, shall be not less than the minimum nor more than the maximum number of days prior to the scheduled date of such meeting permitted under the laws of Delaware and which, in the case of any other action, shall be not more than the maximum number of days prior to any such action permitted by the laws of Delaware.

(b) If no such record date is fixed by the board, the record date shall be that prescribed by the laws of Delaware.

(c) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to an adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

4. LOST CERTIFICATES. In case of loss or mutilation or destruction of a stock certificate, a duplicate certificate may be issued upon such terms as may be determined or authorized by the board of directors or executive committee or by the president if the board or the executive committee does not do so.

ARTICLE VI

FISCAL YEAR, BANK DEPOSITS, CHECKS, ETC.

1. FISCAL YEAR. The fiscal year of the corporation shall commence or end at such time as the board of directors may designate.

2. BANK DEPOSITS, CHECKS, ETC. The funds of the corporation shall be deposited in the name of the corporation or of any division thereof in such banks or trust companies in the United States or elsewhere as may be designated from time to time by the board of directors or executive committee, or by such officer or officers as the board or executive committee may authorize to make such designations.

All checks, drafts or other orders for the withdrawal of funds from any bank account shall be signed by such person or persons as may be designated from time to time by the board of directors or executive committee or as may be designated by an officer or officers authorized by the board of directors or executive committee to make such designations. The signatures on checks, drafts or other orders for the withdrawal of funds may be in facsimile if authorized in the designation.

ARTICLE VII

BOOKS AND RECORDS

1. PLACE OF KEEPING BOOKS. Unless otherwise expressly required by the laws of Delaware, the books and records of the corporation may be kept outside of Delaware.

2. EXAMINATION OF BOOKS. Except as may otherwise be provided by the laws of Delaware, the certificate of incorporation or these By-Laws, the board of directors shall have power to determine from time to time whether and to what extent and at what times and places and under what conditions any of the accounts, records and books of the corporation are to be open to the inspection of any stockholder. No stockholder shall have any right to inspect any account or book or document of the corporation except as prescribed by statute or authorized by express resolution of the stockholders or of the board of directors.

ARTICLE VIII

NOTICES

1. REQUIREMENTS OF NOTICE. Whenever notice is required to be given by statute, the certificate of incorporation or these By-Laws, it shall not mean personal notice unless so specified, but such notice may be given in writing by depositing the same in a post office letter box, or mail chute, postpaid and addressed to the person to whom such notice is directed at the address of such person on the records of the corporation, and such notice shall be deemed given at the time when the same shall be thus mailed.

2. WAIVERS. Any stockholder, director or officer may, in writing or by telegram or cable, at any time waive any notice or other formality required by statute, the certificate of incorporation or these By-Laws. Such waiver of notice, whether given before or after any meeting or action, shall be deemed equivalent to notice. Presence of a stockholder either in person or by proxy at any stockholders' meeting and presence of any director at any meeting of the board of directors shall constitute a waiver of such notice as may be required by any statute, the certificate of incorporation or these By-Laws.

ARTICLE IX

SEAL

The corporate seal of the corporation shall consist of two concentric circles between which shall be the name of the corporation and in the center of which shall be inscribed "Corporate Seal, Delaware."

ARTICLE X

POWERS OF ATTORNEY

The board of directors or the executive committee may authorize one or more of the officers of the corporation to execute powers of attorney delegating to named representatives or agents power to represent or act on behalf of the corporation, with or without power of substitution.

In the absence of any action by the board or the executive committee, the president, any vice president, the secretary or the treasurer of the corporation may execute for and on behalf of the corporation waivers of notice of stockholders' meetings and proxies for such meetings in any company in which the corporation may hold voting securities.

ARTICLE XI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

1. DEFINITIONS. As used in this article, the term "person" means any past, present or future director or officer of the corporation or a designated officer of an operating division of the corporation.

2. INDEMNIFICATION GRANTED. The corporation shall indemnify, defend and hold harmless against all liability, loss and expenses (including attorneys' fees reasonably incurred), to the full extent and under the circumstances permitted by the Delaware General Corporation Law of the State of Delaware in effect from time to time, any person as defined above, made or threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer of the corporation or designated officer of an operating division of the corporation, or is or was as an employee or agent of the corporation acting as a director, officer, employee or agent of another company or other enterprise in which the corporation owns, directly or indirectly, an equity or other interest or of which it may be a creditor.

If a person indemnified herein must retain an attorney directly, the corporation may, in its discretion, pay the expenses (including attorneys' fees) incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this article or otherwise.

This right of indemnification shall not be deemed exclusive of any other rights to which a person indemnified herein may be entitled by By-Law, agreement, vote of stockholders or disinterested directors or otherwise, and shall continue as to a person who has ceased to be a director, officer, designated officer, employee or agent and shall inure to the benefit of the heirs, executors, administrators and other legal representatives of such person. It is not intended that the provisions of this article be applicable to, and they are not to be construed as granting indemnity with respect to, matters as to which indemnification would be in contravention of the laws of Delaware or of the United States of America whether as a matter of public policy or pursuant to statutory provision.

3. MISCELLANEOUS. The board of directors may also on behalf of the corporation grant indemnification to any individual other than a person defined herein to such extent and in such manner as the board in its sole discretion may from time to time and at any time determine.

ARTICLE XII

AMENDMENTS

These By-Laws may be amended or repealed either:

(a) at any meeting of stockholders at which a quorum is present by vote of a majority of the number of shares of stock entitled to vote present in person or by proxy at such meeting as provided in Article I Sections 5 and 6 of these By-Laws, or

(b) at any meeting of the board of directors by a majority vote of the directors then in office;

provided the notice of such meeting of stockholders or directors or waiver of notice thereof contains a statement of the substance of the proposed amendment or repeal.

EXHIBIT 10.4

FIRST AMENDMENT TO THE
AGCO CORPORATION AMENDED AND RESTATED
LONG-TERM INCENTIVE PLAN (LTIP III)

This is the First Amendment of the AGCO Corporation Amended and Restated Long-Term Incentive Plan (LTIP III) (the "Plan"). Under Section II(b) of the Plan, the Compensation Committee of the Board of Directors (the "Committee") is authorized to amend the Plan. Accordingly, the Committee hereby amends the Plan effective as stated below in the following particulars.

1.

Section VI of the Plan is amended by adding the following to the end of Section (VI)(d), and such amendment shall be applicable to all unearned Contingent Awards outstanding under the Plan:

> Notwithstanding the foregoing, upon a participant's election, a portion of the value of an increment of a Contingent Award equal to an amount that is not greater than the amount necessary to satisfy the federal and state income and employment taxes applicable to the Earned Shares and the resulting cash payment pursuant to Section VII(a) shall be awarded in the form of cash (subject to applicable withholding requirements). In the event a participant elects to have a portion of the value of an increment of a Contingent Award paid in cash, the number of shares of Common Stock which equal the value of such cash payment shall be subtracted from the number of Earned Shares and such shares of Common Stock shall be treated as forfeited. Notwithstanding Section III(c), the forfeited shares of Common Stock under this Section shall not be available for re-issuance under the Plan. Fractional shares of Common Stock shall be awarded in the form of cash.

2.

All parts of the Plan not inconsistent herewith are hereby ratified and confirmed.

This First Amendment to the Plan is adopted to be effective as of December 12, 2001, as acknowledged by the undersigned members of the Committee.

EXHIBIT 10.6

FIRST AMENDMENT TO THE AGCO CORPORATION NONEMPLOYEE DIRECTOR STOCK INCENTIVE PLAN

This is the First Amendment of the AGCO Corporation Nonemployee Director Stock Incentive Plan (the "Plan"). Under Section IV(b) of the Plan, the Board of Directors (the "Board") is authorized to amend the Plan. Accordingly, the Board hereby amends the Plan effective as stated below in the following particulars.

1.

Section VI of the Plan is amended by adding the following new Section (VI)(g), and such amendment shall be applicable to all unearned awards outstanding under the Plan:

> (g) Notwithstanding the foregoing, upon a nonemployee director's election, a portion of the value of an increment of an award equal to an amount that is not greater than the amount necessary to satisfy the federal and state income and employment taxes applicable to the earned shares and the resulting cash payment pursuant to Section VII shall be awarded in the form of cash (subject to applicable withholding requirements). In the event a nonemployee director elects to have a portion of the value of an increment of an award paid in cash, the number of shares of Common Stock which equal the value of such cash payment shall be subtracted from the number of earned shares and such shares of Common Stock shall be treated as forfeited. Notwithstanding Section III(c), the forfeited shares of Common Stock under this Section shall not be available for re-issuance under the Plan. Fractional shares of Common Stock shall be awarded in the form of cash.

2.

All parts of the Plan not inconsistent herewith are hereby ratified and confirmed.

This First Amendment to the Plan was adopted by the Board to be effective as of February 28, 2002, as acknowledged by the undersigned, the Secretary of the AGCO Corporation.

/s/ Stephen D. Lupton

Stephen D. Lupton, Secretary

EMPLOYMENT AND SEVERANCE AGREEMENT

This Employment and Severance Agreement (the "Agreement") entered into this 18th day of October, 2000, by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Donald R. Millard (the "Executive"),

WITNESSETH:

In consideration of the mutual covenants and agreements hereinafter set forth, the Company and the Executive do hereby agree as follows:

1. EMPLOYMENT.

(a) The Company hereby employs the Executive and the Executive hereby agrees to serve the Company on the terms and conditions set forth herein.

(b) The employment term shall commence on October 18, 2000 and shall continue in effect until terminated in accordance with Section 5 or any other provision of the Agreement.

2. POSITION AND DUTIES.

The Executive shall serve as an Executive Officer of the Company and shall perform such duties and responsibilities as may from time to time be prescribed by the Company's board of directors (the "Board"), provided that such duties and responsibilities are consistent with the Executive's position. The Executive shall perform and discharge faithfully, diligently and to the best of his/her ability such duties and responsibilities and shall devote all of his/her working time and efforts to the business and affairs of the Company and its affiliates.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") of Three Hundred and Fifty Thousand Dollars ($350,000.00), payable in equal semi-monthly installments throughout the term of such employment subject to Section 5 hereof and subject to applicable tax and payroll deductions. The Company shall consider increases in the Executive's Base Salary annually, and any such increase in salary implemented by the Company shall become the Executive's Base Salary for purposes of this Agreement.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his/her obligations pursuant to this Agreement, the Executive shall be entitled to participate in or receive benefits under the Management Incentive Compensation Plan implemented by the Company.

(c) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the long term incentive plan implemented by the Company and any employee benefit plans and arrangements which are available to senior executive officers of the Company, including, without limitation, group health and life insurance, pension and savings and the Senior Management Employment Policy.

(d) FRINGE BENEFITS. The Company shall pay or reimburse Executive for all reasonable and necessary expenses incurred by him/her in connection with his/her duties hereunder, upon submission by Executive to the Company of such written evidence of such expense as the Company may require. Throughout the term of this Agreement, the Company will provide Executive with the use of a vehicle for purposes within the scope of his/her employment and shall pay all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company further agrees that Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder. Nothing paid to the Executive under any such Company plans or arrangements shall be deemed to be in lieu of compensation to the Executive hereunder.

4. NON-DISCLOSURE, NON-COMPETITION AND NON-SOLICITATION COVENANTS.

(a) ACKNOWLEDGEMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he/she frequently will be exposed to certain "Trade Secrets" and "Confidential Information" of the Company (as those terms are defined in Subsection 4(b)), (ii) his/her responsibilities on behalf of the Company will extend to all geographical areas where the Company is doing business, and (iii) any competitive activity on his/her part during the term of his employment and for a reasonable period thereafter would necessarily involve his/her use of the Company's Trade Secrets and Confidential Information and, therefore, would unfairly threaten the Company's legitimate business interests, including its substantial investment in the proprietary aspects of its business and the goodwill associated with its customer base. Moreover, the Executive acknowledges that, in the event of the termination of his/her employment with the Company, he/she would have sufficient skills to find alternative, commensurate work in his/her field of expertise that would not involve a violation of any of the provisions of this Section 4. Therefore, the Executive acknowledges and agrees that it is reasonable for the Company to require him/her to abide by the covenants set forth in this Section 4. The parties acknowledge and agree that if the nature of the Executive's responsibilities for or on behalf of the Company and the geographical areas in which the Executive must fulfill them materially change, the parties will execute appropriate amendments to the scope of the covenants in this Section 4.

(b) DEFINITIONS. For purposes of this Section 4, the following terms shall have the following meanings:

(i) "COMPETITIVE POSITION" shall mean (i) the Executive's direct or indirect equity ownership (excluding equity ownership of less than one percent (1%) or control of all or any portion of a Competitor, or (ii) any employment, consulting, partnership, advisory, directorship, agency, promotional or independent contractor arrangement between the Executive and any Competitor whereby the Executive is required to perform executive level services substantially similar to those that he will perform for the Company as an Executive Officer.

(ii) "COMPETITOR" of the Company shall refer to any person or entity engaged, wholly or partly, in the business of manufacturing and distributing farm equipment machinery and replacement parts.

(iii) "CONFIDENTIAL INFORMATION" shall mean the proprietary and confidential data or information of the Company, other than "Trade Secrets" (as defined below), which is of tangible or intangible value to the Company and is not public information or is not generally known or available to the Company's competitors.

(iv) "TRADE SECRETS" shall mean information of the Company, including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, products plans, or lists of actual or potential customers or suppliers, which: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(v) "WORK PRODUCT" shall mean all work product, property, data, documentation, "know-how", concepts or plans, inventions, improvements, techniques, processes or information of any kind, relating to the Company and its business prepared, conceived, discovered, developed or created by the Executive for the Company or any of the Company's customers.

(c) NONDISCLOSURE; OWNERSHIP OF PROPRIETARY PROPERTY.

(i) The Executive hereby covenants and agrees that: (i) with regard to information constituting a Trade Secret, at all times during the Executive's employment with the Company and all times thereafter during which such information continues to constitute a Trade Secret; and (ii) with regard to any Confidential Information, at all times during the Executive's employment with the Company and for three (3) years after the termination of the Executive's employment with the Company, the Executive shall regard and treat all information constituting a Trade Secret or Confidential Information as strictly confidential and wholly owned by the Company and will not, for any reason in any fashion, either directly or indirectly, use, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, reproduce, copy, appropriate or otherwise communicate any such information to any party for any purpose other than strictly in accordance with the express terms of this Agreement and other than as may be required by law.

(ii) To the greatest extent possible, any Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A. ss. 101 et seq., as amended) and owned exclusively by the Company. The Executive hereby unconditionally and irrevocably transfers and assigns to the Company all rights, title and interest the Executive may currently have or in the future may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks, service marks and other intellectual property rights. The Executive agrees to execute and deliver to the Company any transfers, assignments, documents or other instruments which the Company may deem necessary or appropriate to vest complete title and ownership of any Work Product, and all rights therein, exclusively in the Company.

(iii) The Executive shall immediately notify the Company of any intended or unintended, unauthorized disclosure or use of any Trade Secrets or Confidential Information by the Executive or any other person of which the Executive becomes aware. In addition to complying with the provisions of Section 4(c) (i) and 4 (c) (ii), the Executive shall exercise his best efforts to assist the Company, to the extent the Company deems reasonably necessary, in the procurement of any protection of the Company's rights to or in any of the Trade Secrets or Confidential Information.

(iv) Immediately upon termination of the Executive's employment with the Company, or at any point prior to or after that time upon the specific request of the Company, the Executive shall return to the Company all written or descriptive materials of any kind in the Executive's possession or to which the Executive has access that constitute or contain any Confidential Information or Trade Secrets, and the confidentiality obligations of this Agreement shall continue until their expiration under the terms of this Agreement.

(d) NON-COMPETITION. The Executive agrees that during his/her employment, he/she will not, either directly or indirectly, alone or in conjunction with any other party, (i) accept or enter into a Competitive Position with a Competitor of the Company, or (ii) take any action in furtherance of or in conjunction with a Competitive Position with a Competitor of the Company. The Executive agrees that for two (2) years after any termination of his employment with the Company, he/she will not, in the "Restricted Territory" (as defined in the next sentence), either directly or indirectly, alone or in conjunction with any other party, (A) accept or enter into a Competitive Position with a Competitor of the Company, or (B) take any action in furtherance of or in conjunction with a Competitive Position with a Competitor of the Company. For purposes of this Section 4, "Restricted Territory" shall refer to all geographical areas comprised within the fifty United States of America, Western Europe, Brazil and Canada. The Executive and the Company each acknowledge that the scope of the Restricted Territory is reasonable because (1) the Company is conducting substantial business in all fifty states (as well as several foreign countries), (2) the Executive occupies one of the top executive positions with the Company, and (3) the Executive will be carrying out his employment responsibilities in all locations where the Company is doing business.

(e) NON-SOLICITATION OF CUSTOMERS. The Executive agrees that during the term of his/her employment, he/she will not, either directly or indirectly, along or in conjunction with any other party, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer or actively sought prospective customer of the Company for or on behalf of any Competitor of the Company. The Executive agrees that for two (2) years after any termination of his employment with the Company, he/she will not, in the Restricted Territory, either directly or indirectly, alone or in conjunction with any other party, for or on behalf of a Competitor of the Company, solicit, divert or appropriate or attempt to solicit, divert or appropriate any customer or actively sought prospective customer of the Company with whom he had substantial contact during a period of time of up to, but no longer than, eighteen (18) months prior to any termination of his/her employment with the Company.

(f) NON-SOLICITATION OF COMPANY PERSONNEL. The Executive agrees that, except to the extent that he/she is required to do so in connection with his/her express employment responsibilities on behalf of the Company, during the term of his/her employment he/she will not, either directly or indirectly, alone or in conjunction with any other party, solicit or attempt to solicit any employee, consultant, contractor or other personnel of the Company to terminate, alter or lessen that party's affiliation with the Company or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Company. The Executive agrees that for two (2) years after any termination of his/her employment with the Company, and in the Restricted Territory, he/she will not, either directly or indirectly, alone or in conjunction with any other party, solicit or attempt to solicit any "material" or "key" (as those terms are defined in the next sentence) employee, consultant, contractor or other personnel of the Company to terminate, alter or lessen that party's affiliation with the Company or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Company. For purposes of the preceding sentence, "material" or "key" employees, consultants, contractors or other personnel of the Company are those who have access to the Company's Trade Secrets and Confidential Information and whose position or affiliation with the Company is significant.

(g) REMEDIES. Executive agrees that damages at law for the Executive's violation of any of the covenants in this Section 4 would not be an adequate or proper remedy and that should the Executive violate or threaten to violate any of the provisions of such covenants, the Company or its successors or assigns shall be entitled to obtain a temporary or permanent injunction against Executive in any court having jurisdiction prohibiting any further violation of any such covenants, in addition to any award or damages, compensatory, exemplary or otherwise, for such violation, if any.

(h) PARTIAL ENFORCEMENT. The Company has attempted to limit the rights of the Executive to compete only to the extent necessary to protect the Company from unfair competition. The Company, however, agrees that, if the scope of enforceability of these restrictive covenants is in any way disputed at any time, a court or other trier of fact may modify and enforce the covenant to the extent that it believes to be reasonable under the circumstances existing at the time.

5. TERMINATION.

(a) DEATH. The Executive's employment hereunder shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of compensation and benefits to the Executive under this Agreement the death of the Executive shall be deemed to have occurred ninety (90) days from the last day of the month in which the death of the Executive shall have occurred.

(b) INCAPACITY. The Company may terminate the Executive's employment hereunder at the end of any calendar month by giving written Notice of Termination to the Executive in the event of the Executive's incapacity due to physical or mental illness which prevents the proper performance of the duties of the Executive set forth herein or established pursuant hereto for a substantial portion of any six (6) month period of the Executive's term of employment hereunder. Any question as to the existence, extent or potentiality of illness or incapacity of Executive upon which Company and Executive cannot agree shall be determined by a qualified independent physician selected by the Company and approved by Executive (or, if Executive is unable to give such approval, by any adult member of the immediate family or the duly appointed guardian of the Executive). The determination of such physician shall be certified in writing to the Company and to the Executive and shall be final and conclusive for all purposes of this Agreement.

(c) CAUSE. The Company may terminate the Executive's employment hereunder for Cause by giving written Notice of Termination to the Executive. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon: (i) the Executive's habitual drunkenness or chronic substance abuse; (ii) a willful failure by the Executive to materially perform and discharge the duties and responsibilities of the Executive hereunder; (iii) any breach by the Executive of the provisions of Section 4 hereof; (iv) any misconduct by the Executive that is materially injurious to the Company; or (v) a conviction of a felony involving the personal dishonesty or moral turpitude of the Executive.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of termination to the Executive.

(ii) The Executive may terminate his employment hereunder, by giving written Notice of Termination to the Company. For the purposes of this Agreement, the Executive shall have "Good Reason" to terminate his employment hereunder upon (and without the written consent of the Executive) (a) a reduction in the Executive's base salary or benefits received from the Company, other than in connection with an across-the-board reduction in salaries and/or benefits for similarly situated employees of the Company or pursuant to the Company's standard retirement policy; or (b) the relocation of the Executive's full-time office to a location greater than fifty (50) miles from the Company's current corporate office; or (c) a material breach by the Company of this Agreement.

(e) NOTICE OF TERMINATION. Any termination by the Company pursuant to the Subsections (b), (c) or (d)(i) above or by the Executive pursuant to Subsection (d)(ii) above, shall be communicated by written Notice of Termination from the party issuing such notice to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision of this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination. A date of termination specified in the Notice of Termination shall not be dated earlier than ninety (90) days from the date such Notice is delivered or mailed to the applicable party.

(f) OBLIGATION TO PAY. Except upon voluntary termination by the Executive without Good Reason and subject to Section 6 below, the Company shall pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f). The Company also will continue insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f). If the Executive's employment shall be terminated by reason of death, the estate of the Executive shall be paid all sums otherwise payable to the Executive through the end of the third month after the month in which the death of the Executive occurred and all bonus or other incentive benefits accrued or accruable to the Executive through the end of the month in which the death of the Executive occurred and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment is terminated by reason of incapacity, the Executive or the person charged with legal responsibility for the Executive's estate shall be paid all sums otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, through the date of termination specified in the Notice of Termination, and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment shall be terminated for Cause, the Company shall pay the Executive his Base Salary through the date of termination specified in the Notice of Termination and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment shall be terminated by the Company, without cause, or by the Executive for Good Reason, the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of two (2) years beginning as of the date of such termination (such two (2) year period being referred to hereinafter as the "Severance Period") at such intervals as the same would have been paid had the Executive remained in the active service of the Company, and (y) pay the Executive a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination, had the Executive remained employed for the entire year, which incentive compensation shall be payable at the time incentive compensation is payable generally under the applicable incentive plans. The executive shall have no further right to receive any other compensation benefits or perquisites after the date of termination of employment except as determined under the terms of the employee benefit plans or programs of the Company or under applicable law.

6. CONDITIONS APPLICABLE TO SEVERANCE PERIOD; MITIGATION OF DAMAGES

(a) If during the Severance Period, the Executive breaches his obligations under Section 4 above, the Company may, upon written notice to the Executive, terminate the

Severance Period and cease to make any further payments or provide any benefits described in Subsection 5(f).

(b) Although the Executive shall not be required to mitigate the amount of any payment provided for in Subsection 5(f) by seeking other employment, any such payments shall be reduced by any amounts which the Executive receives or is entitled to receive from another employer with respect to the Severance Period. The Executive shall promptly notify the Company in writing in the event that other employment is obtained during the Severance Period.

7. NOTICES. For the purpose of this Agreement, notices and all other communications to either party hereunder provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or mailed by certified first-class mail, postage prepaid, addressed:

in the case of the Company to:

AGCO Corporation
4205 River Green Parkway
Duluth, Georgia 30096
Attention: R. J. Ratliff

in the case of the Executive to:

Donald R. Millard
1104 Pristine Place
Alpharetta, GA 30022

or to such other address as either party shall designate by giving written notice of such change to the other party.

8. ARBITRATION. Any claim, controversy, or dispute arising between the parties with respect to this Agreement, to the maximum extent allowed by applicable law, shall be submitted to and resolved by binding arbitration. The arbitration shall be conducted pursuant to the terms of the Federal Arbitration Act and (except as otherwise specified herein) the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the arbitration is commenced. The venue for the arbitration shall be the Atlanta, Georgia offices of the American Arbitration Association. Either party may notify the other party at any time of the existence of an arbitrable controversy by delivery in person or by certified mail of a Notice of Arbitrable Controversy. Upon receipt of such a Notice, the parties shall attempt in good faith to resolve their differences within fifteen (15) days after the receipt of such Notice. Notice to the Company and the Executive shall be sent to the addresses specified in Section 7 above. If the dispute cannot be resolved within the fifteen (15) day period, either party may file a written Demand for Arbitration with the American Arbitration Association's Atlanta, Georgia Regional Office, and shall send a copy of the Demand for Arbitration to the other party. The arbitration shall be conducted before a panel of three (3) arbitrators. The arbitrators shall be selected as

follows: (a) The party filing the Demand for Arbitration shall simultaneously specify his or its arbitrator, giving the name, address and telephone number of said arbitrator; (b) The party receiving such notice shall notify the party demanding the arbitration of his or its arbitrator, giving the name, address and telephone number of the arbitrator within five (5) days of the receipt of such Demand for Arbitration; (c) A neutral person shall be selected through the American Arbitration Association's arbitrator selection procedures to serve as the third arbitrator. The arbitrator designated by any party need not be neutral. In the event that any person fails or refuses timely to name his arbitrator within the time specified in this Section 8, the American Arbitration Association shall (immediately upon notice from the other party) appoint an arbitrator. The arbitrators thus constituted shall promptly meet, select a chairperson, fix the time, date(s), and place of the hearing, and notify the parties. To the extent practical, the arbitrators shall schedule the hearing to commence within sixty (60) days after the arbitrators have been impaneled. A majority of the panel shall render an award within ten (10) days of the completion of the hearing, which award may include an award of interest, legal fees and costs of arbitration. The panel of arbitrators shall promptly transmit an executed copy of the award to the respective parties. The award of the arbitrators shall be final, binding and conclusive upon the parties hereto. Each party shall have the right to have the award enforced by any court of competent jurisdiction.

Executive initials: /s/ DRM Company initials: /s/ RJR

9. NO WAIVER. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is approved by the Board and agreed to in a writing signed by the Executive and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of any other provisions or conditions of this Agreement at the same or at any prior or subsequent time.

10. SUCCESSORS AND ASSIGNS. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company and the Executive's rights under this Agreement shall inure to the benefit of and be binding upon his heirs and executors. Neither this Agreement or any rights or obligations of the Executive herein shall be transferable or assignable by the Executive.

11. VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. The parties intend for each of the covenants contained in Section 4 to be severable from one another.

12. SURVIVAL. The provisions of Section 4 hereof shall survive the termination of Executive's employment and shall be binding upon the Executive's personal or legal representative, executors, administrators, successors, heirs, distributee, devisees and legatees and

the provisions of Section 5 hereof relating to payments and termination of the Executive's employment hereunder shall survive such termination and shall be binding upon the Company.

13. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. ENTIRE AGREEMENT. This Agreement constitutes the full agreement and understanding of the parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements or understandings are merged herein. The parties to this Agreement each acknowledge that both of them and their respective agents and advisors were active in the negotiation and drafting of the terms of this Agreement.

15. GOVERNING LAW. The validity, construction and enforcement of this Agreement, and the determination of the rights and duties of the parties hereto, shall be governed by the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AGCO CORPORATION

By: /s/ R. J. Ratliff

Name: R. J. Ratliff

Title: Chairman

EXECUTIVE OFFICER

/s/ Donald R. Millard

EXHIBIT 10.17

AGCO CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

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AGCO CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Effective as of the 1st day of April, 2000, AGCO Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), hereby adopts the AGCO Corporation Supplemental Executive Retirement Plan (the "Plan").

BACKGROUND AND PURPOSE

A. GENERAL PURPOSE. The primary purpose of the Plan is to provide additional retirement income to a select group of management personnel of the Company and its affiliates that adopt the Plan as participating companies.

B. TYPE OF PLAN. The Plan constitutes an unfunded, nonqualified deferred compensation plan that benefits certain designated employees who are within a select group of key management or highly compensated employees.

STATEMENT OF AGREEMENT

To establish the Plan with the purposes and goals as hereinabove described, the Company hereby sets forth the terms and provisions as follows:

ARTICLE I
DEFINITIONS

For purposes of the Plan; the following terms, when used with an initial capital letter, shall have the meaning set forth below unless a different meaning plainly is required by the context.

1.1 ACCRUAL FACTOR shall mean, with respect to a Participant, the annual factor used to determine the Participant's Accrued Benefit, which is equal to the product of (i) 3% multiplied by (ii) a fraction, the numerator of which is 20 and the denominator of which is the number of full and partial 12-month periods between (i) the later of his Employment Commencement Date or June 20, 1990, and (ii) the date on which he will attain his Normal Retirement Age. In no event shall a Participant's Accrual Factor exceed 3%.

1.2 ACCRUED BENEFIT shall mean, with respect to a Participant and as of any date it is determined, an annual amount, payable for the life of the Participant up to a maximum of 10 years, which is equal to (i) the Participant's Final Earnings, multiplied by (ii) the Participant's Years of Credited Service, multiplied by (iii) the Participant's Accrual Factor, and reduced by (iv) the Participant's Social Security Benefit and Savings Plan Benefit; provided, however, that the maximum Accrued Benefit attainable hereunder shall be equal to 60% of the Participant's Final Earnings, subject to reduction by the Participant's Social Security Benefit and Savings Plan Benefit.

1.3 ACTUARIAL EQUIVALENT shall mean an amount of equivalent value based on the applicable mortality rate in effect under the GAM 1983 mortality table and an effective annual interest rate of 7% compounded annually.

1.4 ADMINISTRATIVE COMMITTEE shall mean a committee appointed by the Board, which shall act on behalf of the Company to administer the Plan. From time to time, the Board may appoint other members of such committee in addition to, or in lieu of, the individuals holding said titles. .

1.5 AFFILIATE shall mean (i) any corporation or other entity that is required to be aggregated with the Company under Code Sections 414(b), (c), (m) or (o), and (ii) any other entity in which the Company has an ownership interest and which the Company designates as an Affiliate for purposes of the Plan.

1.6 BASE SALARY shall mean, with respect to a Participant for a calendar year, the Participant's regular base salary amount paid to him during such calendar year, plus any amounts of base salary that the Participant may have elected to defer under the terms of any Code Section 401(k) or 125 plan or any nonqualified deferred compensation plan maintained by the Company or an Affiliate, but excluding bonuses, incentive compensation, expense reimbursements and the value of any fringe benefits.

1.7 BENEFIT COMMENCEMENT DATE shall mean, with respect to a Participant, the first day of the month coinciding with or immediately following the date that the Participant's employment with the Company and all Affiliates terminates on or after the date on which he becomes eligible to receive an Early Retirement Benefit or Normal Retirement Benefit under the Plan.

1.8 BOARD shall mean the Board of Directors of the Company.

1.9 CHANGE IN CONTROL shall mean any one of the following:

(a) The acquisition by any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities and Exchange Act of 1934, as amended), together with affiliates and associates of such person, whether by purchase, tender offer, exchange, reclassification, recapitalization, merger or otherwise, of a sufficient number of shares of the voting securities of the Company to first provide such person with 50% or more of the combined voting power of the Company's then outstanding voting securities; or

(b) The cessation; for any reason during any period of 2 consecutive years, of individuals who at the beginning of such period constitute the Board, to constitute at least a majority thereof, unless the election of each director who was not a director at the beginning of such period has been approved in advance by a majority of the continuing directors then in office; or

(c) The sale by the Company, in one transaction or a series of related transactions, whether in liquidation, dissolution or otherwise, of assets or earning power aggregating more than 50% of the assets or earning power of the Company and its subsidiaries (taken as a whole) to any other entity or entities.

1.10 CODE shall mean the Internal Revenue Code of 1986, as amended.

1.11 COMPANY shall mean AGCO Corporation, a Delaware corporation with its principal place of business in Duluth, Georgia.

1.12 DEATH BENEFIT shall mean the amount payable to a deceased Participant's Surviving Spouse, as determined pursuant to the terms of Section 3.4.

1.13 EARLY RETIREMENT AGE shall mean age 62.

1.14 EARLY RETIREMENT BENEFIT shall mean the amount payable to a Participant, as determined pursuant to Section 3.1(b).

1.15 EFFECTIVE DATE shall mean April 1, 2000, the date as of which this Plan shall be effective.

1.16 ELIGIBLE EMPLOYEE shall mean any individual who, as determined by the Board in its sole discretion, is a member of a select group of highly compensated or key management employees of the Company.

1.17 EMPLOYMENT COMMENCEMENT DATE shall mean, with respect to a Participant, the date on which such Participant first performs services for the Company or an Affiliate.

1.18 ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.19 FINAL EARNINGS shall mean, for a Participant, his Base Salary for the most recent, full calendar year ending on or immediately before the date his employment with the Company and all Affiliates terminates.

1.20 JOINT AND 50% SURVIVOR ANNUITY shall mean a monthly retirement benefit payable during the Participant's lifetime, with 50% of the Participant's monthly benefit amount continuing after his death to his Surviving Spouse (if she survives him) for such Surviving Spouse's remaining lifetime. Payments shall cease with the payment due on the first day of the month in which occurs the later of the Participant's death or his Surviving Spouse's death.

1.21 NORMAL RETIREMENT AGE shall mean age 65.

1.22 NORMAL RETIREMENT BENEFIT shall mean the amount payable to a Participant, as determined pursuant to the terms of Section 3.1(a).

1.23 PARTICIPANT shall mean any individual who has been admitted to participation in the Plan pursuant to the provisions of Article II.

1.24 PARTICIPATING COMPANY shall mean, individually, the Company or any other Affiliate that, with the. consent of the Administrative Committee, adopts the Plan as a participating company. A list of such members that are participating in the Plan shall be set forth on Schedule A hereto.

1.25 PLAN shall mean the AGCO Corporation Supplemental Executive Retirement Plan, as contained herein and all amendments hereto.

1.26 PLAN YEAR shall mean the 12-consecutive-month period ending on December 31 of each year.

1.27 SAVINGS PLAN BENEFIT shall mean the Actuarial Equivalent of a Participant's accrued benefit attributable to employer matching contributions and earnings thereon under the AGCO

Corporation 401(k) Savings Plan, calculated as if such benefit was payable in the form of a single life annuity for the Participant's lifetime. The Participant's Savings Plan Benefit shall also include the Actuarial Equivalent of (i) all amounts attributable to employer contributions and earnings thereon credited to the Participant's account under any nonqualified deferred compensation plan maintained by the Company or an Affiliate, and (ii) any benefits attributable to contributions made by the Company or any Affiliate under any retirement plan established under the laws of any foreign country (excluding any foreign retirement plan described in Section 1.28).

1.28 SOCIAL SECURITY BENEFIT shall mean, for a Participant, the maximum annual primary Social Security retirement benefit amount that, under the law as in effect as of the Participant's Benefit Commencement Date, could be payable to him (regardless of his actual Social Security compensation amounts) at such date. A Participant's Social Security benefit shall also include any retirement benefits payable to the Participant under any similar retirement program of any foreign country.

1.29 SURVIVING SPOUSE shall mean, with respect to a Participant, the person who is treated as married to such Participant under the laws of the' state in which the Participant resides. The determination of a Participant's Surviving Spouse shall be made as of the date of such Participant's death.

1.30 TRUST OR TRUST AGREEMENT shall mean the separate agreement or agreements between the Company and the Trustee governing the creation of the Trust Fund, and all amendments thereto.

1.31 TRUSTEE shall mean the party or. parties so designated from time to time pursuant to the terms of the Trust Agreement.

1.32 TRUST FUND shall mean the total amount of cash and other property held by the Trustee (or any nominee thereof) at any time under the Trust Agreement.

1.33 YEARS OF CREDITED SERVICE shall mean, with respect to a Participant, the number of 12-month periods during which such Participant is continuously employed by the Company or an Affiliate, commencing on, the later of (A) June 20, 1990, or (B) the Participant's Employment Commencement Date (including such periods that occur after a Participant attains Normal Retirement Age). Years of Credited Service shall be counted in whole and partial years with any partial year being equal to a fraction, the numerator of which is the number of months of employment completed in the partial year, and the denominator of which is 12.

ARTICLE II
ELIGIBILITY

2.1 SELECTION OF PARTICIPANTS.

The Board, in its sole discretion, shall designate which Eligible Employees shall become Participants in the Plan. The Administrative Committee then shall set forth the name of each Participant on Schedule B hereto. Notwithstanding anything herein to the contrary, all aspects of the selection of Participants shall be in the sole discretion of the Board and regardless of title, duties or any other factors, there shall be no requirement whatsoever that any individual or group of individuals be allowed to participate herein.

2.2 REMOVAL FROM ACTIVE PARTICIPATION.

The Board may at any time remove a Participant from active participation in the Plan, such that he shall not be credited with additional years of Credited Service and his Accrued Benefit shall not continue to increase.

ARTICLE III
BENEFITS

3.1 BENEFIT AMOUNT.

(a) NORMAL RETIREMENT BENEFIT. Upon a Participant's termination of employment with the Company and all Affiliates on or after he attains Normal Retirement Age and for a reason other than his death, the Participant shall be entitled to a Normal Retirement Benefit in an amount equal to his Accrued Benefit determined as of the date his employment so terminates.

(b) EARLY RETIREMENT BENEFIT. Upon a Participant's termination of employment with the Company and all Affiliates after he attains Early Retirement Age (but before he attains Normal Retirement Age) and for a reason other than his death, the Participant shall be entitled to an Early Retirement Benefit in an amount equal to his Accrued Benefit determined as of the date his employment so terminates, reduced using an appropriate interest factor, as may be established by the Board from time to time, to reflect commencement of the Participant's benefit prior to his Normal Retirement Age. Notwithstanding the foregoing, a Participant shall be entitled to an Early Retirement Benefit only if his termination of employment and eligibility to receive an Early Retirement Benefit is approved by the Board; provided, however, that a Participant who has been vested in his Accrued benefit under Section 3.3 as a result of a Change in Control shall be entitled to an Early Retirement Benefit without regard to any such approval by the Board. .

(c) TERMINATION BEFORE EARLY RETIREMENT DATE. Except as provided in Section 3.3, upon a Participant's termination of employment with the Company and all Affiliates before his Early Retirement Date for any reason, neither the Participant nor his Surviving Spouse (if any) shall be entitled to any benefit or payment under the Plan.

3.2 PAYMENT OF BENEFIT.

(a) COMMENCEMENT AND TIMING. A Participant's benefit determined under Section 3.1 shall be paid or commenced as of his Benefit Commencement Date. Notwithstanding the foregoing, the payment or commencement of a Participant's benefit shall be delayed during any period in which he is receiving salary continuation or periodic severance pay from the Company or an Affiliate, and there shall be no adjustment in the amount of the Participant's benefits to reflect the delayed commencement of the Participant's benefit.

(b) FORM OF PAYMENT FOR RETIREMENT BENEFIT.

(i) NORMAL FORM OF PAYMENT. Except as provided in subsection (ii) hereof, a Participant's Normal Retirement Benefit or Early Retirement Benefit shall be paid in a maximum of 120 monthly installments, with payments to cease after the payment due for the month in which the Participant's death occurs.

(ii) OPTIONAL FORM OF PAYMENT. A Participant may irrevocably elect, at the time he first becomes eligible to participate in the Plan, to have his Normal Retirement Benefit or Early Retirement Benefit paid in either of the following forms, each of. which shall be the Actuarial Equivalent of the Participant's Normal Retirement Benefit or Early Retirement Benefit, as applicable:

(A) Single lump sum; or

(B) Joint and 50% Survivor Annuity.

If a Participant does not elect an optional form of payment at the time he first becomes eligible to participate in the Plan, his benefit shall be paid in the form described in subsection (i) unless, at least 1 year before his Benefit Commencement Date, the Participant, with the consent of the Administrative Committee, makes a one-time election in writing to receive such benefit in an optional form of payment permitted hereunder.

3.3 CHANGE IN CONTROL.

In the event of a Change in Control of the Company, every Participant shall become fully vested in the total amount of his Accrued Benefit determined as of the date the Change in Control occurs. Following a Change in Control, if a Participant terminates employment with the Company and all Affiliates prior to his Early Retirement Date, he shall be entitled to an immediate lump-sum payment that is the Actuarial Equivalent of his Accrued Benefit, determined in the manner described in Section 3.1(b):

3.4 DEATH BENEFIT.

In the event a Participant (i) commences to receive benefits in the normal form provided in Section 3.2(b)(i) but dies before he has received the entirety of his Normal Retirement Benefit or Early Retirement Benefit, or (ii) becomes entitled to receive benefits under the Plan but dies during the period that benefits are delayed in accordance with Section 3.2(a) while the participant is receiving salary continuation or severance pay, then the Participant's Surviving Spouse shall be entitled to a Death Benefit in an amount equal to 50% of the undistributed balance of the Participant's Normal Retirement Benefit or Early Retirement Benefit as of the date of the Participant's death. Such Death Benefit shall be paid at the same time the Participant would have received such benefits.

ARTICLE IV
CLAIMS

4.1 CLAIMS.

(a) INITIAL CLAIM. Claims for benefits under the Plan may be filed in writing with the Administrative Committee. The Administrative Committee shall furnish to the claimant written notice of the disposition of a claim within 90 days after the application therefor is filed. In the event the claim is denied, the notice of the disposition of the claim shall provide the specific reasons for the denial, citations of the pertinent provisions of the Plan, and, where appropriate, an explanation as to how the claimant can perfect the claim and/or submit the claim for review.

(b) APPEAL. Any Participant or Surviving Spouse who has been denied a benefit shall be entitled, upon request to the Administrative Committee, to appeal the denial of his claim. The claimant (or his duly authorized representative) may review pertinent documents related to the Plan and in the Administrative Committee's possession in order to prepare the appeal. The request for review, together with written statement of the claimant's position, must be filed with the Administrative Committee no later than 60 days after receipt of the written notification of denial of a claim provided for in subsection (a). The Administrative Committee's decision shall be made within 60 days following the filing of the request for review. If unfavorable, the notice of decision shall explain the reasons for denial and indicate the provisions of the Plan or other documents used to arrive at the decision.

(c) SATISFACTION OF CLAIMS. Any payment to a Participant or Surviving Spouse shall to the extent thereof be in full satisfaction of all claims hereunder against the Administrative Committee and the Company, either of which may require such Participant or Surviving Spouse, as a condition to such payment, to execute a receipt and release therefor in such form as shall be determined by the Administrative Committee or the Company. If receipt and release is required but the Participant or Surviving Spouse (as applicable) does not provide such receipt and release in a timely enough manner to permit a timely distribution in accordance with the general timing of distribution provisions in the Plan, the payment of any affected distributions) may be delayed until the Administrative Committee or Company receives a proper receipt and release.

ARTICLE V
SOURCE OF FUNDS; TRUST

5.1 SOURCE OF FUNDS.

Except as provided in this Section and Section 5.2, the Company shall provide the benefits described in the Plan from the general assets of the Company. In any event, the Company ultimately shall have the obligation to pay all benefits due to. Participants and Surviving Spouses under the Plan. The Company's obligation to pay benefits under the Plan constitutes a mere promise of the Company to pay such benefits, and a Participant or Surviving Spouse shall be and remain no more than an unsecured, general creditor of the Company. As described in this Article, the Company may establish a Trust and pay over funds from time to time to such Trust. To the extent that fiends in such Trust allocable to the benefits payable under the Plan are sufficient, the Trust assets shall be used to pay benefits under the Plan. If such Trust assets are not sufficient to pay all benefits due under the Plan, then the Company shall have the obligation, and the Participant or Surviving Spouse, who is due such benefits, shall look to the Company to provide such benefits. The Administrative Committee shall allocate the total liability to pay benefits under the Plan among the Participating Companies in such manner and amount as the Administrative Committee in its sole discretion deems appropriate to reflect the benefits accrued by each Participating Company's employees.

5.2 TRUST.

The Company may transfer all or any portion of the funds necessary to fiend benefits accrued hereunder to the Trustee to be held and administered by the Trustee pursuant to the terms of the Trust Agreement. To the extent provided in the Trust Agreement, each transfer into the Trust Fund shall be irrevocable as long as the Company has any liability or obligations under the Plan to pay benefits, such that the Trust property is in no way subject to use by the Company; provided, it is the intent of the Company that the assets held by the Trust are and shall remain at all times subject to the claims of the general creditors of the Company. No Participant or Surviving Spouse shall have any interest in the assets held by the Trust or in the general assets of the Company other than as A general, unsecured creditor. Accordingly, the Company shall not grant a security interest in the assets held by the Trust in favor of the Participants, Surviving Spouses or any creditor.

ARTICLE VI
ADMINISTRATIVE COMMITTEE

6.1 ACTION.

Action of the Administrative Committee may be taken with or without a meeting of committee members; provided, action shall be taken only upon the vote or other affirmative expression of a majority of the committee members qualified to vote with respect to such action. If a member of the committee is a Participant, he shall not participate in any decision which solely affects his own benefit under the Plan. For purposes of administering the Plan, the Administrative Committee shall choose a secretary who shall keep minutes of the committee's proceedings and all records and documents pertaining to the administration of the Plan. The secretary may execute any certificate or any other written direction on behalf of the Administrative Committee.

6.2 RIGHTS AND DUTIES.

The Administrative Committee shall administer the Plan and shall have all powers necessary to accomplish that purpose, including (but not limited to) the. following:

(a) To construe, interpret and administer the Plan;

(b) To make determinations required by the Plan, and to maintain records regarding Participants and Surviving Spouses' benefits hereunder;

(c) To compute and certify to the Company the, amount and kinds of benefits payable to Participants and Surviving. Spouses and to determine the time and manner in which such benefits are to be paid;

(d) To authorize all disbursements by the Company pursuant to the Plan;

(e) To maintain all the necessary records of the administration of the Plan;

(f) To make and publish such rules for the regulation of the Plan as are not inconsistent with the terms hereof;

(g) To delegate to other individuals or entities from time to time the performance of any of its duties or responsibilities hereunder;

(h) To hire agents, accountants, actuaries, consultants and legal counsel to assist in operating and administering the Plan.

The Administrative Committee shall have the exclusive right to construe and to interpret the Plan, to decide all questions of eligibility for benefits and to determine the amount of such benefits, and its decisions on such matters are final and conclusive on all parries.

6.3 COMPENSATION, INDEMNITY AND LIABILITY.

The Administrative Committee and its members shall serve as such without bond and without compensation for services hereunder. All expenses of the Administrative Committee shall be paid by the Company. No member of the committee shall be liable for any act or omission of any other member of the committee, nor for any act or omission on his own part, excepting his own willful misconduct. The Company shall indemnify and hold harmless the Administrative Committee and each member thereof against any and all expenses and liabilities, including reasonable legal fees and expenses, arising out of his membership on the committee, excepting only expenses and liabilities arising out of his own willful misconduct.

6.4 TAXES.

If the whole or any part of any Participant's or Surviving Spouse's benefit hereunder shall become subject to any estate, inheritance, income or other tax which the Company shall be required to pay or withhold, the Company shall have the full power and authority to withhold and pay such tax out of any movies or other property in its hand for the account of the Participant or Surviving Spouse whose interests hereunder are so affected. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

ARTICLE VII
AMENDMENT AND TERMINATION

7.1 AMENDMENTS.

The Board shall have the right to amend the Plan .in whole or in part at any time and from time to time. An amendment to the Plan may modify its terms in any respect whatsoever (including freezing future benefit accruals); provided, no amendment may decrease the level of a Participant's benefit or adversely affect a Participant's or Surviving Spouse's rights to benefits that already have accrued.

7.2 TERMINATION OF PLAN.

The Board shall each have the right to terminate the Plan at any time, for any reason. If the Plan is terminated, each. Participant's benefit under the Plan will be frozen and will be paid under the condition, at the time and in the form, specified under the terms of the Plan. Termination of the Plan shall be binding on all Participants and Surviving Spouses.

ARTICLE VIII
MISCELLANEOUS

8.1 TAXATION.

It is the intention of the Company that the benefits payable hereunder shall not be deductible by the Company nor taxable for federal income tax purposes to Participants and Surviving Spouses until such benefits are paid by the Company, or by the Trust, as the case may be, to such .Participants and Surviving Spouses. When such benefits are so paid, it is the intention of the Company that they shall be deductible by the Company under Code Section 162.

8.2 NO EMPLOYMENT CONTRACT.

Nothing herein contained is intended to be nor shall be construed as constituting a contract arrangement between the Company and any Participant to the effect that the Participant will be employed by the Company for any specific period of time.

8.3 HEADINGS.

The headings of the various articles and sections in the Plan are solely for convenience and shall not be relied upon in construing any provisions hereof. Any reference to a section shall refer to a section of the Plan unless specified otherwise.

8.4 GENDER AND NUMBER.

Use of any gender in the Plan will be deemed to include all genders when appropriate, and use of the singular number will be deemed to include the plural when appropriate, and vice versa in each instance.

8.5 ASSIGNMENT OF BENEFITS.

The right of a Participant or any other person to receive payments under the Plan shall not be assigned, transferred, pledged or encumbered, except by will or by the laws of descent and distribution and then only to the extent permitted under the terms of the Plan.

8.6 LEGALLY INCOMPETENT.

The Administrative Committee, in its sole discretion, may direct that payment be made to an incompetent or disabled person, whether because of minority or mental or physical disability, to the guardian of such person or to the person having custody of such person, without further liability on the part of the Administrative Committee, the Company or any Affiliate for the amount of such payment to the person on whose account such payment is made.

8.7 GOVERNING LAW.

The Plan shall be construed, administered and governed in all respects in accordance with applicable federal law and, to the extent not preempted by federal law, in accordance with the laws of the State of Georgia. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

IN WITNESS WHEREOF, the Company has caused the Plan to be executed by its duly authorized officer as of the day arid year first above written.

AGCO CORPORATION

By: /s/ R. J. Ratliff

Title: Chairman

SCHEDULE A

PARTICIPATING COMPANIES

PARTICIPATING COMPANY	EFFECTIVE DATE
AGCO Corporation	1 April 2000

EXHIBIT 12.0

AGCO Corporation and Subsidiaries
Statement RE: Computation of Ratio of Earnings to Combined Fixed Charges
(in millions, except ratio data)

	2001	2000	1999	1998	1997
Fixed Charges Computation:					
Interest expense	$ 65.5	$ 56.6	$ 69.1	$ 79.7	$ 69.1
Interest component of rent expense (a)	5.7	5.8	4.8	5.3	5.6
Proportionate share of fixed charges of 50%-owned affiliates	1.5	1.4	2.5	2.8	1.8
Amortization of debt cost	5.4	3.7	2.3	1.7	1.6
Total fixed charges	$ 78.1	$ 67.5	$ 78.7	$ 89.5	$ 78.1
Earnings Computation:					
Pretax earnings	$ 29.4	$ (4.2)	$(19.2)	$ 84.8	$245.7
Fixed charges	78.1	67.5	78.7	89.5	78.1
Total earnings as adjusted	$107.5	$ 63.3	$ 59.5	$174.3	$323.8
Ratio of earnings to combined fixed charges	1.4:1	--(b)	--(b)	1.9:1	4.2:1

(a) The interest factor was calculated to be one-third of rental expenses and is considered to be a representative interest factor.

(b) The dollar amount of the deficiency, based on a one-to-one coverage ratio, is $4.2 million for 2000 and $19.2 million for 1999.

EXHIBIT 21.0

SUBSIDIARIES OF THE REGISTRANT

Name of
Subsidiary
State of
Jurisdiction of
Incorporation -

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AGCO
Corporation
Delaware AGCO
AB Sweden AGCO
Acceptance
Corporation
Delaware AGCO
Argentina SA
Argentina AGCO
Australia, Ltd.
Australia AGCO
Canada, Ltd.
Canada AGCO
Danmark AS
Denmark AGCO de
Mexico SA de CV
Mexico AGCO do
Brazil Brazil
AGCO Export
Corp. Barbados
AGCO France SA
France AGCO
GmbH & Co.
Germany AGCO
Holding BV
Netherlands
AGCO Iberia SA
Spain AGCO
International,
Ltd. United
Kingdom AGCO
Ltd. United
Kingdom AGCO
Manufacturing
Ltd. United
Kingdom AGCO
Pension Trust
Ltd. United
Kingdom AGCO
Romania SRL
Romania AGCO SA
France AGCO
Services, Ltd.
United Kingdom
AGCO Vertriebs
GmbH Germany
AGCO
Verwaltungs
GmhB Germany
AGCO Finance
Canada, Ltd.
Canada
Dronningborg
Industries AS
Denmark
Eikmaskin AS
Norway Fendt
GmbH Germany
Fendt Italiana
Italy Kemptener
Maschinenfabrik
GmbH Germany
Massey Ferguson
Corp. Delaware
Massey Ferguson
de Mexico, SA
de CV Mexico
Massey Ferguson
Europa BV
Netherlands
Massey Ferguson
Executive
Pension Trust
Ltd. United

Kingdom Massey
Ferguson SPA
Italy Massey
Ferguson Staff
Pension Trust
Ltd. United
Kingdom Massey
Ferguson Works
Pension Trust
Ltd. United
Kingdom
Wohungsbau GmbH
Germany Farmec
S.p.A. Italy
Ag-Chem
Equipment Co.
Inc. Delaware
Ag-Chem
Equipment
Canada, Ltd.
Minnesota Ag-
Chem Europe
B.V.
Netherlands Ag-
Chem/New
Holland, LLC*
Delaware Red
Ball, LLC*
Minnesota Ag-
Chem
Equipmentos
Brasil, Ltda.
Brazil Ag-Chem
Equipment
Argentina S.A.
Argentina SAME
Deutz-Fahr
North America,
Inc.***
Delaware

* Ag-Chem/New Holland, LLC is a 50% owned joint venture between Ag-Chem Equipment Co., and New Holland North America.

** Red Ball, LLC is a 50% joint venture between Ag-Chem Equipment Co., and C.A.P., Inc.

*** SAME Deutz-Fahr Group North America, Inc., is a 50% joint venture between AGCO Corporation and SAME Deutz-Fahr Group S.p.A.

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included (or incorporated by reference) in this Form 10-K into AGCO Corporation's previously filed Registration Statements on Form S-8 (File No. 333-75591, File No. 333-75589 and File No. 333-04707).

Arthur Andersen LLP
/s/ Arthur Andersen LLP

Atlanta, Georgia
March 28, 2002

EXHIBIT 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included (or incorporated by reference) in this Form 10-K into AGCO Corporation's previously filed Registration Statements on Form S-8 (File No. 333-75591, File No. 333-75589 and File No. 333-04707).

Arthur Andersen LLP
/s/ Arthur Andersen LLP

Philadelphia, PA
March 28, 2002

Exhibit 23.3

The Managing Board of
AGCO Finance LLC:

We consent to the use of our report on the December 31, 2000 and 1999 balance sheets and the related statements operations, changes in members' equity and cash flows for each of the years in the two-year period ended December 31, 2000 of AGCO Finance LLC dated January 26, 2001, contained in this Annual Report on Form 10-K of AGCO Corporation for the year ended December 31, 2001.

/s/ KPMG LLP

March 29, 2002

EXHIBIT 24.0

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below, hereby constitutes and appoints Donald R. Millard and Stephen D. Lupton his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the annual report on Form 10-K of AGCO Corporation for the fiscal year ended December 31, 2001 and any or all amendments or supplements thereto, and to file the same with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing necessary or appropriate to be done with respect to the Form 10-K or any amendments or supplements thereto in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Date: March 29, 2002

/s/ W. Wayne Booker	/s/ Curtis E. Moll
W. Wayne Booker	Curtis E. Moll
/s/ D. E. Momot	
David E. Momot	Henry J. Claycamp
/s/ Wolfgang Deml	/s/ Wolfgang Sauer
Wolfgang Deml	Wolfgang Sauer
/s/ Gerald B. Johanneson	/s/ Anthony D. Loehnis
Gerald B. Johanneson	Anthony D. Loehnis
Hendrikus Visser	

EXHIBIT 99.1

AGCO FINANCE LLC

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2001 AND 2000
TOGETHER WITH AUDITORS' REPORT

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Managing Board of
AGCO Finance LLC:

We have audited the accompanying balance sheets of AGCO Finance LLC as of December 31, 2001 and 2000, and the related statements of operations, changes in members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of AGCO Finance LLC as of December 31, 2000 were audited by other auditors whose report dated January 26, 2001 expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AGCO Finance LLC as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 2, in 2001 the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," and Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," and recorded the fair market value of its outstanding derivative positions on its balance sheet with a corresponding charge to other comprehensive income.

/s/ Arthur Andersen LLP

Philadelphia, Pennsylvania
January 21, 2002

AGCO FINANCE LLC

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AGCO FINANCE LLC

BALANCE SHEETS
AS OF DECEMBER 31, 2001 AND 2000

(in thousands)

	2001	2000
ASSETS		
Finance receivables, net (Note 4)	$ 653,560	$ 646,684
Wholesale notes receivable (Note 5)	11,593	48,365
Crop input receivables (Note 6)	7,738	15,256
Total receivables	672,891	710,305
Allowance for credit losses (Note 7)	(17,144)	(17,046)
Net receivables	655,747	693,259
Cash and cash equivalents	4,415	5,693
Due from AGCO Corporation	4,338	3,735
Due from affiliates	1,746	2,550
Prepaid expenses and other assets	2,263	2,460
TOTAL ASSETS	$ 668,509	$ 707,697
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES:		
Notes payable and accrued interest (Note 8)	$ 577,719	$ 610,259
Accounts payable and accrued liabilities	8,482	10,872
Dealer and manufacturers reserves	8,969	9,321
Interest rate swaps at fair value (Note 2)	16,686	--
Total liabilities	611,856	630,452
CONTINGENCIES (NOTE 11)		
MEMBERS' EQUITY:		
Common stock	46,843	46,843
Accumulated other comprehensive loss	(16,686)	--
Retained earnings	26,496	30,402
Total members' equity	56,653	77,245
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 668,509	$ 707,697

The accompanying notes are an integral part of these financial statements.

AGCO FINANCE LLC

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

(in thousands)

	2001	2000
Interest Income:		
Finance and other receivables	$ 52,161	$ 59,115
Incentive reimbursements from AGCO Corporation (Note 3)	17,917	19,595
Short-term investments and trading securities	2,651	1,646
Total interest income	72,729	80,356
Interest expense	37,964	42,466
Dealer volume bonus	639	1,117
Net margin	34,126	36,773
Provision for credit losses (Note 6)	4,074	4,564
Net margin after provision for credit losses	30,052	32,209
General and administrative expense (Note 3)	13,958	15,928
Net income	$ 16,094	$ 16,281

The accompanying notes are an integral part of these financial statements.

AGCO FINANCE LLC

STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

(in thousands)

	MEMBERS' EQUITY	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL
Balance at December 31, 1999	$ 46,843	$ 30,121	$ --	$ 76,964
Net income	--	16,281	--	16,281
Dividend	--	(16,000)	--	(16,000)
Balance at December 31, 2000	46,843	30,402	--	77,245
Comprehensive loss:				
Net income	--	16,094	--	16,094
Accumulated other comprehensive loss	--	--	(16,686)	(16,686)
Total comprehensive loss:				(592)
Dividend	--	(20,000)	--	(20,000)
Balance at December 31, 2001	$ 46,843	$ 26,496	$(16,686)	$ 56,653

The accompanying notes are an integral part of these financial statements.

AGCO FINANCE LLC

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

(in thousands)

	2001	2000
Cash flows from operating activities:		
Net income	$ 16,094	$ 16,281
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	--	283
Provision for credit losses	4,074	4,564
Changes in:		
Due from AGCO Corporation	(603)	(1,453)
Due from affiliates	804	729
Prepaid expenses and other assets	197	(954)
Dealer and manufacturers reserves	(352)	(554)
Accrued interest payable	114	(1,983)
Accounts payable and accrued liabilities	(2,390)	(421)
Net cash provided by operating activities	17,938	16,492
Cash flows from investing activities:		
Purchase of property, plant, and equipment	--	(177)
Proceeds from sale of property, plant, and equipment	--	1,809
Finance receivables, wholesale notes, and crop input receivables originated	(435,541)	(449,442)
Principal collected on finance receivables, wholesale notes, and crop input receivables	468,979	567,965
Net cash provided by investing activities	33,438	120,155
Cash flows from financing activities:		
Proceeds from issuance of notes payable	64,647	32,535
Principal payments on notes payable	(97,301)	(154,016)
Dividend paid	(20,000)	(16,000)
Net cash used in financing activities	(52,654)	(137,481)
Decrease in cash and cash equivalents	(1,278)	(834)
Cash and cash equivalents at beginning of year	5,693	6,527
Cash and cash equivalents at end of year	$ 4,415	$ 5,693
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 37,850	$ 43,641

The accompanying notes are an integral part of these financial statements.

AGCO FINANCE LLC

NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2001

1. ORGANIZATION AND NATURE OF BUSINESS:

BUSINESS

The financial statements include the accounts of AGCO Finance LLC (the Company), a limited liability corporation, formerly known as Agricredit Acceptance LLC. The Company's primary businesses are retail financing of agricultural and industrial equipment, wholesale financing of agricultural equipment, and crop input financing throughout the United States. The Company is a joint venture owned 51 percent by De Lage Landen Finance, Inc. (DLL), a wholly owned subsidiary of Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) and owned 49 percent by AGCO Finance Corporation (AGCO Finance), a wholly owned subsidiary of AGCO Corporation (AGCO).

The Company restructured its business, assets and operations as of July 1, 2000, selling its property, plant, and equipment at net book value to a new company, also known as Agricredit Acceptance LLC (Agricredit), which is a wholly owned subsidiary of DLL. On July 1, 2000, Agricredit also hired substantially all employees of the Company. The Company then entered into a servicing agreement with Agricredit to provide substantially all general and administrative services to the Company (see Note 3). The transaction was accounted for like a pooling of interests.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION

These financial statements are presented in conformity with accounting principles generally accepted in the United States of America and are denominated in American dollars.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The most significant estimate made by management relates to the Company's allowance for credit losses.

FINANCE RECEIVABLES

The Company records direct finance leases on its balance sheet at the aggregate future minimum lease payments due under each lease plus the estimated residual value of the leased equipment less unearned income. At lease inception, unearned income represents the aggregate future minimum lease payments under the contract plus the estimated residual value less the cost of the equipment. The terms of these finance receivables range from one to seven years.

INTEREST AND FINANCE FEES

Interest income from finance receivables, wholesale notes receivable, and crop input receivables is recognized using the effective interest method. Late charges are credited to income when received. Accrual of interest and finance fees is suspended when collection is deemed doubtful. Income is recognized on a cash basis after a receivable is put on nonaccrual status.

ORIGINATION COSTS

Origination fees are not charged on finance receivables. Direct costs incurred in the origination of finance receivables are deferred and amortized to income over the estimated term of the finance receivables on a straight-line basis, which does not differ materially from the effective interest method. Direct costs of originating wholesale notes receivable and crop input receivables are expensed as incurred, as such costs are not significant.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents for financial reporting purposes include cash and short-term investments with maturities at purchase of three months or less.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is management's estimate of the amount considered adequate to cover inherent losses in the portfolio based on management's evaluation of the current risk characteristics of the receivable portfolio, the fair value of the underlying collateral and prior credit loss experience, as well as the impact of current economic conditions. A provision for credit losses is charged to operations based on management's periodic evaluation of these risks. In the opinion of management, the allowance for credit losses is adequate.

The Company's charge-off policy is based on a specific review for all receivables. Certain receivables are secured by recourse agreements with dealers and manufacturers.

DEALER AND MANUFACTURERS RESERVES

Under certain recourse agreements with dealers and manufacturers, the Company retains a portion of proceeds of equipment financing transactions. The amounts retained are used to absorb specific losses on the related finance receivables and any unused portion of the reserve is ultimately refundable to the dealer or manufacturer. The total amount retained is limited to a percentage of the outstanding portfolio and the Company pays interest to the dealer and manufacturer at the prime interest rate on amounts retained.

DERIVATIVE FINANCIAL INSTRUMENTS

The company adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133," on January 1, 2001.

The company recognizes all derivatives on the balance sheet at fair value. On the date the derivative instrument is entered into, the company generally designates the derivative as a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). Changes in the fair value of a derivative that is designated as, and meets all the required criteria for, a cash flow hedge are recorded in accumulated other comprehensive income and reclassified into earnings as the underlying hedged item affects earnings. The portion of the change in fair value of a derivative associated with hedge ineffectiveness or the component of a derivative instrument excluded from the assessment of hedge effectiveness is recorded currently in earnings. Also, changes in the entire fair value of a derivative that is not designated as a hedge are recorded immediately in earnings. The company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes relating all derivatives that are designated as cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions.

The company also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge or if a derivative ceases to be a highly effective hedge, the company will discontinue hedge accounting prospectively.

The Company utilizes interest rate swaps as part of an overall interest rate risk management strategy. Interest rate swaps are used principally as a tool to manage the interest sensitivity of the Company's balance sheet. The contracts represent an exchange of interest payment streams based on an agreed-upon notional principal amount with at least one stream based on a specified floating-rate index. The underlying principal balances of the asset or liabilities are not affected. Net settlement amounts are reported as adjustments to interest income or expense, as appropriate.

Interest rate swaps are subject to credit and market risk. The Company evaluates the risks associated with interest rate swaps in much the same way it evaluates the risks associated with on-balance sheet financial instruments. However, unlike on-balance sheet financial instruments, where the risk of credit loss is represented by the notional value or principal, the risk of credit loss associated with interest rate swaps is generally a small fraction of the notional value. The Company attempts to limit its credit risk by dealing with creditworthy counterparties. Companies under common control are the counterparties for all of the Company's interest rate swap agreements.

Changes in the fair value of derivatives qualifying as cash flow hedges are reported in accumulated other comprehensive income. The amount of the adjustment recorded in accumulated other comprehensive income as a result of recognizing all derivatives that are designated as cash flow hedging instruments at fair value amounted to a net loss of $16,686,000. The gains and losses are reclassified into earnings as the underlying hedged item affects earnings. It is expected that $9,064,000 of net losses in accumulated other comprehensive income will be reclassified into earnings within the next twelve months.

Interest rate swaps which are not hedges of specific assets, liabilities, or commitments are accounted for as trading securities. Interest rate swaps accounted for as trading securities are carried at fair value with the changes in market value reflected in the income statement.

INCOME TAXES

No tax provision is provided for the Company as the entity is a limited liability corporation whose members are required to include their respective share of profits and losses in their individual income tax returns.

3. TRANSACTIONS WITH AGCO AND AFFILIATES:

The accompanying statements of operations reflect interest income from AGCO for incentive reimbursements related to finance and wholesale receivables with below-market interest rates or interest-waiver periods, which totaled $17,917,000 and $19,595,000 for the years ended December 31, 2001 and 2000, respectively.

In connection with the origination of certain receivables, the Company pays AGCO directly for the underlying equipment being financed. Such payments for the years ended December 31, 2001 and 2000, totaled $134,132,000 and $141,342,000, respectively, net of discounts.

All amounts due to or from AGCO related to the above transactions are separately stated in the accompanying balance sheets and are generally settled between the Company and AGCO on a current basis. The Company has an agreement to provide management services to a DLL-affiliated company. The agreement provides for a management fee based upon the affiliated Company's number of contracts and dollar amount of receivables outstanding. The fees paid to the Company by the affiliated company totaled $2,156,000 and $2,321,000 for the years ended December 31, 2001 and 2000, respectively. The fees received have been offset against general and administrative expense in the statements of operations. See Note 8 also for affiliated notes payable, interest rate swap agreements, and related interest expense.

For the years ended December 31, 2001 and 2000, the Company paid Agricredit a servicing agreement (see Note 1) fee based on the costs incurred, as defined in the Servicing Agreement, which totaled $13,469,000 and $8,200,000, respectively, and is included in general and administrative expense in the accompanying statements of operations. The servicing fee for calendar year 2002 has been determined to be $12,660,000.

In 2001, the Company sold approximately $9,000,000 of its wholesale portfolio to AGCO, which represented the net carrying amount. Accordingly, no gain or loss was recognized on the sale.

4. FINANCE RECEIVABLES:

Finance receivables consist of the following at December 31, 2001 and 2000 (in thousands):

	2001	2000
Retail notes	$ 558,392	$ 533,950
Direct finance leases	208,255	234,768
	766,647	768,718
Unearned interest and discounts	(113,087)	(122,034)
	$ 653,560	$ 646,684

Interest rates on retail notes and direct finance leases including affiliated discounts ranged from 7 percent to 13 percent with a weighted-average rate of 8.85 percent at December 31, 2001.

At December 31, 2001 and 2000, finance receivables, net of related unearned interest and discounts, totaling $14,597,000 and $15,099,000, respectively, were contractually delinquent greater than 120 days. The accrual of interest and finance fees was suspended on receivables totaling $16,531,000 and $14,920,000, at December 31, 2001 and 2000, respectively.

At December 31, 2001, contractual maturities of gross finance receivables are as follows (in thousands):

2002	$260,735
2003	209,865
2004	148,259
2005	91,761
2006	45,392
Thereafter	10,635
	$766,647

The Company provides financing for agricultural and industrial equipment to customers throughout the United States; the receivables are secured by the equipment financed and additional property if considered necessary by management. Although the Company has a diversified receivable portfolio, a substantial portion of its debtors' ability to repay their borrowings is dependent upon the agricultural business economic sector. In addition, at December 31, 2001 and 2000, approximately 82.8 percent and 80.0 percent, respectively, of the net finance receivables relate to the financing of products sold by AGCO dealers and distributors.

Concentrations of gross finance receivables by type of equipment financed at December 31, 2001 and 2000, are as follows (in thousands):

	2001	2000
Tractor	$343,623	$338,216
Combine	164,473	184,844
Industrial	19,676	22,957
Forestry	30,186	31,102
Other	208,689	191,599
	$766,647	$768,718

5. WHOLESALE NOTES RECEIVABLE:

Agreements have been entered into with certain manufacturers of agricultural and industrial equipment to provide financing for the manufacturers' qualified distributors and dealers. These wholesale notes receivable are generally for terms of less than one year with interest at the prime rate plus 1.0 percent to 3.0 percent, secured by both the underlying equipment and a manufacturers' reserve, and contain certain recourse provisions back to the manufacturers.

6. CROP INPUT RECEIVABLES:

Agreements have been entered into with certain distributors of crop protection products, fertilizer, and seed to provide financing for their customers (the producers). The financing is offered in a discretionary operating line of credit to be utilized by the producers to fund agricultural operating expenses associated with crop production (crop input receivables). These crop input receivables generally have a maturity of one year or less, with variable interest rates at the prime rate plus .25 percent to 3.0 percent. The crop input receivables are collateralized by obtaining a first security interest in all crops, government payments and crop insurance. Additional collateral is obtained if considered necessary by management. The Company is indemnified for certain loans that are with full recourse back to the distributor which has sole responsibility for all collection activity and associated costs.

7. ALLOWANCE FOR CREDIT LOSSES:

The following is a summary of the activity in the allowance for credit losses on finance and other receivables for the years ended December 31, 2001 and 2000 (in thousands):

	2001	2000
Balance at beginning of year	$ 17,046	$ 16,055
Provision for credit losses	4,074	4,564
Charge-offs	(5,439)	(6,688)
Recoveries	1,463	3,115
BALANCE AT END OF YEAR	$ 17,144	$ 17,046

8. NOTES PAYABLE:

Under a revolving credit agreement (the Credit Agreement) with Rabobank Nederland, the parent of DLL, dated June 30, 2000, the Company can borrow a maximum of $1,500,000,000. The commitment under the Credit Agreement is reduced by 105 percent of the outstanding borrowings of an affiliate, Agco Finance Canada, Ltd., up to $100,000,000 Canadian dollars. The notes funded under the Credit Agreement at December 31, 2001 have maturities ranging from 25 to 30 days. The interest rate on the notes is established, subject to the terms of the note, at the lender's base lending rate (based on LIBOR) plus 10 basis points. Interest rates on the notes payable outstanding at December 31, 2001 ranged from 1.91 percent to 2.03 percent with a weighted-average interest rate of 2.02 percent. The Credit Agreement contains certain financial covenants that the Company must maintain, including minimum specified net worth and borrowing base requirements. As of December 31, 2001 and 2000, $655,932,000 and $693,472,000, respectively, was outstanding under the Credit Agreement and unused commitment was $799,546,000 and $769,096,000, respectively, reduced for the borrowings of Agco Finance Canada Ltd.

Of the total outstanding borrowings at December 31, 2001, $655,932,000 was funded by De Lage Landen Ireland Company (DLL Ireland). The Credit Agreement was amended and restated as of June 30, 2000 and subsequently expired on July 31, 2000; however, the Credit Agreement allows for automatic extension for additional 30-day periods unless Rabobank Nederland in its sole discretion elects not to grant such extension. The notes payable under the amended and restated Credit Agreement are secured by the finance receivables, wholesale notes receivable, and crop input receivables.

In December 1999, the Company entered into a Deposit Agreement with DLL Ireland. Under the terms of the Deposit Agreement, DLL Ireland has agreed to advance monies under the Credit Agreement to the Company provided such proceeds are deposited with DLL Ireland. The amount of borrowing outstanding and the related deposit at December 31, 2001 totaled $86,932,000. Right of offset exists under the Deposit Agreement; therefore, these amounts are not reflected in the Company's balance sheet. During 2001, the deposit account bore a weighted-average fixed interest rate of 6.31 percent. The interest rate on the borrowings is adjusted monthly and was 2.03 percent at December 31, 2001. The net effect of the interest received and paid for 2001 and 2000 was $(2,404,000) and $(875,000), respectively. The deposit and the related borrowings will be reduced in annual amounts ranging from $8,000,000 to $11,500,000 in August of each year for the next 9 years.

The Company has entered into interest rate swap agreements with DLL Ireland on portions of its short-term borrowings. The swap agreements require the payment of fixed rates and receipt of floating rates of interest based on LIBOR. The Company enters into the swap agreements in order to more closely match the interest rates and maturities of the borrowings to those of the receivables being funded. At December 31, 2001, the total notional principal amounts of the agreements were $605,000,000 paying fixed rates ranging from 3.14 percent to 7.53 percent and with notional principal amounts of $277,000,000, $211,500,000, $111,000,000 and $5,500,000, terminating in 2002, 2003, 2004 and 2005, respectively. For the years ended December 31, 2001 and 2000, the swaps increased (reduced) the Company's interest expense by $12,557,000 and $(2,283,000), respectively.

The following is a summary of aggregate annual maturities of notes payable and accrued interest payable on notes payable and interest rate swap agreements at December 31, 2001 (in thousands):

Notes payable in 2001	$655,932
Accrued net interest payable on notes payable and interest rate swap agreements	367

	$656,299
	========

9. FAIR VALUE OF FINANCIAL INSTRUMENTS:

In determining the estimated fair values of the Company's financial instruments, the estimates, methods, and assumptions utilized are as follows:

Cash and cash equivalents - The carrying amount for cash and cash equivalents approximates the fair value because of the short-term nature of the instruments.

Finance receivables - The fair value of finance receivables is calculated by discounting scheduled cash flows through the estimated maturity using estimated market discount rates that reflect the credit and interest rate risk inherent in the portfolio. The estimated maturity is based on historical experience with repayments, modified, as required, by an estimate of the effect of current economic and lending conditions. The effect of nonperforming finance receivables is considered in assessing the credit risk inherent in the fair value estimate. At December 31, 2001, the Company estimated the fair value of its net finance receivable portfolio to be approximately $670,902,000.

Wholesale notes receivable, crop input receivables, and dealer reserves - The carrying amount for wholesale notes receivable, crop input receivables, and dealer reserves approximates fair value as interest on the obligations is at a variable rate and due to the short-term nature of the instruments.

Notes payable - Rates currently available for debt with similar terms and remaining maturities are used to estimate fair value of existing debt. At December 31, 2001, the Company estimated the fair value of notes payable (including accrued interest) to be approximately $655,218,000.

Interest rate swaps - The estimated fair value of the Company's interest rate swap agreements related to notes payable, and the depository account was at an unrealized loss of approximately $16,686,000 at December 31, 2001.

LIMITATIONS

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. Because no market information exists for a significant portion on the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

10. EMPLOYEE BENEFIT PLAN:

The Company sponsors a defined contribution savings plan for its eligible employees. Under the plan, employees can contribute 2 percent to 12 percent of their base pay and the Company will contribute up to 3 percent if the employee contributed at least 3 percent. The Company contributions vest immediately to the employee. In addition, the plan has a profit-sharing component whereby the Company can contribute from 0 percent to 3 percent of the employee's base salary based on established profitability criteria for the Company. For the years ended December 31, 2001 and 2000, the expense under the plan was $64,000 and $199,000, respectively.

11. CONTINGENCIES:

The Company is involved in various claims and legal actions arising in the ordinary course of business. Although the ultimate outcome of these matters cannot be ascertained at this time, it is the opinion of management that the ultimate resolution will not have a material impact on the balance sheet or results of operations of the Company.

EXHIBIT 99.2

AGCO FINANCE LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2000 AND 1999

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

INDEPENDENT AUDITORS' REPORT

The Managing Board of
AGCO Finance LLC:

We have audited the accompanying balance sheets of AGCO Finance LLC as of December 31, 2000 and 1999, and the related statements of operations, changes in members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AGCO Finance LLC as of December 31, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

Des Moines, Iowa
January 26, 2001

AGCO FINANCE LLC

BALANCE SHEETS

	2000	1999
	(IN THOUSANDS)	
ASSETS		
Finance receivables, net	$646,684	$746,809
Wholesale notes receivable	48,365	58,681
Crop input receivables	15,256	26,911
	710,305	832,401
Allowance for credit losses	(17,046)	(16,055)
Net receivables	693,259	816,346
Cash and cash equivalents	5,693	6,527
Due from AGCO Corporation	3,735	2,282
Due from affiliates	2,550	3,279
Prepaid expenses and other assets	2,460	1,505
Property, plant and equipment, net of accumulated depreciation	--	1,916
Total assets	$707,697	$831,855
LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Notes payable and accrued interest	$610,259	$733,723
Accounts payable and accrued liabilities	10,872	11,293
Dealer and manufacturers reserves	9,321	9,875
Total liabilities	630,452	754,891
Members' equity:		
Members' equity	46,843	46,843
Retained Earnings	30,402	30,121
Total members' equity	77,245	76,964
Contingencies		
Total liabilities and members' equity	$707,697	$831,855

See accompanying notes to financial statements.

AGCO FINANCE LLC

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
	(IN THOUSANDS)	
Interest Income:		
Finance and other receivables	$59,115	$61,195
Incentive reimbursements from AGCO Corporation	19,595	22,728
Short-term investments and trading securities	1,646	(699)
Total interest income	80,356	83,224
Interest expense	42,466	44,197
Dealer volume bonus	1,117	1,026
Net margin	36,773	38,001
Provision for credit losses	4,564	5,075
Net margin after provision for credit losses	32,209	32,926
General and administrative expense	15,928	14,904
Net income	$16,281	$18,022

See accompanying notes to financial statements.

AGCO FINANCE LLC

STATEMENTS OF CHANGES IN MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2000 AND 1999

	MEMBERS' EQUITY	RETAINED EARNINGS	TOTAL
	(IN THOUSANDS)		
Balance at December 31, 1998	$46,843	$ 30,849	$ 77,692
Net income	--	18,022	18,022
Dividend	--	(18,750)	(18,750)
Balance at December 31, 1999	46,843	30,121	76,964
Net income	--	16,281	16,281
Dividend	--	(16,000)	(16,000)
Balance at December 31, 2000	$46,843	$ 30,402	$ 77,245

See accompanying notes to financial statements.

AGCO FINANCE LLC

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
	(IN THOUSANDS)	
Cash flows from operating activities:		
Net income	$ 16,281	$ 18,022
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	283	395
Provision for credit losses	4,564	5,075
Changes in:		
Due to/from affiliates	(724)	(3,957)
Prepaid expenses and others	(954)	1,549
Dealer and manufacturers reserves	(554)	367
Accrued interest payable	(1,983)	(340)
Accounts payable and accrued liabilities	(421)	259
Net cash provided by operating activities	16,492	21,370
Cash flows from investing activities:		
Purchase of property, plant and equipment	(177)	(1,027)
Proceeds from sale of property, plant and equipment	1,809	--
Finance receivables, wholesale notes and crop input receivables originated	(449,442)	(531,420)
Principal collected on finance receivables, wholesale notes and crop input receivables	567,965	553,705
Net cash provided by investing activities	120,155	21,258
Cash flows from financing activities:		
Proceeds from issuance of notes payable	32,535	106,995
Principal payments on notes payable	(154,016)	(130,507)
Dividend paid	(16,000)	(18,750)
Net cash used in financing activities	(137,481)	(42,262)
(Decease) increase in cash and cash equivalents	(834)	366
Cash and cash equivalents at beginning of year	6,527	6,161
Cash and cash equivalents at end of year	$ 5,693	$ 6,527
Supplemental disclosures of cash flow information -- Cash paid for interest	$ 43,641	$ 44,419

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS

The financial statements include the accounts of AGCO Finance LLC (the Company), a limited liability corporation, formerly known as Agricredit Acceptance LLC. The Company conducts operations as Agricredit Acceptance Company and its primary businesses are retail financing of agricultural and industrial equipment, wholesale financing of agricultural equipment, and crop input financing throughout the United States. The Company is a joint venture owned 51% by De Lage Landen Finance Inc. (DLL) a wholly owned subsidiary of Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) and owned 49% by AGCO Finance Corporation, a wholly owned subsidiary of AGCO Corporation (AGCO).

The Company restructured its business, assets and operations as of July 1, 2000, selling its property, plant and equipment at net book value to a new company, also known as Agricredit Acceptance LLC (Agricredit), which is a wholly owned subsidiary of DLL. On July 1, 2000 Agricredit also hired substantially all employees of the Company. The Company then entered into a servicing agreement with Agricredit to provide substantially all general and administrative services to the Company (see note 2).

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The most significant estimate made by management relates to the Company's allowance for credit losses.

INTEREST AND FINANCE FEES

Interest income from the finance receivables, wholesale notes receivable, and crop input receivables is recognized using the effective interest method. Late charges are credited to income when received. Accrual of interest and finance fees is suspended when collection is deemed doubtful. Income is recognized on a cash basis after a receivable is put on non-accrual status.

ORIGINATION COSTS

Origination fees are not charged on finance receivables. Direct costs incurred in the origination of finance receivables are deferred and amortized to income over the estimated term of the finance receivables on a straight-line basis, which does not differ materially from the effective interest method. Direct costs of originating wholesale notes receivable and crop input receivables are expensed as incurred, as such costs are not significant.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents for financial reporting purposes include cash and short-term investments with maturities at purchase of three months or less.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment is stated at cost and depreciated on a straight-line basis over the useful life of the asset. The following useful lives are used for depreciation purpose:

Computer equipment	3 years
Furniture and fixtures	5 years
Computer software	5 years
Leasehold improvements	5 years (life of the lease)

For the years ended December 31, 2000 and 1999, depreciation expense was $283,000 and $395,000, respectively. On June 30, 2000, the Company sold all property, plant and equipment to Agricredit.

ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is management's estimate of the amount considered adequate to absorb probable losses in the portfolio based on management's evaluation of the current risk characteristics of the receivable portfolio, the fair value of the underlying collateral and prior credit loss experience, as well as the impact of current economic conditions. A provision for credit losses is charged to operations based on management's periodic evaluation of these risks. In the opinion of management, the allowance for credit losses is adequate.

The Company's charge-off policy is based on a specific review for all receivables. Certain receivables are secured by recourse agreements with dealers and manufacturers.

DEALER AND MANUFACTURERS RESERVES

Under certain recourse agreements with dealers and manufacturers, the Company retains a portion of the proceeds of equipment financing transactions. The amounts retained are used to absorb specific losses on the related finance receivables and any unused portion of the reserve is ultimately refundable to the dealer or manufacturer. The total amount retained is limited to a percentage of the outstanding portfolio and the Company pays interest to the dealer and manufacturer at the prime interest rate on amounts retained.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilizes interest rate swaps as part of an overall interest rate risk management strategy. Interest rate swaps are used principally as a tool to manage the interest sensitivity of the Company's balance sheet. The contracts represent an exchange of interest payment streams based on an agreed-upon notional principal amount with at least one stream based on a specified floating-rate index. The underlying principal balances of the asset or liabilities are not affected. Net settlement amounts are reported as adjustments to interest income or expense, as appropriate.

Interest rate swaps are subject to credit and market risk. The Company evaluates the risks associated with interest rate swaps in much the same way it evaluates the risks associated with on-balance sheet financial instruments. However, unlike on-balance sheet financial instruments, where the risk of credit loss is represented by the notional value or principal, the risk of credit loss associated with interest rate swaps is generally a small fraction of the notional value. The Company attempts to limit its credit risk by dealing with creditworthy counterparties. Affiliated companies are the counterparties for all of the Company's interest rate swap agreements.

Interest rate swaps which are not hedges of specific assets, liabilities or commitments are accounted for as trading securities. Interest rate swaps accounted for as trading securities are carried at fair value with the changes in market value reflected in the income statement.

Statement of Financial Accounting Standards (SFAS 133), Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS 137, Accounting for Derivative Instruments and Hedging Activities -- Deferral of the Effective Date of FASB Statement No. 133, and SFAS 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, are effective for the Company as of January 1, 2001. These statements require that an entity recognize all derivatives as either assets or liabilities measured at fair value. The accounting for changes in the fair value of a derivative depends on the use of the derivative. Adoption of these new accounting standards by the Company will result in an adjustment to other accumulated comprehensive loss (a component of members' equity) of approximately $3.2 million to recognize the accumulated loss based on the market value of the interest rate swaps on January 1, 2001. The adoption will also impact assets and liabilities recorded on the balance sheet.

INCOME TAXES

No tax provision is provided for the Company as the entity is a limited liability corporation whose members are required to include their respective share of profits and losses in their individual income tax returns.

(2) TRANSACTIONS WITH AFFILIATES

The accompanying statements of operations reflect interest income from AGCO for incentive reimbursements related to finance and wholesale receivables with below-market interest rates or interest-waiver periods, which totaled $19,595,000 and $22,728,000 for the years ended December 31, 2000 and 1999, respectively.

In connection with the origination of certain receivables the Company, at the selling dealer's request, pays AGCO directly for the underlying equipment being financed in order to satisfy outstanding obligations between the dealers and AGCO. Such payments for the years ended December 31, 2000 and 1999 totaled $141,342,000 and $150,995,000, net of discounts.

All amounts due to or from AGCO related to the above transactions are separately stated in the accompanying balance sheets and are generally settled between the Company and AGCO on a current basis.

The Company has an agreement to provide management services to a DLL affiliated company. The agreement provides for a management fee based upon the affiliated company's number of contracts and dollar amount of receivables outstanding. The fees paid to the Company by the affiliated company totaled $2,321,000 and $1,919,000 for the years ended December 31, 2000 and 1999, respectively. The fees received have been offset against general and administrative expense in the accompanying statements of operations. See note 7 also for affiliated notes payable, interest rate swap agreements, and related interest expense.

For the period July 1, 2000 through December 31, 2000 the Company paid Agricredit a servicing agreement (see note 1) fee based on Agricredit's good faith estimate of the costs incurred, which totaled $8,200,000, and is included in general and administrative expense in the accompanying statements of operations. The monthly servicing fee for calendar year 2001 and each calendar year thereafter will be determined based on the monthly average receivables outstanding prior to projected allowance for credit losses, but excluding projected charge-offs.

(3) FINANCE RECEIVABLES

Finance receivables consist of the following at December 31, 2000 and 1999 (in thousands):

	2000	1999
Retail notes	$ 533,950	$ 557,817
Sales finance contracts	234,768	315,533
	768,718	873,350
Unearned interest and discounts	(122,034)	(126,541)
	$ 646,684	$ 746,809

Interest rates on retail notes and sales finance contracts including affiliated discounts ranged from 9.0% to 13.0% with a weighted average rate of 10.03% at December 31, 2000.

Non-accrual finance receivables, net of related unearned interest and discounts, totaled $17,758,000 and $19,517,000 at December 31, 2000 and 1999, respectively. The allowance for losses related to these finance receivables was $7,062,000 and $7,353,000 at December 31, 2000 and 1999, respectively. The average amount of non-accrual finance receivables, net of related unearned interest and discounts, for the years ended December 31, 2000 and 1999 were $18,638,000 and $17,714,000, respectively. The accrual of interest and finance fees, which was suspended on these receivables, was $977,000 and $1,000,000 for the years ended December 31, 2000 and 1999, respectively.

At December 31, 2000, contractual maturities of gross finance receivables are as follows (in thousands):

2001	$276,692
2002	205,895
2003	152,658
2004	85,518
2005	40,623
Thereafter	7,332
	$768,718

The Company provides financing for agricultural and industrial equipment to customers throughout the United States; the receivables are secured by the equipment financed and additional property if considered necessary by management. Although the Company has a diversified receivable portfolio, a substantial portion of its debtors' ability to repay their borrowings is dependent upon the agricultural business economic sector. In addition, at December 31, 2000 and 1999, approximately 80% of the net finance receivables relate to the financing of products sold by AGCO dealers and distributors.

Concentrations of gross finance receivables by type of equipment financed at December 31, 2000 and 1999 are as follows (in thousands):

	2000	1999
Tractor	$338,216	$399,095
Combine	184,844	200,951
Industrial	22,957	27,818
Forestry	31,102	37,359
Other	191,599	208,127
	$768,718	$873,350

(4) WHOLESALE NOTES RECEIVABLE

Agreements have been entered into with certain manufacturers of agricultural and industrial equipment to provide financing for the manufacturers' qualified distributors and dealers. These wholesale notes receivable are generally for terms of less than one year, with interest at the prime rate plus 1.0% to 3.0%, secured by both the underlying equipment and a manufacturers' reserve, and contain certain recourse provisions back to the manufacturers.

(5) CROP INPUT RECEIVABLES

Agreements have been entered into with certain distributors of crop protection products, fertilizer, and seed to provide financing for their customers (the producers). The financing is offered in a discretionary operating line of credit to be utilized by the producers to fund agricultural operating expenses associated with crop production (crop input receivables). These crop input receivables generally have a maturity of one year or less, with variable interest rates at the prime rate plus .25% to 3%. The crop input receivables are collateralized by obtaining a first security interest in all crops, government payments and crop insurance. Additional collateral is obtained if considered necessary by management. The Company is indemnified for certain loans that are with full recourse back to the distributor which has sole responsibility for all collection activity and associated costs.

(6) ALLOWANCE FOR CREDIT LOSSES

The following is a summary of the activity in the allowance for credit losses on finance and other receivables for the years ended December 31, 2000 and 1999, (in thousands):

	2000	1999
Balance at beginning of period	$16,055	$16,142
Provision for credit losses	4,564	5,075
Charge-offs	(6,688)	(6,081)
Recoveries	3,115	919
Balance at end of period	$17,046	$16,055

(7) NOTES PAYABLE

Under a revolving credit agreement with Rabobank Nederland, the parent of DLL, dated June 30, 2000 (the Credit Agreement), the Company can borrow a maximum of $1,500,000,000. The commitment under the Credit Agreement is reduced by 105% of the outstanding borrowings ($1,000,000,000 at December 31, 2000) of its sister company, Agricredit Acceptance Canada, Ltd., up to $100,000,000 Canadian dollars. The notes funded under the Credit Agreement at December 31, 2000, have maturities ranging from 30 to 32 days. The interest rate on the notes is established, subject to the terms of the note, at the lender's base lending rate (based on LIBOR) plus .10%. Interest rates on the notes payable outstanding at December 31, 2000, ranged from 6.7475 to 6.75%, with a weighted-average interest rate of 6.7476%. The Credit Agreement contains certain financial covenants that the Company must maintain, including minimum specified net worth and borrowing base requirements. As of December 31, 2000 and 1999, $610,007,000 and $731,487,500, respectively, was outstanding under the Credit Agreement and unused commitment was $769,096,000 and $210,544,000, respectively, reduced for the borrowings of Agricredit Acceptance Canada Ltd.

Of the total outstanding borrowings at December 31, 2000, $610,007,000 was funded by De Lage Landen Ireland Company (DLL Ireland). The Credit Agreement was amended and restated as of June 30, 2000 and subsequently expired on July 31, 2000; however, the Credit Agreement allows for automatic extension for an additional thirty day periods unless Rabobank Nederland in its sole discretion elects not to grant such extension. The notes payable under the amended and restated Credit Agreement are secured by the finance receivables, wholesale notes receivable, and crop input receivables.

The Company has entered into interest rate swap agreements with DLL Ireland on portions of its short-term borrowings. The swap agreements require the payment of fixed rates and receipt of floating rates of interest based on LIBOR. The Company enters into the swap agreements in order to more closely match the interest rates and maturities of the borrowings to those of the receivables being funded. The differential to be paid or received on the swap agreements is recognized as an adjustment to interest expense. At December 31, 2000, the total notional principal amounts of the agreements were $604 million paying fixed rates ranging from 4.61% to 7.53% and with notional principal amounts of $323 million, $244 million, $34 million, and $3 million, terminating in 2001, 2002, 2003, and 2004, respectively. For the years ended December 31, 2000 and 1999, the swaps increased the Company's interest expense by $2,283,000 and $3,518,000, respectively. The interest expense resulted from the Company exchanging its short term borrowing rate to approximately a two year borrowing rate to better match the maturity of the fixed rate notes receivable.

As part of its interest rate risk management policy, the Company previously entered into certain interest rate swap agreements which were not hedges of specific assets, liabilities, or commitments and were accounted for as trading securities. In December 1999, the Company terminated these swaps and recorded a reduction of fair value of $2,200,000. Interest income exclusive of fair value adjustments for these swaps the years ended December 31, 2000 and 1999 was $0 and $1,129,000, respectively.

The following is a summary of aggregate annual maturities of notes payable and accrued interest payable on notes payable and interest rate swap agreements at December 31, 2000 (in thousands):

Notes payable in 2001	$610,007
Accrued interest payable on notes payable and interest rate swap agreements	252
	$610,259

In December 1999, the Company entered into a Deposit Agreement with DLL Ireland. Under the terms of the Deposit Agreement, DLL Ireland has agreed to advance monies under the Credit Agreement to the Company provided such proceeds are deposited with DLL Ireland. The amount of borrowing outstanding and the related deposit at December 31, 2000 totaled $98,472,000. Right of offset exists under the Deposit Agreement; therefore, these amounts are not reflected in the Company's balance sheet. During 2000, the deposit account bore a weighted average fixed interest rate of 6.29%. The interest rate on the borrowings is adjusted monthly and was 6.81% at December 31, 2000. The deposit and the related borrowings will be reduced in annual amounts ranging from $8,000,000 to $11,500,000 in August of each year for the next 10 years.

(8) FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining the estimated fair values of the Company's financial instruments, the estimates, methods, and assumptions utilized are as follows:

- Cash and cash equivalents. The carrying amount for cash and cash equivalents approximates the fair value because of the short-term nature of the instruments.

- Finance receivables. The fair value of finance receivables is calculated by discounting scheduled cash flows through the estimated maturity using estimated market discount rates that reflect the credit and interest rate risk inherent in the portfolio. The estimated maturity is based on historical experience with repayments, modified, as required, by an estimate of the effect of current economic and lending conditions. The effect of nonperforming finance receivables is considered in assessing the credit risk inherent in the fair value estimate. At December 31, 2000 and 1999 the Company estimated the fair value of its net finance receivable portfolio to be approximately $661,678,000 and $756,370,000, respectively.

- Wholesale notes receivable, crop input receivables, and dealer reserves. The carrying amount for wholesale notes receivable, crop input receivables, and dealer reserves approximates fair value as interest on the obligations is at a variable rate and due to the short-term nature of the instruments.

- Notes payable. Rates currently available for debt with similar terms and remaining maturities are used to estimate fair value of existing debt. At December 31, 2000 and 1999 the Company estimated the fair value of notes payable (including accrued interest payable) to be approximately $609,971,000 and $731,359,000, respectively.

- Interest rate swaps. The estimated fair value of the Company's interest rate swap agreements related to notes payable, and the depository account was at an unrealized loss of approximately $3,177,000 and $740,000 at December 31, 2000 and 1999, respectively.

LIMITATIONS

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(9) PENSION PLAN

The Company sponsors a defined contribution savings plan for its eligible employees. Under the plan employees can contribute 2% to 12% of their base pay and the Company will contribute up to 3% if the employee contributed at least 3%. The Company contributions vest immediately to the employee. In addition, the plan has a profit sharing component whereby the Company can contribute, to the Plan from 0% to 3% of the employee's base salary based on established profitability criteria for the Company. For the years ended December 31, 2000 and 1999, the expense under the plan was $199,000 and $365,000, respectively.

(10) CONTINGENCIES

The Company is involved in various claims and legal actions arising in the ordinary course of business. Although the ultimate outcome of these matters cannot be ascertained at this time, it is the opinion of management that the ultimate resolution will not have a material impact on the balance sheet or results of operations of the Company.

Exhibit 99.3

LETTER TO COMMISSION PURSUANT TO TEMPORARY NOTE 3T

March 29, 2002

Securities and Exchange Commission
Division of Corporation Finance
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Arthur Andersen LLP ("AA")

The purpose of this letter is to address the requirements of the Securities and Exchange Commission ("SEC") with respect to issuers that include accountant's reports from AA issued after March 14, 2002 in filings with the SEC.

In connection with the audit of the consolidated financial statements of AGCO Corporation and subsidiaries (the "Company") as of December 31, 2001 and for the year then ended, AA has issued a report to the shareholders and directors of the Company dated February 6, 2002 (the "AGCO Report"). In connection with the audit of the financial statements of AGCO Finance LLC as of December 31, 2001 and for the year then ended, AA has issued a report to the managing board of AGCO Finance LLC dated January 21, 2002 (the "AGCO Finance Report", and, together with the AGCO Report, the "Reports"). The Reports are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

In connection with each of the Reports and in accordance with Temporary Note 3T to Article 3 of Regulation S-X, AA has issued the following written representations:

> "We represent that this audit was subject to our quality control system for the U.S. accounting and auditing practice to provide reasonable assurance that the engagement was conducted in compliance with professional standards, that there was appropriate continuity of Arthur Andersen personnel working on the audit, availability of national office consultation, and availability of personnel at foreign affiliates of Arthur Andersen to conduct the relevant portions of the audit."

AGCO CORPORATION

By:/s/ Donald R. Millard

Donald R. Millard
Senior Vice President and
Chief Financial Officer