

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

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 58-1960019
(State or other jurisdiction of (I.R.S. employer identification no.)
incorporation or organization)

4205 RIVER GREEN PARKWAY, DULUTH, GEORGIA 30096
(Address of principal executive offices) (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, (\$0.01 PAR VALUE)	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 filed 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 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.

The aggregate market value of common stock held by non-affiliates of the Registrant as of the close of business on March 10, 1999 was \$292,501,366. As of such date, there were 59,535,921 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the AGCO Corporation Annual Report to Stockholders for the year ended December 31, 1998 are incorporated by reference in Part II.

Portions of the definitive Proxy Statement for the Annual Meeting of Stockholders to be held on April 28, 1999 are incorporated by reference in Part III.

Item 1. BUSINESS

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

THE COMPANY

AGCO is a leading manufacturer and distributor of agricultural equipment throughout the world. The Company sells a full range of agricultural equipment and related replacement parts, 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) Allis, Massey Ferguson(R), Hesston(R), White, GLEANER(R), New Idea(R), AGCOSTAR(R), Black Machine, Landini, Tye(R), Farmhand(R), Glencoe(R), Deutz (South America), IDEAL, Fendt, Spra-Coupe(R) and Willmar(R). The Company distributes its products through a combination of over 8,500 independent dealers and distributors, associates and licensees. In addition, the Company provides retail financing in North America, the United Kingdom, France, Germany, and Brazil through its finance joint ventures with Cooperative Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" ("Rabobank").

AGCO was 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 its formation in June 1990, AGCO has grown substantially through a series of 17 acquisitions for consideration aggregating approximately \$1.4 billion. These acquisitions have allowed the Company to broaden its product line, expand its dealer network and establish strong market positions in several new markets throughout North America, South America, Western Europe and the rest of the world. The Company has achieved significant cost savings and efficiencies from its acquisitions by eliminating duplicate administrative, sales and marketing functions, rationalizing its dealer network, increasing manufacturing capacity utilization and expanding its ability to source certain products and components from third party manufacturers. In addition to acquisitions, the Company has increased its sales in North America by entering into a substantial number of crossover contracts with its dealers whereby a dealer carrying one of the Company's brands also contracts to sell additional AGCO brands or products. The Company has also grown through expansion of its product offerings into new distribution channels and through new product introductions.

TRANSACTION HISTORY

Hesston Acquisition. In March 1991, the Company acquired Hesston Corporation ("Hesston"), a leading manufacturer and distributor of hay tools, forage equipment and related replacement parts (the "Hesston Acquisition"). The assets acquired also included Hesston's 50% interest in a joint venture, Hay and Forage Industries ("HFI"), between Hesston and Case Corporation which manufactures hay and forage equipment for both parties. Hesston's net sales in its full fiscal year preceding the acquisition were approximately \$91.0 million. The Hesston Acquisition enabled the Company to provide its dealers with a more complete line of farm equipment and to expand its dealer network.

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

Massey Ferguson North American Acquisition. In January 1993, the Company entered into an agreement with Varsity Corporation ("Varsity") to be the exclusive distributor in the United States and Canada of the Massey Ferguson line of farm equipment. Concurrently, the Company acquired the North American distribution operation of Massey Ferguson Group Limited ("Massey") from Varsity (the "Massey North American Acquisition"). Net sales attributable to Massey's North American distribution operation in the full fiscal year preceding the acquisition were approximately \$215.0 million. The Massey North American Acquisition provided AGCO access to another leading brand name in the

agricultural equipment industry and enabled the Company to expand its dealer network by entering into a substantial number of crossover contracts.

White-New Idea Acquisition. In December 1993, the Company acquired the White-New Idea Farm Equipment Division ("White-New Idea") of Allied Products Corporation (the "White-New Idea Acquisition"). White-New Idea's net sales in 1993 were approximately \$83.1 million. The White-New Idea Acquisition enabled the Company to offer a more complete line of planters and spreaders and a broader line of tillage equipment.

Agricredit-North America Acquisition. The Company acquired Agricredit Acceptance Company ("Agricredit-North America"), a retail finance company, from Varity in two separate transactions (together, the "Agricredit-North America Acquisition"). The Company acquired a 50% joint venture interest in Agricredit-North America in January 1993 and acquired the remaining 50% interest in February 1994. The Agricredit-North America Acquisition enabled the Company to provide more competitive and flexible financing alternatives to end users.

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

AgEquipment Acquisition. In March 1995, the Company further expanded its product offerings through its acquisition of AgEquipment Group, a manufacturer and distributor of farm implements and tillage equipment (the "AgEquipment Acquisition"). The AgEquipment Acquisition added three brands of agricultural implements to the Company's product line, including no-till and minimum tillage products, distributed under the Tye, Farmhand and Glencoe brand names.

Maxion Acquisition. In June 1996, the Company acquired the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Agricultural Equipment Business") (the "Maxion Acquisition"). The Maxion Agricultural Equipment Business, with 1995 sales of approximately \$265.0 million, was AGCO's Massey Ferguson licensee in Brazil, manufacturing and distributing agricultural tractors under the Massey Ferguson brand name, combines under the Massey Ferguson and IDEAL brand names and industrial loader-backhoes under the Massey Ferguson and Maxion brand names. The Maxion Acquisition expanded the Company's product offerings and distribution network in South America, particularly in the significant Brazilian agricultural equipment market.

Western Combine Acquisition. In July 1996, the Company acquired certain assets of Western Combine Corporation and Portage Manufacturing, Inc., the Company's suppliers of Massey Ferguson combines and other harvesting equipment sold in North America (the "Western Combine Acquisition"). The Western Combine Acquisition provided the Company with access to advanced technology and increased the Company's profit margin on certain combines and harvesting equipment sold in North America.

Agricredit-North America Joint Venture. In November 1996, the Company sold a 51% interest in Agricredit-North America to a wholly-owned subsidiary of Rabobank. The Company retained a 49% interest in Agricredit-North America and now operates Agricredit-North America with Rabobank as a joint venture (the "Agricredit-North America Joint Venture"). The Agricredit North-America Joint Venture has continued the business of Agricredit-North America and seeks to build a broader asset-based finance business through the addition of other lines of business. The Company has similar joint venture arrangements with Rabobank with respect to its retail finance companies located in the United Kingdom, France, Germany and Brazil.

Deutz Argentina Acquisition. In December 1996, the Company acquired the operations of Deutz Argentina S.A. ("Deutz Argentina") (the "Deutz Argentina Acquisition"). Deutz Argentina, with 1995 sales of approximately \$109.0 million, was a manufacturer and distributor of agricultural equipment, engines and light duty trucks in Argentina and other markets in South America. The Deutz Argentina

Acquisition established AGCO as a leading supplier of agricultural equipment in Argentina. In February 1999, the Company sold its manufacturing operations in Haedo, Argentina which will allow the Company to consolidate the assembly of tractors into an existing facility in Brazil.

Fendt Acquisition. In January 1997, the Company acquired the operations of Xaver Fendt GmbH & Co. KG ("Fendt") (the "Fendt Acquisition"). 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, AGCO has a leading market share in Germany and France, two of Europe's largest agricultural equipment markets. In December 1997, the Company sold Fendt's caravan and motor home business in order to focus on its core agricultural equipment business.

Dronningborg Acquisition. In December 1997, the Company acquired the remaining 68% of Dronningborg Industries a/s (the "Dronningborg Acquisition"), the Company's supplier of combine harvesters sold under the Massey Ferguson brand name in Europe. The Company previously owned 32% of this combine manufacturer which developed and manufactured combine harvesters exclusively for AGCO. The Dronningborg Acquisition enabled the Company to achieve certain synergies within its worldwide combine manufacturing and increased the Company's gross profit margin on combines sold primarily in Europe.

Argentina Engine Joint Venture. In December 1997, the Company sold 50% of Deutz Argentina's engine production and distribution business to Deutz AG, a global supplier of diesel engines in Cologne, Germany. The Company retained a 50% interest in the engine business and now operates it with Deutz AG as a joint venture (the "Argentina Engine Joint Venture"). The Argentina Engine Joint Venture will allow the Company to share in research and development costs and gain access to advanced technology.

MF Argentina Acquisition. In May 1998, the Company acquired the distribution rights for the Massey Ferguson brand in Argentina (the "MF Argentina Acquisition"). The MF Argentina Acquisition expanded the Company's distribution network in the second largest market in South America.

Spra-Coupe and Willmar Acquisitions. In July 1998, the Company acquired the Spra-Coupe product line, a brand of agricultural sprayers sold primarily in North America (the "Spra-Coupe Acquisition"). In October 1998, the Company acquired the Willmar product line, a brand of agricultural self-propelled sprayers, spreaders and loaders sold primarily in North America (the "Willmar Acquisition"). Spra-Coupe and Willmar had combined net sales of approximately \$81.8 million in their respective full fiscal years preceding these acquisitions. The Spra-Coupe and Willmar Acquisitions expanded the Company's product offerings to include a full line of self-propelled sprayers.

PRODUCTS

Tractors

Tractors are vehicles used to pull farm implements, hay tools, forage equipment and other farm equipment. The Company participates in three segments of the tractor market: the compact segment, which includes tractors in the less than 40 horsepower range; the mid-range segment, which includes tractors in the 40 to 100 horsepower range; and the high horsepower segment, which includes tractors in excess of 100 horsepower.

All compact tractors are sold under the Massey Ferguson brand name and are typically used on small farms and in specialty agricultural industries such as dairies, orchards and vineyards. The Company offers a full range of tractors in the 40 to 100 horsepower category, including both two-wheel and all-wheel drive versions. The Company sells mid-range tractors in the 40 to 100 horsepower segment under the Massey Ferguson, Fendt, AGCO Allis, White, Landini, and Deutz brand names. The mid-range tractors are typically used on small and medium-sized farms and in specialty agricultural industries. The Company also offers a full range of tractors in the over-100 horsepower segment ranging primarily from 100 to 425 horsepower. High horsepower tractors are typically used on larger farms and on cattle ranches for hay production. The

Company sells high horsepower tractors under the Massey Ferguson, Fendt, AGCO Allis, White, Landini, AGCOSTAR and Deutz brand names. Tractors accounted for approximately 62%, 62% and 60% of the Company's net sales in 1998, 1997 and 1996, respectively.

Combines

Combines are large, self-propelled machines used for the harvesting of crops, such as corn, wheat, soybeans and barley. The Company sells combines under the GLEANER, Massey Ferguson, Deutz, IDEAL, and beginning in 1999, Fendt brand names. Depending on the market, Gleaner and Massey Ferguson combines are sold with conventional or rotary technology while the Deutz, Fendt and IDEAL 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 10%, 10% and 11% of the Company's net sales in 1998, 1997 and 1996, respectively.

Hay Tools and Forage Equipment, Sprayers, Implements and Other Products

Hay tools are used to harvest and process hay crops for livestock feed. Hay tools perform a variety of functions, including mowing and conditioning, raking, tedding, baling and harvesting. Hay tools include self-propelled windrowers and tractor-powered mowers, which cut and condition hay crops for faster drying before forage harvesting or baling; hay tedders and rakes, which are designed to reduce drying time and place hay crops in windrows; round balers, which harvest and roll windrowed hay into circular bales; square balers, which harvest and compress the windrowed hay into solid bales; and forage harvesters, which are used to cut standing corn crops or windrowed hay crops to uniform length. The Company sells hay and forage equipment primarily under the Hesston brand name and, to a lesser extent, the White-New Idea and Massey Ferguson brand names.

Sprayers are used to apply materials such as fertilizers and crop protection chemicals to fields before or after crops have emerged. The Company offers under 500-gallon self-propelled agricultural sprayers under the Spra-Coupe brand name and 500 to 1,000 gallon self-propelled agricultural sprayers under the Willmar brand name.

The Company also distributes a wide range of implements, planters and other equipment for its 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; min-tills, which break up soil and mix 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 tractor-pulled manure spreaders, which fertilize fields with the controlled application of sludge or solid manure, and loaders, which are used for a variety of tasks including lifting and transporting hay crops. The Company sells implements, planters and other products under the Hesston, White-New Idea, Black Machine, Massey Ferguson, Tye, Farmhand, Glencoe, Deutz, Fendt and Willmar brand names. Hay tools and forage equipment, sprayers, implements and other products accounted for 11%, 12% and 12% of the Company's net sales in 1998, 1997 and 1996, respectively.

Replacement Parts

In addition to sales of new equipment, the replacement parts business is an important source of revenue and profitability for both the Company and its dealers. The Company sells replacement parts for products sold under all of its brand names, many of which are proprietary. These parts help keep farm equipment in use, including products no longer in production. Since most of the Company's products can be economically maintained with parts and service for a period of 10 to 20 years, each product which enters the marketplace provides the Company 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 17%, 16% and 17% of the Company's net sales in 1998, 1997 and 1996, respectively.

MARKETING AND DISTRIBUTION

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

Western Europe

Fully assembled tractors and other equipment are marketed in most major Western European markets directly through a network of approximately 2,400 independent Massey Ferguson and Fendt dealers and agricultural cooperatives in Western Europe. In addition, the Company sells through independent distributors and associates in certain markets in Western Europe, which distribute through approximately 770 Massey Ferguson and Fendt dealers. In most cases, dealers carry competing or complementary products from other manufacturers. Sales in Western Europe accounted for 47%, 47% and 43% of the Company's net sales in 1998, 1997 and 1996, respectively.

North America

The Company markets and distributes its farm machinery, equipment and replacement parts to farmers in North America through a network of dealers supporting approximately 6,500 dealer contracts. Each of the Company's approximately 2,800 independent dealers represents one or more of the Company's distribution lines or brand names. Dealers may also handle competitive and dissimilar lines of products. The Company intends to maintain the separate strengths and identities of its brand names and product lines. Sales in North America accounted for 32%, 30% and 36% of the Company's net sales in 1998, 1997 and 1996, respectively.

South America

The Company markets and distributes its farm machinery, equipment and replacement parts to farmers in South America through several different networks. In Brazil and Argentina, the Company distributes products directly to approximately 475 independent dealers primarily supporting either the Massey Ferguson, IDEAL, or Deutz brand names. Outside of Brazil and Argentina, the Company sells its products in South America through independent distributors. In Brazil, federal laws are extremely protective of dealers and prohibit a manufacturer from selling any of its products in Brazil except through its dealer network. Additionally, each dealer has the exclusive right to sell its manufacturer's product in its designated territory and as a result, no dealer may represent more than one manufacturer. Sales in South America accounted for 11%, 10% and 4% of the Company's net sales in 1998, 1997 and 1996, respectively.

Rest of the World

Outside Western Europe, North America and South America, the Company operates primarily through a network of approximately 2,115 independent Massey Ferguson and Fendt distributors and dealers, as well as associates and licensees, marketing the Company's 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 the Company directly supports its dealer network, the Company utilizes independent distributors, associates and licensees to sell its products. These arrangements allow AGCO to benefit from local market expertise to establish strong market positions with limited investment. In some cases, AGCO also sells agricultural equipment directly to governmental agencies. The Company will continue to actively support the local production and distribution of Massey-licensed products by third party distributors, associates and licensees. Sales outside Western Europe, North America, and South America accounted for 10%, 13% and 17% of the Company's net sales in 1998, 1997 and 1996, respectively.

In Western Europe and the rest of the world, associates and licensees provide a significant distribution channel for the Company's products and a source of low cost production for certain Massey Ferguson products. Associates are entities in which the Company has an ownership interest, most notably in India. Licensees are entities in which the Company has 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. The Company generally licenses to these associate companies certain technology, as well as the right to use Massey Ferguson's trade names. The Company sells products to associates and licensees in the form of components used in local manufacturing operations, tractor sets supplied in completely knocked down ("CKD") kits for local assembly and distribution and fully assembled tractors for local distribution only. In certain countries, the arrangements with licensees and associates have evolved to where the Company is principally providing technology, technical assistance and quality control. In these situations, licensee manufacturers sell certain tractor models under the Massey Ferguson brand name in the licensed territory and may also become a source of low cost production to the Company.

Parts Distribution

In Western Europe, the 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. The Company supports its sales of replacement parts in North America through its master parts warehouse in Batavia, Illinois and regional warehouses throughout North America. In the Asia/Pacific region, the Company's parts operation is supported by a master distribution facility in Melbourne, Australia. In South America, replacement parts are maintained and distributed primarily from its facilities in Brazil and Argentina.

Dealer Support and Supervision

The Company believes 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. The Company provides significant support to its dealers in order to improve the quality of its dealer network. The Company monitors each dealer's performance and profitability as well as establishes programs which focus on the continual improvement of the dealer. In North America, the Company also identifies open markets with the greatest potential for each brand and selects an existing AGCO dealer, or a new dealer, who would best represent the brand in that territory. AGCO protects each existing dealer's territory and will not place the same brand within that protected area. Internationally, the Company also focuses on the development of its dealers. The Company analyzes, on an ongoing basis, the regions of each country where market share is not acceptable. Based on this analysis, a dealer may be added in that territory, or a nonperforming dealer may be replaced or refocused on performance standards.

The Company believes that its ability to offer its dealers a full product line of agricultural equipment and related replacement parts as well as its 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 its dealer network. In addition, the Company maintains dealer advisory groups to obtain dealer feedback on its operations. The Company believes all of these programs contribute to the good relations the Company generally enjoys with its dealers.

The Company agrees to provide dealers with competitive products, terms and pricing. Dealers are also given volume sales incentives, demonstration programs and other advertising to assist sales. The Company's competitive sales programs, including retail financing incentives, and its policy for maintaining parts and service availability with extensive product warranties are designed to enhance its 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 United States and Canada, the Company engages in the standard industry practice of providing dealers with inventories of farm equipment and replacement parts for extended periods. The terms of the Company's finance agreements with its dealers vary by region and product line. In the United States and Canada, dealers are typically not required to make a down payment, and the Company effectively provides the dealer with the equipment interest-free for a period of one to twelve months, depending on the product. Thereafter, dealers are charged interest at varying spreads over the prime rate until the product is sold. The Company also provides financing to dealers on used equipment accepted in trade. The Company retains a security interest in all new and used equipment it finances.

Typically, the sales terms outside the United States and Canada are of a shorter duration. The sales terms range from 30 day terms to floorplan financing similar to the arrangements provided to dealers in the United States and Canada. In many cases, the Company retains a security interest in the equipment sold on extended terms. In certain international markets, the Company's sales are backed by letters of credit or credit insurance.

RETAIL FINANCING

Through its retail financing joint ventures located in North America, the United Kingdom, France, Germany and Brazil, the Company provides a competitive and dedicated financing source to the end users of the Company's products as well as equipment produced by other manufacturers. These retail finance companies are owned 49% by the Company and 51% by a wholly-owned subsidiary of Rabobank. Retail finance programs can be tailored to prevailing market conditions and can enhance the Company's sales efforts.

MANUFACTURING AND SUPPLIERS

Manufacturing and Assembly

The Company has consolidated the manufacture of its products in locations where capacity, technology, or local costs are optimized. Furthermore, the Company continues to balance its manufacturing resources with externally sourced machinery, components, and replacement parts to enable the Company to better control inventory and supply of components. The Company believes that its manufacturing facilities are sufficient to meet its needs for the foreseeable future.

Western Europe

The Company's 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, AGCO Allis and White 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 260 horsepower tractors marketed under the Massey Ferguson, AGCO Allis and White brand names. The Marktoberdorf facility produces 50 to 225 horsepower tractors marketed under the Fendt brand name. The Randers facility produces conventional combines under the Massey Ferguson brand name, and beginning in 1999, the Fendt brand name. The Company also assembles forklifts for sale to third parties and manufactures hydraulics for its Fendt tractors and for sale to third parties in its Kempten, Germany facility, and assembles cabs for its Fendt tractors in Baumenheim, Germany. The Company also has a joint venture with Renault Agriculture S.A. ("Renault"), for the manufacture of driveline assemblies for high horsepower AGCO and Renault tractors at the Company's facility in Beauvais (the "GIMA Joint Venture"). By sharing overhead and engineering costs, the GIMA Joint Venture has resulted in a decrease in the cost of these components.

North America

The Company manufactures and assembles GLEANER and Massey Ferguson rotary and conventional combines and combine heads at its Independence, Missouri facility. The Company produces its White-New Idea line of planters, hay tools and forage equipment and implements; Black Machine planters; AGCO Allis, White, Massey Ferguson and AGCOSTAR tractors; cultivating and tillage equipment marketed under the Glencoe brand name and tillage equipment and loaders marketed under the Farmhand brand name at its Coldwater, Ohio facility. The Company also leases a manufacturing facility in Lockney, Texas where it produces drill planters and tillage equipment marketed under the Tye brand name. In Willmar, Minnesota, the Company manufactures self-propelled sprayers marketed under the Spra-Coupe and Willmar brand names and loaders and spreaders under the Willmar brand name. As part of the HFI

joint venture, the Company produces Hesston, White-New Idea and Massey Ferguson hay tools and forage equipment in Hesston, Kansas. The HFI partnership agreement provides for HFI to manufacture hay tools and forage equipment for sale to the Company and Case Corporation at cost. By sharing the facilities with Case Corporation, the Company is able to increase HFI's capacity utilization and reduce the Company's product cost by sharing overhead and product development costs. The Company also maintains a facility in Queretaro, Mexico where tractors are assembled for distribution in the Mexican market.

South America

The Company's manufacturing operations in South America are located in Brazil and Argentina. In Brazil, the Company manufactures and assembles Massey Ferguson tractors, ranging from 50 to 173 horsepower, and industrial loader-backhoes at its facility in Canoas, Rio Grande do Sul. The Company also manufactures conventional combines marketed under the Massey Ferguson, Deutz and IDEAL brand names in Santa Rosa, Rio Grande do Sul. In February 1999, the Company sold its Haedo, Argentina plant which manufactured Deutz branded tractors, ranging from 60 to 190 horsepower, engine components and light duty trucks. The Haedo sale will allow the Company to consolidate certain operations, principally tractor assembly, into its Canoas, Brazil facility in the year 2000. In addition, the Company will outsource certain components currently manufactured in Haedo as part of the transaction. The Argentina Engine Joint Venture manufactures diesel engines, for the Company's equipment and for sale to third parties, at a facility in San Luis, Argentina, which is owned by the joint venture.

Third-Party Suppliers

The Company believes that managing the level of its company and dealer inventory is critical to maintaining favorable pricing for its products. Unlike many of its competitors, the Company externally sources many of its products, components and replacement parts. This strategy minimizes the Company's capital investment requirements and allows greater flexibility to respond to changes in market conditions.

The Company purchases certain products it distributes from third party suppliers. The Company purchases its standard and specialty tractors from Landini S.p.A. ("Landini") and distributes these tractors under the Landini brand name in the United States and Canada and under the Massey Ferguson brand name outside of North America. In addition, certain Massey Ferguson tractor models are purchased from licensees in Poland and Turkey and from Iseki & Company, Limited, a Japanese manufacturer. The Company also purchases certain other tractors, implements, and hay and forage equipment from various third-party suppliers.

In addition to the purchase of machinery, significant components used in the Company's manufacturing operations, such as engines, are supplied by third-party companies. The Company selects third-party suppliers which it believes have the lowest cost, highest quality and most appropriate technology. The Company also assists in the development of these products or component parts based upon its own design requirements. The Company's past experience with outside suppliers has been favorable. Although the Company is currently dependent upon outside suppliers for several of its products, the Company believes that, if necessary, alternative sources of supply could be found.

SEASONALITY

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 possible, the Company attempts to ship products to its dealers and distributors on a level basis throughout the year to reduce the effect of seasonal retail demands on its manufacturing operations and to minimize its investment in inventory. The Company's financing requirements are subject to variations due to seasonal changes in working capital levels, which typically build in the first half of the year and then reduce in the second half of the year.

COMPETITION

The agricultural industry is highly competitive. During the 1980s, the industry experienced significant consolidation and retrenchment. The Company competes with several large national and international full-line suppliers, as well as numerous short-line and specialty manufacturers with differing manufacturing and marketing methods. The Company's principal competitors on a worldwide basis are Case Corporation, Deere & Company and New Holland N.V. In certain Western European and South American countries, regional competitors exist which have significant market share in a single country or a group of countries.

The Company believes 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. The Company has improved and continually seeks to improve in each of these areas but focuses primarily on increasing the farmers' loyalty to the Company's dealers and overall dealer organizational quality in order to distinguish itself in the marketplace. See "Marketing and Distribution."

ENGINEERING AND RESEARCH

The Company makes significant expenditures for engineering and applied research to improve the quality and performance of its products and to develop new products. The Company expended approximately \$56.1 million (1.9% of net sales), \$54.1 million (1.7% of net sales) and \$27.7 million (1.2% of net sales) in 1998, 1997 and 1996, respectively, on engineering and research.

PATENTS AND TRADEMARKS, TRADE NAMES AND BRAND NAMES

The Company owns and has licenses to the rights under a number of domestic and foreign patents, trademarks, trade names and brand names relating to its products and businesses. The Company defends its patent, trademark and trade and brand name rights primarily by monitoring competitors' machines, industry publications and conducting other investigative work. The Company considers its intellectual property rights, including its rights to use the AGCO, AGCO Allis, Massey Ferguson, Fendt, GLEANER, White, Hesston, New Idea, Landini, Black Machine, AGCOSTAR, Tye, Farmhand, Glencoe, Willmar, Spra-Coupe, IDEAL and Deutz (South America) trade and brand names, important in the operation of its businesses; however, the Company does not believe it is dependent on any single patent, trademark or trade name or group of patents or trademarks, trade names or brand names. AGCO, GLEANER, Hesston, Massey Ferguson, AGCOSTAR, New Idea, Tye, Farmhand, Glencoe, Spra-Coupe and Willmar are registered trademarks of the Company. In addition, Fendt is a registered trademark in Germany, and the Company has a pending trademark registration for the Fendt brand name in the U.S. and Canada.

EMPLOYEES

As of December 31, 1998, the Company employed approximately 10,500 employees, including approximately 2,300 employees in the United States and Canada. A majority of the Company's employees at its manufacturing facilities, both domestic and international, are represented by collective bargaining agreements with expiration dates ranging from 2000 to 2002. The Company is currently in negotiations with national labor unions in France relating to the renewal of their collective bargaining agreements which expired December 31, 1998.

ENVIRONMENTAL MATTERS AND OTHER GOVERNMENT REGULATION

The Company is subject to environmental laws and regulations concerning emissions to the air, discharges of processed or other types of waste water and the generation, handling, storage, transportation, treatment and disposal of waste materials. These laws and regulations are constantly changing, and it is impossible to predict with accuracy the effect they may have on the Company in the future. The Company has been made aware of possible solvent contamination at the HFI facility in Hesston, Kansas. The extent of any possible contamination is being investigated in conjunction with the appropriate state authorities. It is the Company's policy to comply with all applicable environmental, health and safety laws and regulations, and the Company believes that any expense or liability it may incur in connection with any noncompliance with any such law or regulation or the cleanup of any of its properties will not have a material adverse effect on the Company. The Company believes it is in compliance, in all material respects, with all applicable laws and regulations.

The Environmental Protection Agency (the "EPA") has issued regulations concerning permissible emissions from off-road engines. The Company does not anticipate that the cost of compliance with the regulations will have a material impact on the Company.

The Company is subject to various national, federal, state and local laws affecting its business, as well as a variety of regulations relating to such matters as working conditions and product safety. A variety of state laws regulate the Company's contractual relationships with its dealers. These laws impose substantive standards on the relationship between the Company and its dealers, including events of default, grounds for termination, non-renewal of dealer

contracts and equipment repurchase requirements. Such state laws could adversely affect the ability of the Company to rationalize its dealer network.

The Company's international operations are also subject to environmental laws, as well as various other national and local laws, in the countries in which it manufactures and sells its products. The Company believes that it is in compliance with such laws in all material respects, and the cost of compliance with such laws in the future will not have a material adverse effect on the Company.

REGULATION AND GOVERNMENT POLICY

Domestic and foreign political developments and government regulations and policies directly affect the agricultural industry in the United States 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 the Company's business.

FINANCIAL INFORMATION ON GEOGRAPHICAL AREAS

For financial information on geographic areas, see page 43 of the Annual Report to Stockholders for the year ended December 31, 1998, which is incorporated herein by reference.

FORWARD LOOKING STATEMENTS

Certain information included in Management's Discussion and Analysis of Financial Condition and Results of Operations constitute forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, including the information set forth under "--Outlook". Although the Company believes that the expectations reflected in such forward looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved. Additionally, the Company's financial results are sensitive to movement in interest rates and foreign currencies, as well as general economic conditions, pricing and product actions taken by competitors, production disruptions and changes in environmental, international trade and other laws which impact the way in which it conducts its business. Important factors that could cause actual results to differ materially from the Company's current expectations are disclosed in conjunction with the Company's filings with the Securities and Exchange Commission.

Item 2. PROPERTIES

The principal properties of the Company as of December 31, 1998 are as follows:

Location -----	Description of Property -----	Leased (sq. ft.) -----	Owned (sq. ft.) -----
North America:			
Duluth, Georgia	Corporate Headquarters		125,000
Coldwater, Ohio.....	Manufacturing		1,490,000
Hesston, Kansas (A).....	Manufacturing		1,115,000
Independence, Missouri.....	Manufacturing		450,000
Lockney, Texas.....	Manufacturing	190,000	
Querretaro, Mexico.....	Manufacturing		13,500
Willmar, Minnesota.....	Manufacturing		223,400
Eagan, Minnesota.....	Sales office	8,300	
Kansas City, Missouri.....	Warehouse	425,000	
Batavia, Illinois.....	Parts Distribution	310,200	
Des Moines, Iowa (B).....	Retail Finance Office	23,850	
International:			
Coventry, United Kingdom.....	Regional Headquarters/Manufacturing		4,135,150
Beauvais, France (C).....	Manufacturing		3,740,000
Marktobendorf, Germany.....	Manufacturing		2,411,000
Baumenheim, Germany.....	Manufacturing		1,890,000
Kempton, Germany.....	Manufacturing		582,000
Randers, Denmark.....	Manufacturing		683,000
Haedo, Argentina (D).....	Manufacturing		489,450
Noetinger, Argentina.....	Manufacturing		156,170
San Luis, Argentina (E).....	Manufacturing		57,860
Canoas, Rio Grande do Sul, Brazil.....	Regional Headquarters /Manufacturing		452,400
Santa Rosa, Rio Grande do Sul, Brazil.....	Manufacturing		297,100
Ennery, France.....	Parts Distribution		269,100
Sunshine, Victoria, Australia.....	Regional Headquarters		37,200
Tottenham, Victoria, Australia.....	Parts Distribution		179,960
Stoneleigh, United Kingdom.....	Training Facility/Office	44,000	

-
- (A) Owned by HFI, a joint venture in which the Company has a 50% interest.
- (B) Owned by the Agricredit-North America Joint Venture, in which the Company has a 49% interest.
- (C) Includes the GIMA Joint Venture, in which the Company has a 50% interest.
- (D) In February 1999, the Company sold the Haedo, Argentina facility. See Manufacturing and Suppliers - South America in Item 1.
- (E) Owned by the Argentina Engine Joint Venture, in which the Company has a 50% interest.

The Company considers each of its facilities to be in good condition and adequate for its present use. The Company believes that it has sufficient capacity to meet its current and anticipated manufacturing requirements.

Item 3. LEGAL PROCEEDINGS

The Company is a party to various legal claims and actions incidental to its business. The Company believes that none of these claims or actions, either individually or in the aggregate, is material to the business or financial condition of the Company.

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

The dividend and market price information under the heading "Trading and Dividend Information" on page 19 of the Annual Report to Stockholders for the year ended December 31, 1998 is incorporated herein by reference.

Item 6. SELECTED FINANCIAL DATA

The information under the heading "Selected Financial Data" for the years ended December 31, 1994 through 1998 on page 19 of the Annual Report to Stockholders for the year ended December 31, 1998 is incorporated herein by reference.

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

The information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 20 through 27 of the Annual Report to Stockholders for the year ended December 31, 1998 is incorporated herein by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information under the heading "Foreign Currency Risk Management" and "Interest Rates" in "Management's Discussion and Analysis and Results of Operations" on pages 26 and 27 of the Annual Report to Stockholders and in Footnote 1 - "Financial Instruments" of the Notes to Consolidated Financial Statements on page 34 of the Annual Report to Stockholders for the year ended December 31, 1998 is incorporated herein by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following financial statements of the Registrant and its subsidiaries included on pages 28 through 45 of the Annual Report to Stockholders for the year ended December 31, 1998 are incorporated herein by reference:

Consolidated Statements of Income for the years ended December 31, 1998, 1997 and 1996.

Consolidated Balance Sheets as of December 31, 1998 and 1997.

Consolidated Statements of Stockholders' Equity for the years ended December 31, 1998, 1997 and 1996.

Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1997 and 1996.

Notes to Consolidated Financial Statements.

Report of Independent Public Accountants.

The information under the heading "Quarterly Results" on page 24 of the Annual Report to Stockholders for the year ended December 31, 1998 is incorporated herein by reference.

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

Not Applicable.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT

The information under the heading "Election of Directors" and the information under the heading "Directors Continuing in Office" on pages 2, and 3 and 4, respectively, of the Proxy Statement for the Annual Meeting of Stockholders to be held April 28, 1999 is incorporated herein by reference for information on the directors of the Registrant. The information under the heading "Executive Officers" on pages 16 through 18 of the Proxy Statement for the Annual Meeting of Stockholders to be held April 28, 1999 is incorporated herein by reference for information on the executive officers of the Registrant. The information under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" on page 18 of the Proxy Statement for the Annual Meeting of Stockholders to be held April 28, 1999 is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information under the heading "Board of Directors and Certain Committees of the Board," the information under the heading "Compensation Committee Interlocks and Insider Participation" and the information under the heading "Executive Compensation" on pages 4 and 5, page 5, and pages 8 through 10, respectively, of the Proxy Statement for the Annual Meeting of Stockholders to be held April 28, 1999 are incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information under the heading "Principal Holders of Common Stock" on pages 6 through 8 of the Proxy Statement for the Annual Meeting of Stockholders to be held April 28, 1999 is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information under the heading "Certain Relationships and Related Transactions" on page 18 of the Proxy Statement for the Annual Meeting of Stockholders to be held April 28, 1999 is incorporated herein by reference.

PART IV

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

- (a)1. The following consolidated financial statements of AGCO Corporation and its subsidiaries, included in the Annual Report of the registrant to its stockholders for the year ended December 31, 1998, are incorporated by reference in Part II, Item 8:

Consolidated Statements of Income for the years ended December 31, 1998, 1997 and 1996.

Consolidated Balance Sheets at December 31, 1998 and 1997.

Consolidated Statements of Stockholders' Equity for the years ended December 31, 1998, 1997 and 1996.

Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1997 and 1996.

Notes to Consolidated Financial Statements.

Report of Independent Public Accountants.

- (a)2. The following Report of Independent Public Accountants and the Consolidated Financial Statement Schedule of AGCO Corporation and its subsidiaries are included herein on pages F-1 through F-2.

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

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

(a) 3. The following exhibits are filed or incorporated by reference as part of this report.

Exhibit No. -----	Description of Exhibit -----
3.1	Certificate of Incorporation of the Registrant incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.
3.2	By-Laws of the Registrant incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.
4.1	Rights Agreement between and among AGCO Corporation and Chemical 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.
4.2	Certificate of Designation of the Junior Cumulative Preferred Stock of the Company incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1994.
4.3	Indenture between AGCO Corporation and SunTrust Bank, as Trustee, dated as of March 20, 1996, incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
10.1	HFI Partnership Agreement incorporated by reference to the Company's Registration Statement on Form S-1 (No. 33-43437) dated April 16, 1992.
10.2	Joint Venture Agreement between Massey Ferguson S.A., Renault Agriculture S.A. and Massey Ferguson Group Limited dated July 20, 1994 incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1994.
10.3	Massey Ferguson Finance France SNC Agreement among and between Massey Ferguson S.A. and DeLage Landen Leasing S.A. dated September 15, 1992 incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1994.
10.4	Shareholders Agreement in respect of Massey Ferguson Finance Limited among and between Massey Ferguson Limited, DeLage Landen Financial Services Limited and DeLage Landen B.V. dated June 19, 1990 incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1994.
10.5	Shareholders Agreement dated February 15, 1995 between Massey Ferguson GmbH and DeLage Landen Leasing GmbH incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.
10.6	Tractor Distributor Agreement by and between Landini S.p.A. and AGCO Corporation dated February 1, 1995 incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1994.
10.7	Deferred Compensation Plan incorporated by reference to the Company's Registration Statement on Form S-1 (No. 33-43437) dated April 16, 1992.
10.8	1991 Stock Option Plan, as amended.
10.9	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.

- 10.10 Amended and Restated Long-Term Incentive Plan incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.
- 10.11 Nonemployee Director Stock Incentive Plan, as amended incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.
- 10.12 Management Incentive Compensation Plan incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
- 10.13 Purchase and Sale Agreement between and among AGCO Corporation and Varity Holdings Limited, Varity GmbH, Massey Ferguson GmbH, Massey Ferguson Industries Limited, Massey Ferguson (Delaware) Inc. and Varity Corporation dated as of April 26, 1994 incorporated by reference to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1994.
- 10.14 Second Amended and Restated Credit Agreement dated as of March 12, 1999 among AGCO Corporation, AGCO Canada, Ltd., Massey Ferguson Manufacturing Limited, Massey Ferguson Limited, AGCO Limited, Massey Ferguson S.A., AGCO Holding B.V., and Massey Ferguson GmbH, the lenders listed on the signatures pages thereof; Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch ("Rabobank"), SunTrust Bank Atlanta, and Deutsche Bank AG, New York Branch, as co-managers; Deutsche Bank Canada, as Canadian administrative agent, and Rabobank, as administrative agent for the lenders.
- 10.15 Limited Liability Company Agreement of Agricredit Acceptance LLC dated November 1, 1996 incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.
- 10.16 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.
- 10.17 Employment and Severance Agreement by and between AGCO Corporation and John M. Shumejda incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
- 10.18 Employment and Severance Agreement by and between AGCO Corporation and James M. Seaver incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
- 10.19 Employment and Severance Agreement by and between AGCO Corporation and Edward R. Swingle.
- 10.20 Employment and Severance Agreement by and between AGCO Corporation and Chris E. Perkins incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1997.
- 12.0 Statement re:Computation of Earnings to Combined Fixed Charges.
- 13.0 Portions of the AGCO Corporation Annual Report to Stockholders for the year ended December 31, 1997 expressly incorporated herein by reference.
- 21.0 Subsidiaries of the Registrant.
- 23.0 Consent of Arthur Andersen LLP, independent public accountants.

24.0 Power of Attorney

27.1 Financial Data Schedule - December 31, 1998 (filed for SEC reporting purposes only).

(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, thereunto duly authorized.

AGCO Corporation

By: /s/ John M. Shumejda

 John M. Shumejda
 President and Chief Executive
 Officer

Dated: March 31, 1999

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

Signature -----	Title -----	Date ----
* ----- Robert J. Ratliff	Chairman of the Board	March 31, 1999
/s/ John M. Shumejda ----- John M. Shumejda	President and Chief Executive Officer, Director	March 31, 1999
/s/ Patrick S. Shannon ----- Patrick S. Shannon	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 31, 1999
* ----- Henry J. Claycamp	Director	March 31, 1999
----- Wolfgang Deml	Director	
* ----- William H. Fike	Director	March 31, 1999
* ----- Gerald B. Johanneson	Director	March 31, 1999
* ----- Richard P. Johnston	Director	March 31, 1999
----- Anthony D. Loehnis	Director	
----- Alan S. McDowell	Director	
* ----- Hamilton Robinson, Jr.	Director	March 31, 1999
* ----- Wolfgang Sauer	Director	March 31, 1999

*By: /s/ Patrick S. Shannon

 Patrick S. Shannon
 Attorney-in-Fact

ANNUAL REPORT ON FORM 10-K

ITEM 14(A)(2)

FINANCIAL STATEMENT SCHEDULE
YEAR ENDED DECEMBER 31, 1998

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON FINANCIAL STATEMENT SCHEDULE

To AGCO Corporation:

We have audited in accordance with generally accepted auditing standards, the consolidated balance sheets of AGCO CORPORATION AND SUBSIDIARIES as of December 31, 1998 and 1997 and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1998, and have issued our report thereon dated February 3, 1999. 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 3, 1999

AGCO CORPORATION AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(in millions)

Description	Balance at Beginning of Period	Acquired Businesses	Additions		Deductions	Balance at End of Period
			Charged To Costs and Expenses	Charged (Credited) To Other Accounts		
Year ended December 31, 1998						
Allowances for sales incentive discounts and doubtful receivables	\$ 97.2	\$ 2.0	\$ 118.7	\$--	\$ (110.1)	\$ 107.8
Year ended December 31, 1997						
Allowances for sales incentive discounts and doubtful receivables	\$ 75.8	\$ 4.1	\$ 116.1	\$--	\$ (98.8)	\$ 97.2
Year ended December 31, 1996						
Allowances for sales incentive discounts and doubtful receivables	\$ 62.5	\$ 3.3	\$ 91.5	\$--	\$ (81.5)	\$ 75.8

Description	Balance at Beginning of Period	Acquired Businesses	Additions		Deductions	Balance at End of Period
			Charged To Costs and Expenses	Charged (Credited) To Other Accounts		
Year ended December 31, 1998						
Accruals of severance, relocation and other integration costs	\$ 12.4	\$ 6.5	\$ 32.8(a)	\$--	\$ (16.7)	\$ 35.0
Year ended December 31, 1997						
Accruals of severance, relocation and other integration costs	\$ 4.7	\$ 6.5	\$ 18.2	\$--	\$ (17.0)	\$ 12.4
Year ended December 31, 1996						
Accruals of severance, relocation and other integration costs	\$ 1.3	\$ --	\$ 16.5(b)	\$--	\$ (13.1)	\$ 4.7

- (a) Excludes nonrecurring expenses related to pension and postretirement benefit expenses of \$7.2 million.
- (b) Excludes \$5.8 million of nonrecurring expenses for stock compensation expenses under the Company's Long-Term Incentive Plan related to executive severance.

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE
3.1	Certificate of Incorporation of Registrant.	*
3.2	By-Laws of the Registrant.	*
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4.2	Certificate of Designation of the Junior Cumulative Preferred Stock of the Company.	*
4.3	Indenture between AGCO Corporation and SunTrust Bank, as Trustee.	*
10.1	HFI Partnership Agreement.	*
10.2	Joint Venture Agreement between Massey Ferguson S.A., Renault Agriculture S.A. and Massey Ferguson Group Limited.	*
10.3	Massey Ferguson Finance France SNC Agreement among and between Massey Ferguson S.A. and DeLage Landen Leasing S.A.	*
10.4	Shareholders Agreement in respect of Massey Ferguson Finance Limited among and between Massey Ferguson Limited, DeLage Landen Financial Services Limited and DeLage Landen Leasing GmbH	*
10.5	Shareholders Agreement between Massey Ferguson GmbH and DeLage Landen B.V.	*
10.6	Tractor Distributor Agreement by and between Landini S.p.A. and AGCO Corporation.	*
10.7	Deferred Compensation Plan.	*
10.8	1991 Stock Option Plan, as amended.	-
10.9	Form of Stock Option Agreements (Statutory and Nonstatutory).	*
10.10	Amended and Restated Long-Term Incentive Plan.	*
10.11	Nonemployee Director Stock Incentive Plan, as amended.	*
10.12	Management Incentive Compensation Plan.	*
10.13	Purchase and Sale Agreement between and among AGCO Corporation and Varity Holdings Limited, Varity GmbH, Massey Ferguson GmbH, Massey Ferguson Industries Limited, Massey Ferguson (Delaware) Inc. and Varity Corporation.	*
10.14	Second Amended and Restated Credit Agreement dated as of January 14, 1997, among AGCO Corporation, AGCO Canada, Ltd., Massey Ferguson Manufacturing Limited, Massey Ferguson Limited, AGCO Limited, Massey Ferguson S.A., AGCO Holding B.V., Massey Ferguson GmbH and the lenders listed on the signature pages thereof, Cooperatieve Centrale Raiffesen-Boerenleenbank B.A., "RABOBANK NEDERLAND", New York Branch ("Rabobank"), SunTrust Bank, Atlanta, and Deutsche Bank AG, New York Branch, as Co-Managers; Deutsche Bank Canada, as Canadian Administrative Agent and Rabobank, as Administrative Agent for the lenders, as amended by the parties thereto on February 24, 1997.	-
10.15	Limited Liability Company Agreement of Agrifcredit Acceptance LLC	*
10.16	Employment and Severance Agreement by and between AGCO Corporation and Robert J. Ratliff.	*
10.17	Employment and Severance Agreement by and between AGCO Corporation and John M. Shumejda.	*
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10.20	Employment and Severance Agreement by and between AGCO Corporation and Chris E. Perkins.	*
12.0	Statement re: Computation of Earnings to Combined Fixed Charges.	-
13.0	Portions of the AGCO Corporation Annual Report to Stockholders for the year ended December 31, 1998.	-
21.0	Subsidiaries of the Registrant.	-
23.0	Consent of Arthur Andersen LLP, independent public accountants.	-
27.1	Financial Data Schedule - December 31, 1998 (filed for SEC reporting purposes only)	-

- - - - -
 * Incorporated herein by reference

AGCO CORPORATION
1991 STOCK OPTION PLAN, as amended

April 29, 1998

AGCO Corporation
1991 STOCK OPTION PLAN

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AGCO Corporation
1991 STOCK OPTION PLAN

I. PURPOSES

AGCO Corporation (the "Company") desires to afford certain directors, key employees and consultants of the Company and its subsidiaries who are responsible for the continued growth of the Company an opportunity to acquire a proprietary interest in the Company, and thus to create in such persons interest in and a greater concern for the welfare of the Company.

The stock options offered pursuant to this 1991 Stock Option Plan (the "Plan") are a matter of separate inducement and are not in lieu of any salary or other compensation for services.

The Company, by means of the Plan, seeks to retain the services of persons now holding key positions and to secure the services of persons capable of filling such positions.

The options granted under the Plan may be designated as either incentive stock options ("Incentive Options") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or options that do not meet the requirements for Incentive Options ("Non-Qualified Options") but the Company makes no warranty as to the qualification of any option as an Incentive Option. Only key employees may be granted Incentive Options under the Plan.

II. AMOUNT OF STOCK SUBJECT TO THE PLAN

The total number of shares of common stock of the Company which may be purchased pursuant to the exercise of options granted under the Plan shall not exceed, in the aggregate, 4,000,000 shares of the authorized common stock, \$0.01 par value, per share, of the Company (the "Shares").

Shares which may be acquired under the Plan may be either authorized but unissued Shares or Shares of issued stock held in the Company's treasury, or both, at the discretion of the Company. If and to the extent that options granted under the Plan expire or terminate without having been exercised, new options may be granted with respect to the Shares covered by such expired or terminated options, provided that the grant and the terms of such new options shall in all respects comply with the provisions of the Plan.

Except as provided in Article XX, the Company may, from time to time during the period beginning September 18, 1991 (the "Effective Date") and ending September 17, 2001 (the "Termination Date") grant options to certain directors, key employees and consultants under the terms hereinafter set forth.

No individual shall be granted options to purchase in the aggregate more than 250,000 shares.

III. ADMINISTRATION

The Board of Directors of the Company (the "Board of Directors") shall designate from among its members an option committee (the "Committee") to administer the Plan. The Committee shall consist of no fewer than three (3) members of the Board of Directors, each of whom shall be a "nonemployee director" within the meaning of Rule 16b-3 (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and an "outside director" within the meaning of Section 162(m)(4)(C)(i) of the Code. A majority of the members of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee shall be the act of the Committee. Any member of the Committee may be removed at any time, either with or without cause, by resolution adopted by a majority of the Board of Directors, and any vacancy on the Committee may at any time be filled by resolution adopted by a majority of the Board of Directors.

Any or all powers and functions of the Committee may at any time and from time to time be exercised by the Board of Directors; provided, however, that, with respect to the participation in the Plan by persons who are members of the Board of Directors, such powers and functions of the Committee may be exercised by the Board of Directors only if, at the time of such exercise, all of the members of the Board of Directors acting in the particular matter are "nonemployee directors" within the meaning of Rule 16b-3 (or any successor rule or regulation) promulgated under the Exchange Act and "outside directors" within the meaning of Section 162(m)(4)(C)(i) of the Code.

Subject to the express provisions of the Plan, the Board of Directors or the Committee, as the case may be, shall have authority, in its discretion, to determine the persons to whom options shall be granted, the time when such options shall be granted, the number of Shares which shall be subject to each option, the purchase price of each Share which shall be subject to each option, the period(s) during which such options shall be exercisable (whether in whole or in part) and the other terms and provisions thereof. In determining the employees to whom options shall be granted and the number of Shares for which options shall be granted to each person, the Board of Directors or the Committee, as the case may be, shall consider the length of service, the amount of earnings, and the responsibilities and duties of such person.

Subject to the express provisions of the Plan, the Board of Directors or the Committee, as the case may be, also shall have authority to construe the Plan and options granted thereunder, to amend the Plan and options granted thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan, to determine the terms and provisions of the respective options (which need not be identical) and to make all other determinations necessary or advisable for administering the Plan; provided, however, that neither the Board of Directors nor the Committee shall issue any new option in exchange for the cancellation of an existing option if such new option

would have an exercise price lower than the exercise price of the cancelled option. The Board of Directors or the Committee, as the case may be, also shall have the authority to require, in its discretion, as a condition of the granting of any such option, that the optionee agree (i) not to sell or otherwise dispose of Shares acquired pursuant to the option for a period of six (6) months following the date of acquisition of such Shares and (ii) that in the event of termination of service of the optionee with the Company or any subsidiary of the Company, other than as a result of dismissal without cause, such optionee will not, for a period to be fixed at the time of the grant of the option, enter into any other employment or participate directly or indirectly in any other business or enterprise which is competitive with the business of the Company or any subsidiary of the Company, or enter into any employment in which such optionee will be called upon to utilize special knowledge obtained through service with the Company or any subsidiary of the Company.

The determination of the Board of Directors or the Committee, as the case may be, on matters referred to in this Article III shall be conclusive.

The Board of Directors or the Committee, as the case may be, may employ such legal counsel, consultants and agents as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant and any computation received from any such consultant or agent. Expenses incurred by the Board of Directors or the Committee in the engagement of such counsel, consultant or agent shall be paid by the Company. No member or former member of the Committee or of the Board of Directors shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

IV. ELIGIBILITY

Options may be granted only to directors, key employees and consultants of the Company and its subsidiaries who are not members of the Committee.

An Incentive Option shall not be granted to any person who, at the time the option is granted, owns stock of the Company or any subsidiary or parent of the Company possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any subsidiary or parent of the Company unless (i) the option price is at least one hundred ten percent (110%) of the fair market value per share (as defined in Article VI) of the stock subject to the option and (ii) the option is not exercisable after the fifth anniversary of the date of grant of the option. In determining stock ownership of an employee, the rules of Section 424 (d) of the Code shall be applied, and the Board of Directors or the Committee, as the case may be, may rely on representations of fact made to it by the employee and believed by it to be true.

V. MAXIMUM ALLOTMENT OF INCENTIVE OPTIONS

If the aggregate fair market value of stock with respect to which Incentive Options are exercisable for the first time by an employee during any calendar year (under all stock option plans of the Company and any parent or any subsidiary of the Company) exceeds \$100,000, any options

which otherwise qualify as Incentive Options, to the extent of the excess, will be treated as NonQualified Options.

VI. OPTION PRICE AND PAYMENT

The price per Share under any option granted hereunder shall be such amount as the Board of Directors or the Committee, as the case may be, shall determine but, in the case of an Incentive Option, such price shall not be less than one hundred percent (100%) of the fair market value of the Shares subject to such option, as determined in good faith by the Board of Directors or the Committee, as the case may be, at the date the option is granted.

If the Shares are listed on a national securities exchange in the United States on the date any option is granted, the fair market value per Share shall be deemed to be the average of the high and low quotations at which such Shares are sold on such national securities exchange in the United States on the date next preceding the date upon which the option is granted, but if the Shares are not traded on such date, or such national securities exchange is not open for business on such date, the fair market value per Share shall be determined as of the closest preceding date on which such exchange shall have been open for business and the Shares were traded. If the Shares are listed on more than one national securities exchange in the United States on the date any such option is granted, the Committee shall determine which national securities exchange shall be used for the purpose of determining the fair market value per Share. If the Shares are not listed on a national securities exchange but are reported on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), the fair market value per share shall be deemed to be the average of the high bid and low asked prices on the date next preceding the date upon which the option is granted as reported by NASDAQ.

For purposes of this Plan, the determination by the Board of Directors or the Committee, as the case may be, of the fair market value of a Share shall be conclusive.

Upon the exercise of an option granted hereunder, the Company shall cause the purchased Shares to be issued only when it shall have received the full purchase price for the Shares in cash; provided, however, that in lieu of cash, the holder of an option may, if and to the extent the terms of such option so provide and to the extent permitted by applicable law, exercise an option in whole or in part, by delivering to the Company shares of common stock of the Company (in proper form for transfer and accompanied by all requisite stock transfer tax stamps or cash in lieu thereof) owned by such holder having a fair market value equal to the cash exercise price applicable to that portion of the option being exercised by the delivery of such Shares. The fair market value of the stock so delivered shall be determined as of the date immediately preceding the date on which the option is exercised, or as may be required in order to comply with or to conform to the requirements of any applicable laws or regulations.

VII. USE OF PROCEEDS

The cash proceeds of the sale of Shares subject to the options granted hereunder are to be added to the general funds of the Company and used for its general corporate purposes as the Board of Directors shall determine.

VIII. LOANS, LOAN GUARANTEES AND INSTALLMENT PAYMENTS

In order to assist an optionee (including an optionee who is an officer or director of the Company or any subsidiary of the Company) in the acquisition of shares of Common Stock pursuant to an option granted under the Plan, the Board of Directors or the Committee, as the case may be, may authorize, at either the time of the grant of an option or the time of the acquisition of Common Stock pursuant to the option, (i) the extension of a loan to the optionee by the Company, (ii) the payment by the optionee of the purchase price, if any, for the Common Stock in installments, or (iii) the guarantee by the Company or a subsidiary of the Company of a loan obtained by the optionee from a third party. The terms of any loans, guarantees or installment payments, including the interest rate and terms of repayment, will be subject to the discretion of the Board of Directors or the Committee, as the case may be. Loans, installment payments and guarantees may be granted without security, the maximum credit available being the purchase price, if any, of the Common Stock acquired plus the maximum federal and state income and employment tax liability which may be incurred in connection with the acquisition. In no event, however, may the amount of any loan exceed the amounts allowable to the loan to such individual for the purposes stated hereunder as provided by any regulation of the United States Treasury or other State or Federal statute.

IX. TERM OF OPTIONS AND LIMITATIONS ON THE RIGHT OF EXERCISE

Unless the Board of Directors or the Committee, as the case may be, shall determine otherwise (in which event the instrument evidencing the option granted hereunder shall so specify), any option granted hereunder shall be exercisable during a period of not more than ten (10) years from the date of grant of such option.

The Board of Directors or the Committee, as the case may be, shall have the right to accelerate, in whole or in part, from time to time, conditionally or unconditionally, rights to exercise any option granted hereunder.

To the extent that an option is not exercised within the period of exercisability specified therein, it shall expire as to the then unexercised part.

X. EXERCISE OF OPTIONS

Options granted under the Plan shall be exercised by the optionee as to all or part of the Shares covered thereby by the giving of written notice of the exercise thereof to the Corporate Secretary of the Company and the stock transfer agent for the Company at the principal business

office of the Company, specifying the number of Shares to be purchased and specifying a business day not more than fifteen (15) days from the date such notice is given, for the payment of the purchase price against delivery of the Shares being purchased. Subject to the terms of Articles XV, XVI, XVII and XVIII, the Company shall cause certificates for the Shares so purchased to be delivered to the optionee, against payment of the full purchase price, on the date specified in the notice of exercise.

XI. NONTRANSFERABILITY OF OPTIONS

An option granted hereunder shall not be transferable, whether by operation of law or otherwise, other than by will or the laws of descent and distribution, and any option granted hereunder shall be exercisable, during the lifetime of the holder, only by such holder.

XII. TERMINATION OF EMPLOYMENT

Upon termination of employment of any employee with the Company or any subsidiary of the Company any option previously granted to such employee, unless otherwise specified by the Board of Directors or the Committee, as the case may be, shall, to the extent not theretofore exercised, terminate and become null and void, provided that:

(a) if the employee shall die while in the employ of the Company or any subsidiary of the Company or during either the three (3) month or one (1) year period, whichever is applicable, specified in clause (b) below and at a time when such employee was entitled to exercise an option as herein provided, the legal representative of such employee, or such person who acquired such option by bequest or inheritance or by reason of the death of the employee, may, not later than one (1) year from the date of death, exercise such option, to the extent not theretofore exercised, in respect of any or all of such number of Shares as specified by the Board of Directors or the Committee, as the case may be, in such option grant; and

(b) if the employment of any employee to whom such option shall have been granted shall terminate by reason of the employee's retirement (at such age or upon such conditions as shall be specified by the Board of Directors or the Committee, as the case may be), disability (as described in Section 22(e) (3) of the Code) or dismissal by the employer other than for cause (as defined below), and while such employee is entitled to exercise such option as herein provided, such employee shall have the right to exercise such option so granted, to the extent not theretofore exercised, in respect of any or all of such number of Shares as specified by the Board of Directors or the Committee, as the case may be, in such option at any time up to and including (i) three (3) months after the date of such termination of employment in the case of termination by reason of retirement or dismissal other than for cause and (ii) one (1) year after the date of termination of employment in the case of termination by reason of disability.

In no event, however, shall any person be entitled to exercise any option after the expiration of the period of exercisability of such option as specified therein.

If an employee voluntarily terminates his or her employment, or is discharged for cause, any option granted hereunder shall, unless otherwise specified by the Board of Directors or the Committee, as the case may be, in the option, forthwith terminate with respect to any unexercised portion thereof.

Notwithstanding any other provision of this Article XII, if the employment of any employee with the Company or any subsidiary of the Company is terminated, whether voluntarily or involuntarily, within a one-year period following a change in the ownership or effective control of the Company (within the meaning of Section 280G(b)(2)(A)(i) of the Code) and while such employee is entitled to exercise an option as herein provided, other than a termination of such employment by the Company or any subsidiary of the Company for cause, such employee shall have the right to exercise all or any portion of such option at any time up to and including three (3) months after the date of such termination of employment, at which time such option shall cease to be exercisable.

If an option granted hereunder shall be exercised by the legal representative of a deceased employee or former employee, or by a person who acquired an option granted hereunder by bequest or inheritance or by reason of the death of any employee or former employee, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or equivalent proof of the right of such legal representative or other person to exercise such option.

For the purposes of the Plan, the term "for cause" shall mean (i) with respect to an employee who is a party to a written agreement with, or, alternatively, participates in a compensation or benefit plan of the Company or any subsidiary of the Company, which agreement or plan contains a definition of "for cause or cause" (or words of like import) for purposes of termination of employment thereunder by the Company or such subsidiary of the Company, "for cause" or "cause" as defined in the most recent of such agreements or plans, or (ii) in all other cases, as determined by the Committee or the Board of Directors, as the case may be, in its sole discretion, (a) the willful commission by an employee of a criminal or other act that causes or will probably cause substantial economic damage to the Company or a substantial injury to the business reputation of the Company; (b) the commission by an employee of an act of fraud in the performance of such employee's duties on behalf of the Company or any subsidiary of the Company; or (c) the continuing willful failure of an employee to perform the duties of such employee to the Company or any subsidiary of the Company (other than such failure resulting from the employee's incapacity due to physical or mental illness) after written notice thereof (specifying the particulars thereof in reasonable detail) and a reasonable opportunity to be heard and cure such failure are given to the employee by the Board of Directors or the Committee, as the case may be. For purposes of the Plan, no act, or failure to act, on the employee's part shall be considered "willful" unless done or omitted to be done by the

employee not in good faith and without reasonable belief that the employee's action or omission was in the best interest of the Company or a subsidiary of the Company.

For the purposes of the Plan, an employment relationship shall be deemed to exist between an individual and a corporation if, at the time of the determination, the individual was an "employee" of such corporation for purposes of Section 422(a) of the Code. If an individual is on military, sick leave or other bona fide leave of absence such individual shall be considered an "employee" for purposes of the exercise of an option and shall be entitled to exercise such option during such leave if the period of such leave does not exceed 90 days, or, if longer, so long as the individual's right to reemployment with the Company is guaranteed either by statute or by contract. If the period of leave exceeds ninety (90) days, the employment relationship shall be deemed to have terminated on the ninety-first (91st) day of such leave, unless the individual's right to re-employment is guaranteed by statute or contract.

A termination of employment shall not be deemed to occur by reason of (i) the transfer of an employee from employment by the Company to employment by a subsidiary of the Company or (ii) the transfer of an employee from employment by a subsidiary of the Company to employment by the Company or by another subsidiary of the Company.

XIII. ADJUSTMENT OF SHARES; EFFECT OF CERTAIN TRANSACTIONS

In the event of any change in the outstanding Shares through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or other like change in capital structure of the Company, an adjustment shall be made to each outstanding option such that each such option shall thereafter be exercisable for such securities, cash and/or other property as would have been received in respect of the Shares subject to such option had such option been exercised in full immediately prior to such change, and such an adjustment shall be made successively each time any such change shall occur. The term "Shares" shall after any such change refer to the securities, cash and/or property then receivable upon exercise of an option. In addition, in the event of any such change, the Board of Directors or the Committee, as the case may be, shall make any further adjustment as may be appropriate to the maximum number of Shares subject to the Plan, the maximum number of Shares for which options may be granted to any one employee, and the number of Shares and price per Share subject to outstanding options as shall be equitable to prevent dilution or enlargement of rights under such options, and the determination of the Board of Directors or the Committee, as the case may be, as to these matters shall be conclusive. Notwithstanding the foregoing, (i) each such adjustment with respect to an Incentive Option shall comply with the rules of Section 424(a) of the Code, and (ii) in no event shall any adjustment be made which would render any Incentive Option granted hereunder other than an incentive stock option for purposes of Section 422 of the Code without the consent of the grantee.

XIV. RIGHT TO TERMINATE EMPLOYMENT

The Plan shall not impose any obligation on the Company or any subsidiary of the Company to continue the employment of any holder of an option and it shall not impose any obligation on the part of any holder of an option to remain in the employ of the Company or of any subsidiary thereof.

XV. PURCHASE FOR INVESTMENT

Except as hereafter provided, the holder of an option granted hereunder shall, upon any exercise thereof, execute and deliver to the Company a written statement, in form satisfactory to the Company, in which such holder represents and warrants that such holder is purchasing or acquiring the Shares acquired thereunder for such holder's own account, for investment only and not with a view to the resale or distribution thereof, and agrees that any subsequent offer for sale or sale or distribution of any of such Shares shall be made only pursuant to either (a) a Registration Statement on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), which Registration Statement has become effective and is current with regard to the Shares being offered or sold, or (b) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the holder shall, prior to any offer for sale or sale of such Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto. The foregoing restriction shall not apply to (i) issuances by the Company so long as the Shares being issued are registered under the Securities Act and a prospectus in respect thereof is current or (ii) reofferings of Shares by affiliates of the Company (as defined in Rule 405 or any successor rule or regulation promulgated under the Securities Act) if the Shares being reoffered are registered under the Securities Act and a prospectus in respect thereof is current.

XVI. ISSUANCE OF CERTIFICATES; LEGENDS; PAYMENT OF EXPENSES

Upon any exercise of an option which may be granted hereunder and payment of the purchase price, a certificate or certificates for the Shares as to which the option has been exercised shall be issued by the Company in the name of the person exercising the option and shall be delivered to or upon the order of such person or persons.

The Company may endorse such legend or legends upon the certificates for Shares issued upon exercise of an option granted hereunder and may issue such "stop transfer" instructions to its transfer agent in respect of such Shares as, in its discretion, it determines to be necessary or appropriate to (i) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act, (ii) implement the provisions of the Plan and any agreement between the Company and the optionee or grantee with respect to such Shares, or (iii) permit the Company to determine the occurrence of a disqualifying disposition, as described in Section 421(b) of the Code, of Shares transferred upon exercise of an Incentive Option granted under the Plan.

The Company shall pay all issue or transfer taxes with respect to the issuance or transfer of Shares upon exercise of an option, as well as all fees and expenses necessarily incurred by the Company in connection with such issuance or transfer, except fees and expenses which may be necessitated by the filing or amending of a Registration Statement under the Securities Act, which fees and expenses shall be borne by the recipient of the Shares unless such Registration Statement has been filed by the Company for its own corporate purposes (and the Company so states) in which event the recipient of the Shares shall bear only such fees and expenses as are attributable solely to the inclusion of the Shares he or she receives in the Registration Statement, provided that the Company shall have no obligation to include any shares in any Registration Statement.

All Shares issued as provided herein shall be fully paid and non-assessable to the extent permitted by law.

XVII. WITHHOLDING TAXES

The Company may require an employee exercising a Non-Qualified Option or disposing of Shares acquired pursuant to the exercise of an Incentive Option in a disqualifying disposition (within the meaning of Section 421(b) of the Code) to reimburse the corporation that employs such employee for any taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance or disposition of Shares. In lieu thereof, the corporation that employs such employee shall have the right to withhold the amount of such taxes from any other sums due or to become due from such corporation to the employee upon such terms and conditions as the Board of Directors or the Committee, as the case may be, shall prescribe.

XVIII. LISTING OF SHARES AND RELATED MATTERS

If at any time the Board of Directors shall determine in its discretion that the listing, registration or qualification of the Shares covered by the Plan upon any national securities exchange or under any state or federal law or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of Shares under the Plan, no Shares shall be issued unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Board of Directors.

XIX. AMENDMENT OF THE PLAN

The Board of Directors may, from time to time, amend the Plan without stockholder approval except to the extent that any such amendment fails to comply with any applicable provision of the Code, the Employee Retirement Income Security Act of 1974 or the rules of the New York Stock Exchange or causes the Plan to fail to be treated as qualified performance-based compensation under applicable Treasury Regulations.

XX. TERMINATION OR SUSPENSION OF THE PLAN

The Board of Directors may at any time suspend or terminate the Plan. The Plan, unless sooner terminated by action of the Board of Directors, shall terminate at the close of business on the Termination Date. An option may not be granted while the Plan is suspended or after it is terminated. Rights and obligations under any option granted while the Plan is in effect shall not be altered or impaired by suspension or termination of the Plan, except upon the consent of the person to whom the option was granted. The power of the Board of Directors or the Committee, as the case may be, to construe and administer any options granted prior to the termination or suspension of the Plan under Article III nevertheless shall continue after such termination or during such suspension.

XXI. GOVERNING LAW

The Plan, such options as may be granted thereunder and all related matters shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

XXII. PARTIAL INVALIDITY

The invalidity or illegality of any provision herein shall not be deemed to affect the validity of any other provision.

XXIII. EFFECTIVE DATE

The Plan shall become effective at 5:00 p.m., New York City time, on the Effective Date; provided, however, that if the Plan is not approved by a vote of the shareholders of the Company at an annual meeting or any special meeting or by unanimous written consent within twelve (12) months before or after the Effective Date, the Plan and any options granted thereunder shall terminate.

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of March 12, 1999

among

AGCO CORPORATION
and
CERTAIN SUBSIDIARIES NAMED HEREIN,
Borrowers,

THE LENDERS NAMED HEREIN,
Lenders,

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.,
"RABOBANK NEDERLAND", NEW YORK BRANCH,
SUNTRUST BANK, ATLANTA
and
DEUTSCHE BANK AG, NEW YORK BRANCH,
as Co-Managers,

DEUTSCHE BANK CANADA,
as Canadian Administrative Agent,

and

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.,
"RABOBANK NEDERLAND", NEW YORK BRANCH,

as Administrative Agent

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.,
"RABOBANK NEDERLAND", NEW YORK BRANCH,

SUNTRUST CAPITAL MARKETS, INC.

and

DEUTSCHE BANK SECURITIES INC.,
as Syndication Agents

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Exhibit F	Form of Discount Note

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") dated as of March 12, 1999 amends and restates the Amended and Restated Credit Agreement dated as of February 24, 1997, as amended, among AGCO CORPORATION, a Delaware corporation ("AGCO"), AGCO CANADA, LTD., a Saskatchewan corporation (the "Canadian Subsidiary"), AGCO MANUFACTURING LIMITED (formerly known as MASSEY FERGUSON MANUFACTURING LIMITED), an English corporation ("English Subsidiary One"), AGCO LIMITED (formerly known as MASSEY FERGUSON LIMITED), an English corporation ("English Subsidiary Two"), AGCO INTERNATIONAL LIMITED (formerly known as AGCO LIMITED), an English corporation ("English Subsidiary Three"), AGCO S.A. (formerly known as MASSEY FERGUSON S.A.), a French societe anonyme (the "French Subsidiary"), AGCO HOLDING B.V., a Netherlands corporation (the "Netherlands Subsidiary"), and AGCO VERTRIEBS GMBH (formerly known as MASSEY FERGUSON GMBH), a German corporation (the "German Subsidiary"; the Canadian Subsidiary, English Subsidiary One, English Subsidiary Two, English Subsidiary Three, the French Subsidiary, the Netherlands Subsidiary and the German Subsidiary are referred to herein collectively as the "Borrowing Subsidiaries" and individually as a "Borrowing Subsidiary"; AGCO and the Borrowing Subsidiaries are referred to herein collectively as the "Borrowers" and individually as a "Borrower"); the lenders (the "Lenders") listed on the signature pages hereof; COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH ("Rabobank"), SUNTRUST BANK, ATLANTA, and DEUTSCHE BANK AG, NEW YORK BRANCH, as co-managers (the "Co-Managers"); DEUTSCHE BANK CANADA ("Deutsche Bank Canada"), as Canadian administrative agent for the Canadian Subsidiary Lenders (together with any successor appointed pursuant to Article VII, the "Canadian Administrative Agent"), and COOPERATIEVE CENTRALE RAIFFEISEN- BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH, as administrative agent for the Lenders (together with any successor appointed pursuant to Article VII, the "Administrative Agent").

PRELIMINARY STATEMENT:

The Borrowers have asked the Lenders severally to extend credit to them for the purpose of refinancing debt outstanding under the Old Credit Agreement and for other general corporate purposes, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Acceptance Fee" means, with respect to a Bankers' Acceptance accepted by a Canadian Subsidiary Lender under this Agreement, a fee payable in Canadian Dollars by the Borrower to such Lender calculated on the face amount of the Bankers' Acceptance at a rate equal to the Applicable Margin, on the basis of the number of days in the Contract Period and on the basis of a year of 365 days.

"Advance" means a Canadian Subsidiary Advance, a Multi-Currency Advance or a Letter of Credit Advance.

"Administrative Agent" has the meaning specified in the introductory paragraph of this Agreement.

"Account" means the Administrative Agent's Account or the Canadian Administrative Agent's Account, as applicable.

"Administrative Agent's Account" means,

(a) for U.S. dollars, the account of the Administrative Agent with The Bank of New York, ABA # 021000018, at its office at 245 Park Avenue, New York, New York 10167, Account No. 8026002533, Favor: Rabobank Nederland, New York Branch, Ref. AGCO/Struc. Fin.;

(b) for British pounds, the account of the Administrative Agent maintained with Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", London Branch, in London, Swift # (RAB0GB2L), Account No. 1429957021, Favor: Rabobank Nederland, New York Branch, Ref. AGCO/Struc. Fin.;

(c) for Dutch guilders, the account of the Administrative Agent maintained with Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", Utrecht Branch, The Netherlands, Swift # RABONL2U, Account No. 3908.17.333, Favor: Rabobank Nederland, New York Branch, Ref. AGCO/Struc. Fin.;

(d) for French francs, the account of the Administrative Agent maintained with Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", Paris Branch, in Paris, Swift # (RABOFRPP) Account No. 1019230100, Favor: Rabobank Nederland, New York Branch, Ref. AGCO/Struc. Fin.;

(e) for German deutschemarks, the account of the Administrative Agent maintained with Rabobank Deutschland A.G., in Frankfurt, Swift # (RABODEFF), Account No. 603- 93775, Favor: Rabobank Nederland, New York Branch, Ref. AGCO/Struc. Fin.;

(f) for Italian lira, the account of the Administrative Agent maintained with Credito Italiano, in Milan, Swift # (CRITITMM), Account No. 995/84020/00, Favor: Rabobank Nederland, New York Branch, Ref. AGCO/Struc. Fin.;

(g) for Swiss francs, the account of the Administrative Agent maintained with Union Bank of Switzerland in Zurich, Swift # (UBSWCHZH), Account No. 79.147.05H, Favor: Rabobank Nederland, New York Branch, Ref. AGCO/Struc. Fin.; and

(h) for European Union euros, the account of the Administrative Agent maintained with Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", Utrecht Branch, The Netherlands, Swift # RABONL2U, Account No. 3908.17.333, Favor: Rabobank Nederland, New York Branch, Ref. AGCO/Struc. Fin.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, direct or indirect, (a) by such other Person of the power to vote 5% or more of the Voting Stock of such Person or (b) by such other Person of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Stock, by contract or otherwise; provided that no mutual fund shall be deemed to be an Affiliate of such Person solely by reason of having the power to vote 5% or more of the Voting Stock of such Person.

"AGCO" has the meaning specified in the introductory paragraph of this Agreement.

"Agent" means Administrative Agent or the Canadian Administrative Agent.

"Allowances" means, with respect to any Person on any date of determination,

the aggregate amount of all allowances for surplus or obsolete Inventory that would appear as allowances with respect to Inventory on a balance sheet of such Person at such date prepared in accordance with GAAP and the policies and procedures of such Person with respect to the creation and maintenance of such allowances in effect on the date of this Agreement.

"Alternate Currency" means

(a) British pounds, Canadian Dollars, Dutch guilders, German deutschemarks, French francs, Italian lira, Swiss francs and European Union euros, and

(b) any other lawful currency that is freely transferable and convertible into United States dollars and that has been approved by each Lender.

"Applicable Lending Office" means, with respect to each Lender, such

Lender's Domestic Lending Office in the case of a Base Rate Advance that is a Multi-Currency Advance and such Lender's Eurocurrency Lending Office for loans in another applicable currency, in the case of an Advance denominated in such other currency.

"Applicable Margin" means, on any date of determination and for any

Eurocurrency Rate Advance, any Base Rate Advance for which the Base Rate is determined as provided in clause (b)(ii) of the definition thereof, Acceptance Fee or fee payable pursuant to Section 2.13(e):

(a) until AGCO shall have delivered to the Administrative Agent pursuant to Section 5.03(b) financial statements for its fiscal quarter ending March 31, 1999, 1.00% per annum, and

(b) thereafter, the percentage rate per annum determined by reference to the Applicable Rating and Senior Funded Debt/EBITDA Ratio in effect at such date of determination, as set forth below in the matrix below but subject to the next-following sentence:

APPLICABLE RATING	SENIOR FUNDED DEBT/EBITDA RATIO			
	<2.0	>=2.0 but <3.0	>=3.0 but <4.0	>=4.0
>=A-	0.250%	0.375%	0.500%	0.625%
>=BBB+ but =BBB but =BBB- but =BB+ but =BB but	11			
	6			

"Appropriate Lender" means, at any time, with respect to any of the Multi-Currency Facility, the Letter of Credit Facility or the Canadian Subsidiary Facility, a Lender that has a Commitment with respect to such Facility at such time.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent and, if such assignment and acceptance relates to the Canadian Subsidiary Facility, the Canadian Administrative Agent, in accordance with Section 8.07 and in substantially the form of Exhibit D hereto.

"Available Amount" of any Letter of Credit means, at any time, the maximum amount available to be drawn under such Letter of Credit at such time (assuming compliance at such time with all conditions to drawing).

"BA Equivalent Loan" means an Advance made by a Non BA Lender and evidenced by a Discount Note.

"Bankers' Acceptance" means a bill of exchange substantially in the form of Exhibit E (or such other form as may be acceptable to the Canadian Administrative Agent) denominated in Canadian Dollars drawn by the Borrower and accepted by a Canadian Subsidiary Lender or Participant and the term "Bankers' Acceptance" shall be construed to include Discount Notes as provided in Section 2.16(k).

"Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to:

- (a) with respect to Multi-Currency Borrowings in U.S. dollars, the higher of
- (i) the rate of interest announced by the Administrative Agent, in New York, New York, from time to time, as its base rate, and
 - (ii) one-half of one percent per annum above the Federal Funds Rate, and
- (b) with respect to Canadian Subsidiary Borrowings, the higher of
- (i) the annual rate of interest announced from time to time by the Canadian Administrative Agent as its reference rate then in effect for determining interest rates on Canadian Dollar-denominated commercial loans made by the Canadian Administrative Agent in Canada, and

(ii) the rate per annum announced by the Canadian Administrative Agent as its rate for cost of funds for borrowings for a one-month period, plus the Applicable Margin.

"Base Rate Advance" means an Advance denominated in U.S. dollars and made by

a Multi-Currency Lender or denominated in Canadian Dollars and made by a Canadian Subsidiary Lender, in either case that bears interest as provided in Section 2.06(a)(i).

"Borrower" and "Borrowers" have the respective meanings specified in the

introductory paragraph of this Agreement; provided that additional Persons may

be added to this Agreement as Borrowers with the consent of the Agents, the Issuing Banks and each Lender.

"Borrower Outstandings" means, on any date of determination, the sum of the

Multi-Currency Borrower Outstandings and the Canadian Subsidiary Outstandings on such date.

"Borrower's Account" means the account of the Borrower requesting such a

Borrowing, as specified in such Borrower's Notice of Borrowing.

"Borrowing" means a Multi-Currency Borrowing or a Canadian Subsidiary

Borrowing.

"Borrowing Base" means on any date of determination and for AGCO and its

Restricted Subsidiaries, the sum of

(a) (i) 0.60, multiplied by

(ii) (A) the sum, for all items of Inventory owned by AGCO and its Restricted Subsidiaries, of the lowest of (1) manufactured cost, determined in accordance with GAAP on a first-in, first-out basis, (2) market value and (3) acquisition cost, for each such item (or, if any such cost or value is denominated in an Alternate Currency, the Multi-Currency Equivalent in U.S. dollars of such cost or value as of such date of determination), minus

(B) all Allowances with respect to such Inventory, and

(b) (i) 0.90, multiplied by

(ii) (A) the gross amount of Receivables owing to AGCO and its Restricted Subsidiaries (other than any such Receivables arising in

respect of intercompany transactions and Receivables discounted in transactions permitted under Section 5.02(e)(x)) (calculated, with respect to all Receivables denominated in an Alternate Currency, on the basis of the Multi-Currency Equivalent in U.S. dollars of such gross amount as of any date of determination), minus

(B) all Reserves with respect to such Receivables

in each case as such amounts are specified in the most recent Borrowing Base Certificate delivered to the Administrative Agent prior to such date of determination pursuant to Section 5.03(n).

"Borrowing Base Certificate" means a certificate in respect of the Inventory and Receivables of AGCO and its Restricted Subsidiaries substantially in the form of Exhibit F.

"Borrowing Subsidiary" and "Borrowing Subsidiaries" have the respective meaning specified in the introductory paragraph of this Agreement.

"Business Day" means a day of the year

(a) on which banks are not required or authorized to close in New York City or Atlanta, Georgia;

(b) if the applicable Business Day relates to any Eurocurrency Rate Advance, on which any Lender carries on dealings in the London interbank and foreign exchange markets; and

(c) if the applicable Business Day relates to any Advance in a currency other than U.S. dollars, on which banks are not required or authorized to close in the city of the jurisdiction of such currency where the Appropriate Agent's Account for such currency is located.

"Canadian Administrative Agent" has the meaning specified in the introductory paragraph of this Agreement.

"Canadian Administrative Agent's Account" means the Canadian Administrative Agent's account maintained with Deutsche Bank Canada in Toronto, Ontario, Swift # (DEUTCATT), Attention: H. Richardson, Reference AGCO Canada, Ltd, or such other account as the Canadian Administrative Agent may from time to time designate as the Canadian Administrative Agent's Account.

"Canadian Dollars" and "Cdn. \$" each means lawful money of Canada.

"Canadian Issuing Bank" means Deutsche Bank Canada and its successors and assigns hereunder as issuer of Letters of Credit for the account of the Canadian Subsidiary.

"Canadian Reference Banks" means Deutsche Bank Canada, National Bank of Canada and Bank of Montreal.

"Canadian Subsidiary" has the meaning specified in the introductory paragraph of this Agreement.

"Canadian Subsidiary Advance" has the meaning specified in Section 2.01(b).

"Canadian Subsidiary Borrowing" means a borrowing consisting of simultaneous Canadian Subsidiary Advances of the same Type made by the Canadian Subsidiary Lenders.

"Canadian Subsidiary Commitment" means, with respect to any Canadian Subsidiary Lender at any time, the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Canadian Subsidiary Commitment" or, if such Lender has entered into one or more Assignments and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c) as such Lender's "Canadian Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.04.

"Canadian Subsidiary Facility" means, at any time, the aggregate amount of the Canadian Subsidiary Lenders' Canadian Subsidiary Commitments at such time, which shall not exceed the Multi-Currency Equivalent of U.S. \$100,000,000.

"Canadian Subsidiary Lender" means any Lender that has a Canadian Subsidiary Commitment.

"Canadian Subsidiary Outstandings" means, on any date of determination, the Multi-Currency Equivalent in U.S. dollars of

(a) the aggregate principal amount of all Base Rate Advances or Eurocurrency Rate Advances to the Canadian Subsidiary outstanding on such date of determination, plus

(b) the aggregate face amount of all Bankers' Acceptances outstanding on such date of determination, plus

(c) the aggregate principal amount of all Letter of Credit Advances outstanding on such date of determination in respect of Letters of Credit issued for the account of the Canadian Subsidiary, plus

(d) the aggregate Available Amount of all Letters of Credit issued for the account of the Canadian Subsidiary and outstanding on such date of determination.

"Capitalized Leases" has the meaning specified in clause (e) of the definition of Debt.

"Cash Equivalents" means any of the following, to the extent owned by AGCO or a Restricted Subsidiary of AGCO free and clear of all Liens and having a maturity of not greater than 360 days from the date of issuance thereof:

(a) (i) readily marketable direct obligations of the Government of the United States, Canada, England, France or Germany, or any agency or instrumentality of any of such Governments, (ii) obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, Canada, England, France or Germany or (iii) a mutual fund investing solely in obligations of the types described in clauses (i) and (ii);

(b) insured certificates of deposit of, time deposits or banker's acceptances with or issued by any commercial bank that is

(i) a Lender,

(ii) a member of the Federal Reserve System organized under the laws of the United States or any State thereof, that has combined capital and surplus of at least U.S. \$1 billion and that issues (or the parent of which issues) commercial paper rated as described in clause (c) below or

(iii) organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development, or any jurisdiction of any thereof, that has combined capital and surplus of at least the equivalent of U.S. \$1 billion and that issues (or the parent of which issues) commercial paper rated as described in clause (c) below or with a rating by another rating agency nationally recognized in any such jurisdiction that is at least the equivalent of a rating described in clause (c) below; or

(c) commercial paper in an aggregate amount of no more than U.S. \$25,000,000 per issuer outstanding at any time, issued by

(i) any Lender or its parent, or

(ii) any corporation organized under the laws of any State of the United States, but only if such commercial paper is rated at least "Prime-1" (or the then-equivalent grade) by Moody's or "A-1" (or the then-equivalent grade) by S&P.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"Co-Managers" has the meaning specified in the introductory paragraph of this Agreement.

"Commitment" of any Lender means its Multi-Currency Commitment and/or Canadian Subsidiary Commitment and of any Issuing Bank means its Letter of Credit Commitment.

"Common Stock" means the common stock, par value U.S. \$.01 per share, of AGCO.

"Competitor" means any Person engaged in, or having an Affiliate engaged in, the business of manufacturing, sale, distribution or financing of agricultural equipment and related parts, other than a commercial bank or other financial institution.

"Consolidated" refers to the consolidation of accounts in accordance with GAAP, except that, in the case of AGCO, notwithstanding GAAP, "Consolidated" shall refer to the consolidation of accounts of AGCO and its Restricted Subsidiaries and not of AGCO and its Subsidiaries.

"Consolidated EBITDA" means, for any period,

(a) Consolidated Net Income (or net loss) for such period, plus

(b) Consolidated Net Interest Expense for such period and all amounts deducted in arriving at such Consolidated Net Income in respect of taxes imposed on or measured by income or excess profits (other than income taxes (either positive or negative) attributable to extraordinary and non-recurring gains or losses on sales of assets, to the extent such gains or losses are not included in the definition of Consolidated Net Income), depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than items that will require cash payments and for which an accrual or reserve is, or is required by GAAP to be, made), minus

(c) all non-cash items increasing Consolidated Net Income, all as determined in accordance with GAAP.

"Consolidated Interest Expense" means, for any period, the sum of (a) all amounts that would be deducted in arriving at Consolidated Net Income for such period in respect of interest charges (including amortization of debt discount and expense and imputed interest on Capitalized Leases) and (b) interest expense attributable to any Securitization Debt for such period.

"Consolidated Interest Income" means, for any period, the sum of all amounts that would be included, for purposes of determining Consolidated Net Income, as income of AGCO and its Restricted Subsidiaries for such period in respect of interest payments by third parties to AGCO and its Restricted Subsidiaries.

"Consolidated Net Income" means, for any period, the net income (or deficit) of AGCO and its Restricted Subsidiaries for such period (taken as a cumulative whole), after deducting all operating expenses, provisions for all taxes and reserves (including reserves for deferred income taxes) and all other proper deductions, after eliminating all intercompany transactions and after deducting portions of income properly attributable to minority interests, if any, in the stock and surplus of Restricted Subsidiaries, but including the income (or deficit) of

(x) any Person that becomes a Restricted Subsidiary or is merged into AGCO or a Restricted Subsidiary during such period that accrued during such period prior to the date on which it became a Restricted Subsidiary or was merged into AGCO or a Restricted Subsidiary, and

(y) any Person substantially all of the assets of which have been acquired by AGCO or a Restricted Subsidiary during such period that accrued during such period prior to the date on which such assets were acquired,

to the extent such income or deficit would appear on a pro forma income statement, or the notes thereto, prepared in accordance with Regulation S-X of the Securities and Exchange Commission, of AGCO and its Restricted Subsidiaries reflecting such event; provided that there shall be excluded for purposes of calculating Consolidated Net Income

(a) the income (or deficit) of any Person (other than a Restricted Subsidiary) in which AGCO or any Restricted Subsidiary has an ownership interest, except to the extent that any such income has been actually received by AGCO or such Restricted Subsidiary in the form of dividends or similar distributions;

(b) the undistributed earnings of any Restricted Subsidiary (other than a Borrowing Subsidiary or a Subsidiary Guarantor) to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the time permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(c) any aggregate net gain or aggregate net loss during such period arising from the sale, exchange or other disposition of capital assets (such term to include all fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets, and all securities);

(d) any write-up of any asset, or any write-down of any asset other than Receivables or Inventory;

(e) any net gain from the collection of the proceeds of life insurance policies;

(f) any gain or loss arising from the acquisition of any securities, or the extinguishment, under GAAP, of any Debt, of AGCO or any Restricted Subsidiary;

(g) any net income or gain or any net loss during such period from any change in accounting, from any discontinued operations or the disposition thereof, from any extraordinary events or from any prior period adjustments; and

(h) any deferred credit representing the excess of equity in any Restricted Subsidiary at the date of acquisition over the cost of the investment in such Restricted Subsidiary.

"Consolidated Net Interest Expense" means, for any period,

(a) Consolidated Interest Expense for such period, minus

(b) Consolidated Interest Income for such period.

"Consolidated Net Worth" means, as of the last day of any fiscal quarter of AGCO,

(a) the sum as of such day of the capital stock (but excluding treasury stock and capital stock subscribed and unissued) and surplus (including earned surplus, capital surplus and the balance of the current profit and loss account not transferred to

surplus) accounts of AGCO and its Restricted Subsidiaries appearing on a consolidated balance sheet of AGCO and its Restricted Subsidiaries, after eliminating all intercompany transactions, all amounts properly attributable to minority interests, if any, in the stock and surplus of Restricted Subsidiaries and all currency-translation gains and losses, plus

(b) the aggregate principal amount of Convertible Subordinated Debentures outstanding as of such day.

"Consolidated Senior Funded Debt" means, on any date of determination, the Funded Debt of AGCO and its Restricted Subsidiaries, other than any such Debt that is permitted under Section 5.02(b)(iii).

"Consolidated Tangible Net Worth" means, as of the last day of any fiscal quarter of AGCO, Consolidated Net Worth as of such day, after deducting therefrom (without duplication of deductions):

(a) the net book amount of all assets, after deducting any reserves applicable thereto, which would be treated as intangible under GAAP, including without limitation such items as good will, trademarks, trade names, service marks, brand names, copyrights, patents and licenses, and rights with respect to the foregoing, unamortized debt discount and expense and the excess of cost of purchased Restricted Subsidiaries over equity in the net assets thereof at the date of acquisition;

(b) any write-up in the book value of any asset on the books of AGCO or any Restricted Subsidiary resulting from a revaluation thereof subsequent to the date hereof and after the date of acquisition thereof;

(c) all deferred charges (other than prepaid expenses); and

(d) the amounts at which any Investment in any Person would appear on the asset side of such balance sheet.

"Consolidated Total Assets" means, as of the last day of any fiscal quarter of AGCO, the total assets of AGCO and its Restricted Subsidiaries that would appear on a consolidated balance sheet of AGCO and its Restricted Subsidiaries prepared in accordance with GAAP as of such day, after eliminating all intercompany transactions and all amounts properly attributable to minority interests, if any, in the stock and surplus of Restricted Subsidiaries.

"Contract Period" means, with respect to a Bankers' Acceptance, the term, subject to availability, selected by the Borrower and notified to the Canadian Administrative Agent

in accordance with Section 2.02(a), commencing on the date of the Advance with respect to such Bankers' Acceptance or on the date of Conversion or on the date of rollover in accordance with Section 2.16(h), as applicable, and expiring on a Business Day which shall not be less than 30 days or more than 180 days thereafter, and which shall not expire after the Termination Date.

"Conversion", "Convert" and "Converted" each refer to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.08 or 2.09.

"Convertible Subordinated Debentures" means the 6 1/2% Convertible Subordinated Debentures due 2008 of AGCO outstanding on the date hereof.

"Debt" of any Person means, without duplication,

(a) all indebtedness of such Person for borrowed money;

(b) all Obligations of such Person for the deferred purchase price of property or services, other than trade payables incurred in the ordinary course of business and not overdue by more than 90 days;

(c) all Obligations of such Person evidenced by notes, bonds, debentures or other similar instruments;

(d) all Obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(e) all Obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases ("Capitalized Leases");

(f) all Obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities or in respect of discounted Receivables;

(g) all Obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any capital stock of or other ownership or profit interest in such Person or any other Person or any warrants, rights or options to acquire such capital stock, valued, in the case of Redeemable Preferred Stock, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(h) all Guaranties of the Debt of others referred to in clauses (a) through (g) above, but excluding the Agrifidit Keepwell Agreement; and

(i) all Debt referred to in clauses (a) through (h) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including without limitation accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt.

For purposes of any calculation of any Debt of AGCO and its Restricted Subsidiaries, (A) there shall be no double-counting of direct obligations, Guaranties and reimbursement obligations for letters of credit; (B) the principal amount of any Debt of any Person arising by reason of such Person having guaranteed Debt of others, where the amount of such Guaranty is limited to a specified amount that is less than the principal amount of the Debt guaranteed, shall be such amount as so limited; and (C) there shall be excluded from such Debt any Debt of a joint venture the general partner of which is a single-purpose Subsidiary of AGCO, if the joint venture is not consolidated with AGCO for financial-reporting purposes and such single-purpose Subsidiary's sole significant asset is its general partnership interest in such joint venture.

"Default" means any Event of Default or any event that would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Deutsche Bank Canada" has the meaning specified in the introductory paragraph of this Agreement.

"Discount Note" means a non-interest bearing promissory note substantially in the form of Exhibit F, denominated in Canadian Dollars, issued by the Borrower to a Non BA Lender to evidence a BA Equivalent Loan.

"Discount Proceeds" means, for any Bankers' Acceptance, an amount calculated on the date of the Advance with respect to such Bankers' Acceptance or on the date of the Conversion or on the date of the rollover pursuant to Section 2.16(h), as applicable, calculated by dividing the face amount of such Bankers' Acceptance by the sum of one plus the product of (1) the Discount Rate divided by 100 and multiplied by (2) a fraction, the numerator of which is the applicable Contract Period and the denominator of which is 365.

"Discount Rate" means, with respect to a Bankers' Acceptance being issued on any date, the percentage discount rate (rounded up or down to the second decimal place with .005% being rounded up) published on the Reuters' Screen CDOR Page as the average discount bid rate for Canadian interbank bankers' acceptances having a comparable issue and

maturity date as the issue and maturity date of such Bankers' Acceptance. If such percentage discount rate is not so published, the Discount Rate shall be the percentage discount rate determined by the Canadian Administrative Agent as being the arithmetic average (rounded up or down to the second decimal place with .005% being rounded up) of the percentage discount bid rate quoted on that day by each of the Canadian Reference Banks for bankers' acceptances issued by each of the Canadian Reference Banks and having a comparable issue and maturity date as the issue and maturity date of such Bankers' Acceptance.

"DOMESTIC LENDING OFFICE" means, with respect to any Lender, the office of such Lender specified as its "Domestic Lending Office" opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, as the case may be, or such other office of such Lender as such Lender may from time to time specify to the Borrowers and the Administrative Agent.

"DORMANT SUBSIDIARY" means, as of any date of determination, any Subsidiary of AGCO not conducting any business or other activities or holding any assets in excess of U.S. \$15,000 on such date.

"ELIGIBLE ASSIGNEE" means a commercial bank, a finance company, an insurance company or other financial institution (whether a corporation, partnership, trust or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, having a combined capital and surplus of at least U.S. \$500,000,000 and that is not a Competitor.

"ENGLISH SUBSIDIARY ONE" has the meaning specified in the introductory paragraph of this Agreement.

"ENGLISH SUBSIDIARY TWO" has the meaning specified in the introductory paragraph of this Agreement.

"ENGLISH SUBSIDIARY THREE" has the meaning specified in the introductory paragraph of this Agreement.

"ENVIRONMENTAL ACTION" means any administrative, regulatory or judicial action, suit, demand, demand letter, claim, notice of non-compliance or violation, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law or any Environmental Permit including without limitation

(a) any claim by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any Environmental Law, and

(b) any claim by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to the environment or to public health and welfare in respect of Hazardous Materials.

"Environmental Law" means, with respect to any property or Person, any federal, state, local or foreign law, rule, regulation, order, writ, judgment, injunction, decree, determination or award applicable to such property or Person relating to the environment, public health and welfare in respect of Hazardous Materials, including without limitation CERCLA, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Atomic Energy Act, the Federal Insecticide, Fungicide and Rodenticide Act and the Occupational Safety and Health Act, as any of the foregoing may be from time to time amended, supplemented or otherwise modified.

"Environmental Permit" means, with respect to any property or Person, any permit, approval, identification number, license or other authorization required under any Environmental Law applicable to such property or Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, supplemented or otherwise modified from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" of any Person means any other Person that for purposes of Title IV of ERISA is a member of such Person's controlled group, or under common control with such Person, within the meaning of Section 414 of the Internal Revenue Code.

"ERISA Event" with respect to any Person means

(a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan for which such Person or any of its ERISA Affiliates is the plan administrator or the contributing sponsor, as defined in Section 4001(a)(13) of ERISA unless the 30-day notice requirement with respect to such event has been waived by the PBGC, or (ii) the requirements of subsection (a) of Section 4043(b) of ERISA (without regard to subsection (2) of such Section) are met with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days;

(b) the provision by the administrator of any Plan of such Person or any of its ERISA Affiliates of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA);

(c) the cessation of operations at a facility of such Person or any of its ERISA Affiliates in the circumstances described in Section 4062(e) of ERISA;

(d) the withdrawal by such Person or any of its ERISA Affiliates from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA;

(e) the failure by such Person or any of its ERISA Affiliates to make a payment to a Plan required under Section 302(f)(1) of ERISA;

(f) the adoption of an amendment to a Plan of such Person or any of its ERISA Affiliates requiring the provision of security to such Plan, pursuant to Section 307 of ERISA; or

(g) the institution by the PBGC of proceedings to terminate a Plan of such Person or any of its ERISA Affiliates, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that could constitute grounds for the termination of, or the appointment of a trustee to administer, such Plan.

"Eurocurrency Lending Office" means, with respect to any Lender and any currency, the office of such Lender specified as its "Eurocurrency Lending Office" for such currency opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), as the case may be, or such other office of such Lender as such Lender may from time to time specify to AGCO and the Administrative Agent.

"Eurocurrency Liabilities" has the meaning specified in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Eurocurrency Rate" means, for any Interest Period for all Eurocurrency Rate Advances by any Lender (whether or not a commercial bank) comprising part of the same Borrowing in any currency, an interest rate per annum equal to the rate per annum

(a) in the case of currencies other than Canadian Dollars, obtained by dividing

(i) either

(A) the rate per annum for deposits in such currency that appears on page 3750 (if such currency is U.S. dollars, British pounds, German deutschemarks or Swiss francs), page 3740 (if such currency is Dutch guilders, French francs or Italian lira), the page that from time to time may be applicable thereto (if such currency is European Union euros) of the Dow Jones Telerate Service (or any other page that may replace any such page on such service or is applicable to any other Alternate Currency, in the judgment of the Administrative Agent), or

(B) if a rate cannot be determined pursuant to clause (A) above, a rate per annum equal to the average (rounded upward to the nearest whole multiple of 1/16 of 1% per annum, if such average is not such a multiple) of the rate per annum at which deposits in such currency are offered by the principal office of each of the Reference Banks as determined by the Administrative Agent (or, if the Administrative Agent is unable to obtain information as to such rate from all of the Reference Banks, as to each Reference Bank from which it has obtained such information) in London, England to prime banks in the interbank market,

at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period and for a period equal to such Interest Period, by

(ii) a percentage equal to 100%, minus the Eurocurrency Rate Reserve Percentage for such Interest Period, and

(b) in the case of Canadian Dollars, the rate per annum announced by the Canadian Administrative Agent as its rate for cost of funds for borrowings for a period equal to such Interest Period.

"Eurocurrency Rate Advance" means an Advance denominated in U.S. dollars or in an Alternate Currency that bears interest as provided in Section 2.06(a)(ii).

"Eurocurrency Rate Reserve Percentage", for any Interest Period for all Eurocurrency Rate Advances comprising part of the same Borrowing, means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including without limitation any emergency, supplemental or other marginal reserve requirement) for a member bank of the

Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference to which the interest rate on Eurocurrency Rate Advances is determined) having a term equal to such Interest Period.

"Events of Default" has the meaning specified in Section 6.01.

"Excess Proceeds" has the meaning specified in the Subordinated Debt Indenture.

"Facility" means the Multi-Currency Facility, the Canadian Subsidiary Facility or the Letter of Credit Facility.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Finance Subsidiary" means any Subsidiary of AGCO (other than a Borrower or Guarantor) engaged primarily in the business of providing retail financing to purchasers of agricultural equipment, and each Subsidiary of any of such Persons.

"Foreign Subsidiary" means a Subsidiary of AGCO not organized under the laws of the United States or any jurisdiction thereof.

"French Subsidiary" has the meaning specified in the introductory paragraph of this Agreement.

"Funded Debt" of any Person means Debt in respect of the Advances, in the case of the Borrowers, and all other Debt of such Person that by its terms matures more than one year after the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year after such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year after such date (but excluding trade letters of credit issued in the ordinary course of business and time drafts), including without limitation all amounts of Funded Debt of such Person required to be paid or prepaid within one year after the date of determination.

"GAAP" has the meaning specified in Section 1.03.

"German Subsidiary" has the meaning specified in the introductory paragraph of this Agreement.

"Guaranty" means any Debt or other Obligation of another Person guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement;

(a) to pay or purchase such Obligation or to advance or supply funds for the payment or purchase of such Obligation;

(b) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Obligation or to assure the holder of such Obligation against loss;

(c) to supply funds to or in any other manner invest in the obligor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered); or

(d) otherwise to assure a creditor against loss.

"Hazardous Materials" means

(a) petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and radon gas;

(b) any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants" or "pollutants", or words of similar import, under any applicable Environmental Law; and

(c) any other substance exposure to which is regulated under any applicable Environmental Law.

"Hedge Agreements" means interest rate swap, cap or collar agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements.

"Indemnified Party" has the meaning specified in Section 8.04(b).

"Insufficiency" means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

"Interest Period" means, for each Eurocurrency Rate Advance comprising part of the same Borrowing (or portion of the same Borrowing), the period commencing on the date of such Eurocurrency Rate Advance or the date of the Conversion of any Base Rate Advance into a Eurocurrency Rate Advance, and ending on the last day of the period selected by any Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower requesting a Borrowing pursuant to the provisions below. The duration of each such Interest Period shall be, for any Interest Period ending on or prior to March 31, 1997, one, two or three weeks or one, two or three months, and for any Interest Period ending on any date thereafter, one, two, three, six or, with the consent of each Appropriate Lender, nine or 12 months, as such Borrower may, upon notice received by the Administrative Agent (or, if such Borrower is the Canadian Subsidiary, the Canadian Administrative Agent) not later than 11:00 A.M. (New York City time) on the third Business Day prior to the first day of such Interest Period, select; provided that:

(a) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day; provided that, if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next-preceding Business Day;

(b) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month;

(c) such Borrower shall not select an Interest Period that ends after the Termination Date; and

(d) until March 31, 1997, no Interest Period shall end on a date after March 31, 1997.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Inventory" means, with respect to any Person on any date of determination, solely for purposes of calculating the Borrowing Base of such Person, all finished goods and parts owned and held for sale by such Person the amount of which would appear as inventory on a balance sheet of such Person at such date prepared in accordance with GAAP.

"Investment" in any Person means any loan or advance to such Person, any purchase or other acquisition of any capital stock, warrants, rights, options, obligations or other securities of such Person, any capital contribution to such Person or any other investment in such Person, including without limitation any arrangement pursuant to which the investor incurs Debt of the types referred to in clauses (g), (h) and (in respect of Debt referred to in such clause (g) or (h)) (i) of the definition of "Debt" in respect of such Person.

"Issuing Bank" means either the Multi-Currency Issuing Bank or the Canadian Issuing Bank.

"L/C Cash Collateral Account" has the meaning specified in Section 6.02.

"L/C Related Documents" has the meaning specified in Section 2.13(d).

"Lenders" means the financial institutions listed as Multi-Currency Lenders or Canadian Subsidiary Lenders on the signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 8.07.

"Letter of Credit" has the meaning specified in Section 2.13(a).

"Letter of Credit Advance" means an advance made by the Issuing Bank pursuant to Section 2.13(c).

"Letter of Credit Agreement" has the meaning specified in Section 2.13(b).

"Letter of Credit Commitment" means, with respect to each Issuing Bank, the amount set forth opposite such Issuing Bank's name on Schedule I hereto under the caption "Letter of Credit Commitment", or, if such Issuing Bank has entered into an Assignment and Acceptance, set forth in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), as such amount may be reduced at or prior to such time pursuant to Section 2.04.

"Letter of Credit Facility" means the aggregate Available Amounts of Letters of Credit the Issuing Banks may issue pursuant to Section 2.13(a), which shall not exceed U.S. \$75,000,000.

"Lien" means any lien, security interest or other pledge, charge or encumbrance of any kind, or any other type of preferential arrangement, including without limitation the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"Loan Documents" means this Agreement, the Notes, the Loan Party Guaranties, any agreements entered into pursuant to Section 5.01(n) and each Letter of Credit Agreement.

"Loan Parties" means the Borrowers, the Subsidiary Guarantors and each Person executing a Loan Party Guaranty pursuant to Section 5.01(l) or 5.02(l).

"Loan Party Guaranty" means the Guaranties specified in Section 3.01(e)(vii) and the Guaranties delivered pursuant to Section 5.01(l) and 5.02(l), in each case as amended from time to time in accordance with its terms.

"Margin Stock" has the meaning specified in Regulation U.

"Material Adverse Effect" means, as of any date of determination, a material adverse effect on

(a) the business, condition (financial or otherwise), operations, properties or prospects of AGCO and its Restricted Subsidiaries, taken as a whole, or any Borrowing Subsidiary and its Subsidiaries that are Restricted Subsidiaries, taken as a whole,

(b) the rights and remedies of either Agent or any Lender under any Loan Document or L/C Related Document, or

(c) the ability of any Loan Party to perform its Obligations under any Loan Document to which it is or is to be a party.

"Material Contract" means, with respect to any Person, each contract to which such Person is a party

(a) involving aggregate minimum consideration payable to or by such Person in any year of U.S. \$25,000,000, or

(b) otherwise material to the business, condition (financial or otherwise), operations, properties or prospects of AGCO and its Restricted Subsidiaries, taken as a whole, or any Borrowing Subsidiary and its Subsidiaries that are Restricted Subsidiaries, taken as a whole, and for which no alternative source of performance by the other party or parties thereto is readily available.

"Moody's" means Moody's Investors Service, Inc and its successors.

"Multi-Currency Advance" has the meaning specified in Section 2.01(a).

"Multi-Currency Borrowing" means a borrowing consisting of simultaneous Multi-Currency Advances of the same Type made by the Multi-Currency Lenders.

"Multi-Currency Borrower" means each Borrower other than the Canadian Subsidiary.

"Multi-Currency Borrower Outstandings" means, on any date of determination,

(a) the aggregate principal amount of all Multi-Currency Advances in U.S. dollars and of the Multi-Currency Equivalent in U.S. dollars of all Multi-Currency Advances in other currencies, in either case outstanding on such date of determination, plus

(b) the aggregate principal amount of all Letter of Credit Advances in U.S. dollars and of the Multi-Currency Equivalent of all Letter of Credit Advances in other currencies, in either case in respect of Letters of Credit outstanding on such date of determination and issued for the account of any Multi-Currency Borrower, plus

(c) the aggregate of the Available Amount of all Letters of Credit denominated in U.S. dollars and the Multi-Currency Equivalent of the Available Amount of all Letters of Credit denominated in other currencies, in either case issued for the account of Multi-Currency Borrowers and outstanding on such date of determination.

"Multi-Currency Commitment" means, with respect to any Lender at any time, the amount set forth opposite such Lender's name on Schedule I hereto under the caption "Multi-Currency Commitment" or, if such Lender has entered into one or more Assignments and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c) as such Lender's "Multi-Currency Commitment", as such amount may be reduced at or prior to such time pursuant to Section 2.04.

"Multi-Currency Equivalent" means, on any date of determination, the equivalent in any Alternate Currency or other currency of an amount in U.S. dollars, or in U.S. dollars of an amount in any Alternate Currency or other currency, determined at the rate of exchange quoted by the Administrative Agent in New York City, at 9:00 A.M. (New York City time) on the Calculation Date with respect to such date of determination, to prime banks in New York City for the spot purchase in the New York foreign exchange market of such amount of U.S. dollars with such Alternate Currency or such amount of such Alternate Currency or other

currency with U.S. Dollars. For purposes of this definition, "Calculation Date" means, with respect to any date of determination, the date most recently occurring prior to (or occurring on) such date of determination that is the 15th day of the first complete calendar month after the end of the most recently completed fiscal quarter of AGCO (or, if such 15th day is not a Business Day, the next-following Business Day).

"Multi-Currency Facility" means, at any time, the aggregate amount of the Multi-Currency Lenders' Multi-Currency Commitments at such time, which shall not exceed the Multi-Currency Equivalent of U.S. \$900,000,000.

"Multi-Currency Issuing Bank" means Rabobank and its successors and assigns hereunder as issuer of Letters of Credit for the accounts of Multi-Currency Borrowers.

"Multi-Currency Lender" means any Lender that has a Multi-Currency Commitment.

"Multiemployer Plan" of any Person means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, that is subject to ERISA and to which such Person or any of its ERISA Affiliates is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" of any Person means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that is subject to ERISA and (a) is maintained for employees of such Person or any of its ERISA Affiliates and at least one Person other than such Person and its ERISA Affiliates or (b) was so maintained and in respect of which such Person or any of its ERISA Affiliates could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"Net Cash Proceeds" means, with respect to any sale, lease, transfer or other disposition of any asset or the sale or issuance of any Debt or capital stock, any securities convertible into or exchangeable for capital stock or any warrants, rights or options to acquire capital stock by any Person, the aggregate amount of cash received from time to time by or on behalf of such Person in connection with such transaction, after deducting therefrom only

(a) reasonable and customary brokerage commissions, underwriting fees and discounts, legal fees, finder's fees and other similar fees and commissions, and

(b) the amount of taxes payable in connection with or as a result of such transaction,

in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid to a Person that is not an Affiliate and are properly attributable to such transaction or to the asset that is the subject thereof.

"Netherlands Subsidiary" has the meaning specified in the introductory paragraph of this Agreement.

"New Subordinated Debt" means Debt issued under the Subordinated Debt Indenture.

"Non BA Lender" means a Canadian Subsidiary Lender or Participant that cannot or does not as a matter of policy issue Bankers' Acceptances.

"Note" means a promissory note of any Borrower payable to the order of a Lender, in substantially the form of Exhibit A-1 hereto (subject to the first sentence of Section 2.16), in the case of any Multi-Currency Borrower, or of Exhibit A-2 hereto, in the case of the Canadian Subsidiary, evidencing the aggregate indebtedness of such Borrower to such Lender, including the aggregate face amount of all outstanding Bankers' Acceptances.

"Notice of Borrowing" has the meaning specified in Section 2.02(a).

"Notice of Issuance" has the meaning specified in Section 2.13(b)(i).

"Obligation" means, with respect to any Person, any obligation of such Person of any kind, including without limitation any liability of such Person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in Section 6.01(f). Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents include

(a) the obligation to pay principal, interest, face amount of Bankers' Acceptances, Letter of Credit commissions, charges, expenses, fees, attorneys' fees and disbursements, indemnities and other amounts payable by any Loan Party under any Loan Document, and

(b) the obligation to reimburse any amount in respect of any of the foregoing that any Lender, in its sole discretion, may elect to pay or advance on behalf of such Loan Party.

"Old Credit Agreement" means the Amended and Restated Credit Agreement dated as of June 25, 1996 among the Borrowers, Rabobank, as administrative agent, Deutsche Bank Canada, as Canadian administrative agent, Rabobank, Deutsche Bank

Canada and SunTrust Bank, Atlanta, as co-managers, and the lenders parties thereto.

"Other Taxes" has the meaning specified in Section 2.11(b).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Participant" has the meaning specified in Section 8.07(e).

"Permitted Liens" means such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced:

(a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 5.01(b);

(b) Liens imposed by law, such as landlords', materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days;

(c) pledges or deposits to secure non-delinquent obligations under worker's compensation, unemployment insurance and other social security legislation;

(d) Liens arising in the ordinary course of business that do not secure the repayment of Debt in respect of borrowed money

(i) to secure the performance of bids, trade contracts, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature;

(ii) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(iii) consisting of restrictions (other than pledges or other security interests) on the transferability of Investments in favor of co-investors or the issuers of such Investments or imposed by law; and

(iv) on trademarks, patents, copyrights and other intellectual property (whether individually or as part of a group) consisting of the license or similar disposition of such property made in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, sublicenses, restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of AGCO or any of its Restricted Subsidiaries;

(f) Liens resulting from progress payments or partial payments under United States government contracts or subcontracts;

(g) Liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and so long as execution is stayed on all judgments resulting from any such proceedings;

(h) Liens imposed by or pursuant to ERISA; and

(i) rights with respect to property reserved or vested in governmental authorities that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plan" means a Single Employer Plan or a Multiple Employer Plan that is subject to ERISA.

"Pro Rata Share" of any amount means:

(a) with respect to any Multi-Currency Lender at any time, an amount equal to

(i) a fraction the numerator of which is the amount of such Lender's Multi-Currency Commitment at such time and the denominator of which is the Multi-Currency Facility at such time, multiplied by

(ii) such amount, and

(b) with respect to any Canadian Subsidiary Lender at any time, an amount equal to

(i) a fraction the numerator of which is the amount of such Lender's Canadian Subsidiary Commitment at such time and the denominator of which is the Canadian Subsidiary Facility at such time, multiplied by

(ii) such amount.

"Rabobank" has the meaning specified in the introductory paragraph of this Agreement.

"Receivables" means, with respect to any Person on any date of determination, all accounts owing to such Person that would appear as receivables on a balance sheet of such Person at such date prepared in accordance with GAAP, but excluding any receivables that, although sold to a third party as part of a securitization of receivables or otherwise, would continue to appear on a balance sheet of such Person.

"Reference Banks" means Barclays Bank, National Westminster Bank, Bank of Tokyo and Citibank, N.A.

"Register" has the meaning specified in Section 8.07(c).

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Relevant Currency Time" means, for any Borrowing in any currency, the local time in the city where the Appropriate Agent's Account for such currency is located.

"Renault Joint Venture" means the joint venture between the French Subsidiary and Renault Agriculture S.A. for, among other things, the manufacture of drive-line assemblies for higher horsepower tractors at the Beauvais facility of the French Subsidiary.

"Required Lenders" means at any time, subject to Section 8.01(c), Lenders owed or holding (or, in the case of Bankers' Acceptances, that initially accepted) at least 51% of the sum of

(a) the aggregate principal amount of the Advances (other than Advances by way of Bankers' Acceptances) outstanding at such time;

(b) the aggregate face amount of Bankers' Acceptances outstanding at such time;

(c) the aggregate Available Amount of all Letters of Credit outstanding at such time;

(d) the aggregate Unused Multi-Currency Commitments at such time; and

(e) the aggregate Unused Canadian Subsidiary Commitments at such time.

For purposes of this definition, the Available Amount of any Letter of Credit issued for the account of the Canadian Subsidiary shall be considered to be owed to the Canadian Subsidiary Lenders ratably in accordance with their respective Canadian Subsidiary Commitments, and the Available Amount of any Letter of Credit issued for the account of any Multi-Currency Borrower shall be considered to be owed to the Multi-Currency Lenders ratably in accordance with their respective Multi-Currency Commitments.

"Reserves" means, with respect to any Person on any date of determination,

the aggregate amount of all reserves for bad debt (including both general loss provisions and specific known losses), dealer discounts and intercompany receivables that would appear as reserves with respect to Receivables on a balance sheet of such Person at such date prepared in accordance with GAAP and the policies and procedures of such Person with respect to the creation and maintenance of such reserves in effect on the date of this Agreement.

"Responsible Employee" shall mean the Chairman, President, Chief Financial

Officer, Treasurer, General Counsel or any Associate or Assistant General Counsel, Assistant Treasurer or Vice President of AGCO or any Borrowing Subsidiary; any other employee of any Borrower responsible for monitoring compliance with this Agreement or any other Loan Document; and, with respect to matters relating to ERISA, any individual having general management responsibility with respect to such matters.

"Restricted Subsidiaries" means, as of any date of determination, the

Subsidiaries of AGCO as of such date whose accounts would be consolidated with AGCO in accordance with GAAP, other than Finance Subsidiaries.

"Reuters' Screen CDOR Page" means the display designated as page CDOR on the

Reuters' Monitor Money Service or such other page as may, from time to time, replace the Reuters' Screen CDOR Page on that service for the purpose of displaying bid quotations for Bankers' Acceptances issued by leading Canadian banks.

"S&P" means Standard & Poor's Ratings Group, a division of McGraw-Hill,

Inc., and its successors.

"Securitization Debt" means any Debt, trust participations or any other

interests that the Administrative Agent determines are equivalent thereto, incurred or issued by any Person purchasing Receivables in a transaction permitted under Section 5.02(e)(v) and applicable to the purchase of such Receivables. Any reference to the principal amount of Securitization

Debt on any date refers to the principal amount of any Debt comprising the same or the equivalent of such principal amount, as determined by the Administrative Agent, with respect to any trust participations or other equivalent interests comprising the same, in each case as of such date. Any reference to the interest expense attributable to any Securitization Debt refers to any interest expense in respect of any Debt comprising the same or the equivalent of such interest expense, as determined by the Administrative Agent, with respect to any trust participations or other equivalent interests comprising the same, in each case for such period.

"Senior Funded Debt/EBITDA Ratio" means, on any date of determination, the ratio of (a) the aggregate principal amount of Consolidated Senior Funded Debt and Securitization Debt outstanding on such date of determination to (b) Consolidated EBITDA for the most recent fiscal quarter of AGCO for which financial statements have been delivered to the Administrative Agent pursuant to Section 5.03(b) and for the three complete fiscal quarters of AGCO immediately preceding such fiscal quarter.

"Single Employer Plan" of any Person means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that is subject to ERISA and

(a) is maintained for employees of such Person or any of its ERISA Affiliates and no Person other than such Person and its ERISA Affiliates, or

(b) was so maintained and in respect of which such Person or any of its ERISA Affiliates could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

"Split Rating" has the meaning specified in the definition of Applicable Rating.

"Standby Letter of Credit" means any Letter of Credit issued under the Letter of Credit Facility, other than a Trade Letter of Credit.

"Subordinated Debt Indenture" means the Indenture dated as of March 20, 1996 between AGCO and SunTrust Bank, Atlanta, as trustee, as amended, modified and supplemented from time to time.

"Subsidiary" of any Person means any corporation, partnership, joint venture, trust or estate of which (or in which) more than 50% of

(a) the issued and outstanding Voting Stock of such Person,

(b) the interest in the capital or profits of such partnership or joint venture or

(c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries. Unless otherwise specified in this Agreement, a reference to a Subsidiary shall mean a Subsidiary of AGCO.

"Subsidiary Guarantor" has the meaning specified in Section 3.01(e)(vii).

"Supermajority Lenders" means at any time, subject to Section 8.01(c), Lenders owed or holding at least 90% of the sum of

(a) the aggregate principal amount of the Advances (other than Advances by way of Bankers' Acceptances) outstanding at such time;

(b) the aggregate face amount of Bankers' Acceptances outstanding at such time;

(c) the aggregate Available Amount of all Letters of Credit outstanding at such time;

(d) the aggregate Unused Multi-Currency Commitments at such time; and

(e) the aggregate Unused Canadian-Subsidiary Commitments at such time.

For purposes of this definition, the Available Amount of any Letter of Credit issued for the account of the Canadian Subsidiary shall be considered to be owed to the Canadian Subsidiary Lenders ratably in accordance with their respective Canadian Subsidiary Commitments, and the Available Amount of any Letter of Credit issued for the account of any Multi-Currency Borrower shall be considered to be owed to the Multi-Currency Lenders ratably in accordance with their respective Multi-Currency Commitments.

"Taxes" has the meaning specified in Section 2.11(a).

"Termination Date" means the earlier of January 14, 2002 and the date of termination in whole of the Commitments pursuant to Section 2.04 or 6.01.

"Trade Letter of Credit" means any Letter of Credit that is issued under the Letter of Credit Facility for the benefit of a supplier of inventory to the Borrower or any of its Restricted Subsidiaries to effect payment for such inventory, the conditions to drawing under which include the presentation to the Issuing Bank of negotiable bills of lading, invoices and

related documents sufficient, in the judgment of the Issuing Bank, to create a valid and perfected Lien on such inventory.

"Type" refers to the distinction among Advances bearing interest at the Base Rate and Advances bearing interest at the Eurocurrency Rate and Advances by way of Bankers' Acceptances.

"United States dollars", "U.S. dollars" or "U.S. \$" means lawful money of the United States of America.

"Unused Canadian Subsidiary Commitment" means, with respect to any Canadian Subsidiary Lender at any date of determination,

(a) such Lender's Canadian Subsidiary Commitment at such time, minus

(b) the Multi-Currency Equivalent in U.S. dollars as of such date of

(i) the aggregate principal amount of all Base Rate Advances and Eurocurrency Rate Advances made by such Lender and outstanding on such date, plus

(ii) the aggregate face amount of all Bankers' Acceptances outstanding on such date, plus

(iii) such Lender's Pro Rata Share of

(A) the aggregate Available Amount of all Letters of Credit issued for the account of the Canadian Subsidiary and outstanding on such date, plus

(B) the aggregate principal amount of all Letter of Credit Advances outstanding on such date in respect of Letters of Credit issued for the account of the Canadian Subsidiary.

"Unused Multi-Currency Commitment" means, with respect to any Multi-Currency Lender at any date of determination,

(a) such Lender's Multi-Currency Commitment at such time, minus

(b) the Multi-Currency Equivalent in U.S. dollars as of such date of

(i) the aggregate principal amount of all Multi-Currency Advances made by such Lender and outstanding on such date, plus

(ii) such Lender's Pro Rata Share of

(A) the aggregate Available Amount of all Letters of Credit issued for the account of any Multi-Currency Borrower and outstanding on such date, plus

(B) the aggregate principal amount of all Letter of Credit Advances outstanding on such date in respect of Letters of Credit issued for the account of any Multi-Currency Borrower.

"Voting Stock" means capital stock issued by a corporation, or equivalent interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Wholly Owned" means, as applied to any Restricted Subsidiary, a Restricted Subsidiary all the outstanding shares (other than directors' qualifying shares, if required by law) of every class of stock of which are at the time owned by AGCO and/or by one or more Wholly Owned Restricted Subsidiaries.

"Withdrawal Liability" has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 1.03. Accounting Terms. (a) Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Administrative Agent hereunder shall (unless otherwise disclosed to the Lenders in writing at the time of delivery thereof in the manner described in subsection (b) below) be prepared, in accordance with U.S. generally accepted accounting principles applied on a basis consistent with those used in the preparation of the latest financial statements furnished to the Lenders hereunder (which, prior to the delivery of the first financial statements under Section 5.03(c) shall mean the audited financial statements as at December 31, 1995 referred to in Section 4.01(f)). All calculations made for the purposes of determining compliance with this Agreement shall (except as otherwise expressly provided herein) be made by application of

generally accepted accounting principles applied on a basis consistent with those used in the preparation of the annual or quarterly financial statements furnished to the Lenders pursuant to Section 5.03 most recently prior to or concurrently with such calculations (or, prior to the delivery of the first financial statements under Section 5.03(c), used in the preparation of the audited financial statements as at December 31, 1995 referred to in Section 4.01(f)) unless (i) either (x) AGCO shall have objected to determining such compliance on such basis at the time of delivery of such financial statements or (y) the Required Lenders shall so object in writing within 180 days after delivery of such financial statements and (ii) AGCO and the Required Lenders have not agreed upon amendments to the financial covenants contained herein to reflect any change in such basis, in which event such calculations shall be made on a basis consistent with those used in the preparation of the latest financial statements as to which such objection shall not have been made (which, if objection is made in respect of the first financial statements delivered under Section 5.03(c), shall mean the financial statements referred to in Section 4.01(f)) ("GAAP").

(b) AGCO shall deliver to the Administrative Agent, at the same time as the delivery of any annual or quarterly financial statement under Section 5.03, (i) a description in reasonable detail of any material variation between the application of accounting principles employed in the preparation of such statement and the application of accounting principles employed in the preparation of the next preceding annual or quarterly financial statements as to which no objection has been made in accordance with the last sentence of subsection (a) above, and (ii) reasonable estimates of the difference between such statements arising as a consequence thereof.

SECTION 1.04. Currency Equivalents. For purposes of determining in any currency any amount outstanding in another currency, the Multi-Currency Equivalent of such currency on the date of any such determination shall be used. If any reference to any Advances or other amount herein would include amounts in U.S. dollars and in one or more Alternate Currencies or to an amount in U.S. dollars that in fact is in one or more Alternate Currencies, such reference (whether or not it expressly so provides) shall be deemed to refer, to the extent it includes an amount in any Alternate Currency, the Multi-Currency Equivalent in U.S. dollars of such amount at the time of determination.

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES AND THE LETTERS OF CREDIT

SECTION 2.01. The Advances. (a) Multi-Currency Advances. Each Multi-Currency Lender severally agrees, on the terms and conditions hereinafter set forth, to make

advances (each a "Multi-Currency Advance") to the Multi-Currency Borrowers from time to time on any Business Day during the period from the date hereof until the Termination Date in an amount for each such Advance not to exceed such Lender's Unused Multi-Currency Commitment on such Business Day. In no event shall the Multi-Currency Lenders be obligated to make any Multi-Currency Advance if, on the date of such Advance and after giving effect thereto,

(i) the Multi-Currency Borrower Outstandings on such date would exceed the amount of the Multi-Currency Facility on such date, or

(ii) the Borrower Outstandings on such date would exceed the Borrowing Base on such date.

Each Multi-Currency Borrowing shall be in U.S. dollars in, or the Multi-Currency Equivalent in the requested Alternate Currency of, an aggregate amount of U.S. \$5,000,000 or an integral multiple of U.S. \$1,000,000 in excess thereof and shall consist of Multi-Currency Advances made by such Lenders ratably according to their Multi-Currency Commitments. The Multi-Currency Equivalent in U.S. dollars of each Multi-Currency Advance shall be recalculated hereunder on each date on which it shall be necessary to determine the Unused Multi-Currency Commitment, or any or all Advance or Advances outstanding on such date. Within the limits of each Multi-Currency Lender's Unused Multi-Currency Commitment in effect from time to time, the Multi-Currency Borrowers may borrow under this Section 2.01(a), prepay pursuant to Section 2.05(a) and reborrow under this Section 2.01(a).

(b) Canadian Subsidiary Advances. Each Canadian Subsidiary Lender severally agrees, on the terms and conditions hereinafter set forth, to make advances (each a "Canadian Subsidiary Advance") to the Canadian Subsidiary from time to time on any Business Day during the period from the date hereof until the Termination Date in an amount for each such Advance not to exceed such Lender's Unused Canadian Subsidiary Commitment on such Business Day. In no event shall the Canadian Subsidiary Lenders be obligated to make any Canadian Subsidiary Advance if, on the date of such Advance and after giving effect thereto,

(i) the Canadian Subsidiary Outstandings on such date would exceed the amount of the Canadian Subsidiary Facility on such date, or

(ii) the Borrower Outstandings on such date would exceed the Borrowing Base on such Date.

Each Canadian Subsidiary Borrowing shall be by way of (x) Base Rate Advances or Eurocurrency Rate Advances in the Multi-Currency Equivalent in Canadian Dollars of an

aggregate amount of U.S. \$5,000,000 or an integral multiple of U.S. \$1,000,000 in excess thereof or (y) the acceptance and purchase of Bankers' Acceptances, pursuant to Section 2.16, in a minimum aggregate face amount of Cdn. \$5,000,000 or an integral multiple of Cdn. \$1,000,000 in excess thereof, and shall consist of Canadian Subsidiary Advances made by such Lenders ratably according to their Canadian Subsidiary Commitments. The Multi-Currency Equivalent in U.S. dollars of each Canadian Subsidiary Advance shall be recalculated hereunder on each date on which it shall be necessary to determine the Unused Canadian Subsidiary Commitment, or any or all Advance or Advances outstanding on such date. Within the limits of each Canadian Subsidiary Lender's Unused Canadian Subsidiary Commitment in effect from time to time, the Borrowers may borrow under this Section 2.01(b), prepay pursuant to Section 2.05(a) and reborrow under this Section 2.01(b).

(c) Borrower Liability. AGCO shall be jointly and severally liable for all Borrowings and other liabilities hereunder or under any other Loan Document by or of itself or any Borrowing Subsidiary. No Borrowing Subsidiary shall have any liability for any Borrowing or other liabilities hereunder or under any other Loan Document by or of AGCO or (except as may otherwise be provided in such Borrowing Subsidiary's Guaranty) any other Borrowing Subsidiary.

SECTION 2.02. Making the Advances. (a) Except as otherwise provided in Section 2.13, each Borrowing shall be made on notice, given not later than

(w) 11:00 A.M. (New York Time) on the third Business Day prior to the date of a proposed Borrowing, in the case of a Borrowing consisting of Eurocurrency Rate Advances,

(x) 10:00 A.M. (New York City time) on the day of a proposed Borrowing, in the case of a Borrowing consisting of Base Rate Advances if the aggregate principal amount thereof is less than \$100,000,000,

(y) 10:00 A.M. (New York City time) on the Business Day prior to the date of a proposed Borrowing, in the case of a Borrowing consisting of Base Rate Advances if the aggregate principal amount thereof is \$100,000,000 or more, or

(z) 10:00 A.M. (Toronto time) two Business Days prior to the date of a proposed Borrowing, in the case of a Borrowing consisting of Bankers' Acceptances

by or on behalf of the Borrower requesting such Advance to the Administrative Agent (in the case of a Multi-Currency Borrowing) or the Canadian Administrative Agent (in the case of a Canadian Subsidiary Borrowing), which shall give to each Appropriate Lender prompt notice thereof by telecopier. Each such notice of a Borrowing (a "Notice of Borrowing") shall be by

telex, telecopier or cable, confirmed immediately in writing, in substantially the form of Exhibit B-1 hereto (in the case of a Borrowing by a Multi-Currency Borrower) or Exhibit B-2 hereto (in the case of a Borrowing by the Canadian Subsidiary), specifying therein the

(i) requested date of such Borrowing (which shall be a Business Day);

(ii) requested Type of Advances comprising such Borrowing, which

(A) may be a Base Rate Advance or a Eurocurrency Advance if such Advance is denominated in U.S. dollars or Canadian Dollars,

(B) may be by way of Bankers' Acceptances if such Advance is denominated in Canadian Dollars, and

(C) shall be a Eurocurrency Rate Advance if such Advance is a Multi-Currency Advance and the requested currency for such Borrowing is other than Canadian dollars or U.S. dollars;

(iii) requested aggregate principal amount or face amount of such Borrowing, as the case may be;

(iv) requested currency in which such Borrowing is to be made; provided that

(A) such currency shall be (1) Canadian dollars, if the Person requesting such Borrowing is the Canadian Subsidiary; (2) British pounds, U.S. dollars or European Union euros, if the Person requesting such Borrowing is English Subsidiary One or English Subsidiary Two; (3) British pounds, U.S. dollars, Dutch guilders or European Union euros, if the person requesting such Borrowing is English Subsidiary Three; (4) Dutch guilders or European Union euros, if the Person requesting such Borrowing is the Netherlands Subsidiary; (5) French francs, U.S. dollars or European Union euros, if the Person requesting such Borrowing is the French Subsidiary; and (6) German deutschemarks, U.S. dollars or European Union euros, if the Person requesting such Borrowing is the German Subsidiary,

(B) such currency shall not be Canadian dollars, if the Borrower is AGCO and

(C) no Borrower shall make a request for a Borrowing in an Alternate Currency described in clause (b) of the definition thereof unless it

shall have previously obtained the consent of each Multi-Currency Lender to Borrowings in such currency;

(v) in the case of a Borrowing consisting of Eurocurrency Rate Advances, requested initial Interest Period for each such Advance and in the case of a Borrowing consisting of Bankers' Acceptances, the Contract Period for each such Advance; and

(vi) Borrower's Account of such Borrower for such Borrowing (which shall be with an institution located in the same country as the Appropriate Agent's Account for the requested currency of such Borrowing).

Each Borrowing by the Canadian Subsidiary shall be a Borrowing under the Canadian Subsidiary Facility, and each other Borrowing shall be a Borrowing under the Multi-Currency Facility. In the case of a proposed Borrowing comprised of Eurocurrency Rate Advances, the Appropriate Agent shall promptly (and in any case no later than 11:00 A.M. (New York Time) on the second Business Day before any Eurocurrency Rate Advance or 1:00 P.M. (New York City time) on the day of any Base Rate Advance) notify each Appropriate Lender of the applicable interest rate under Section 2.06(a). Each Appropriate Lender shall, before 11:00 A.M. (Relevant Currency Time) on the date of any Borrowing consisting of Eurocurrency Rate Advances, or 3:00 P.M. (New York City time) on the date of any Borrowing consisting of Base Rate Advances, make available for the account of its Applicable Lending Office to the Appropriate Agent at the Appropriate Agent's Account for Borrowings in the applicable currency, in same-day funds, such Lender's Pro Rata Share of such Borrowing in accordance with the respective Commitments of such Appropriate Lender and the other Appropriate Lenders. Each Appropriate Lender shall, before 1:00 P.M. (Toronto time) on the date of any Borrowing consisting of Bankers' Acceptances, make available to the Borrower by way of the acceptance of Bankers' Acceptances at the branch of the Appropriate Lender to which notices may be sent under Section 8.02 such Lender's Pro Rata Share of such Borrowing in accordance with the respective Commitments of such Appropriate Lender and the other Appropriate Lenders. After the Appropriate Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Appropriate Agent will make such funds available to the requesting Borrower by delivering such funds to the relevant Borrower's Account in the applicable currency; provided that, in the case of any Borrowing, the Appropriate Agent shall first make a portion of such funds, equal to the aggregate principal amount of any Letter of Credit Advances to such Borrower made by the Appropriate Issuing Bank and outstanding on the date of such Borrowing, available for repayment of such Letter of Credit Advances. Receipt of such funds in a Borrower's Account shall be deemed to have occurred when the Appropriate Agent notifies AGCO, by telephone or otherwise, of the Federal Reserve Bank reference number or CHIPS identification number with respect to the delivery of such funds.

(b) Each Notice of Borrowing shall be irrevocable and binding on the Borrower delivering such Notice. Each Borrower (other than AGCO) (i) irrevocably and unconditionally designates, as its agent for purposes of delivering any Notice of Borrowing on behalf of such Borrower, AGCO and any officer or employee of AGCO, and (ii) acknowledges that (A) any such Notice at any time delivered by AGCO or any such officer or employee shall be binding on such Borrower and (B) neither Agent nor any Lender shall have any duty to determine whether the delivery of any such Notice by AGCO or any such officer or director was duly authorized by such Borrower in any specific instance. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurocurrency Rate Advances or Bankers' Acceptances, the Borrower requesting such Borrowing shall indemnify each Appropriate Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing the applicable conditions set forth in Article III, including without limitation any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(c) Unless the Appropriate Agent shall have received notice from an Appropriate Lender prior to the date of any Borrowing under a Facility under which such Lender has a Commitment that such Lender will not make available to the Appropriate Agent such Lender's ratable portion of such Borrowing, the Appropriate Agent may assume that such Lender has made such portion available to the Appropriate Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Appropriate Agent may, in reliance upon such assumption, make available to the requesting Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Appropriate Agent and the Appropriate Agent makes available to the requesting Borrower on such date a corresponding amount, such Lender and each Borrower severally agree to repay or pay to the Appropriate Agent forthwith on demand such corresponding amount and to pay interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid or paid to the Appropriate Agent, at

(i) in the case of the Borrower, the interest rate applicable at such time under Section 2.06 to Advances comprising such Borrowing, and

(ii) in the case of such Lender, the Federal Funds Rate if such payment is made to the Administrative Agent or the Base Rate (with respect to Canadian Subsidiary Borrowings) if such payment is made to the Canadian Administrative Agent.

If such Lender shall pay to the Appropriate Agent such corresponding amount, such amount so paid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(d) No Multi-Currency Borrower shall request a Borrowing if, after giving effect thereto, there would be more than 12 Borrowings outstanding under the Multi-Currency Facility and the Canadian Subsidiary shall not request a Borrowing if, after giving effect thereto, there would be more than 12 Borrowings outstanding under the Canadian Subsidiary Facility.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03. Repayment. (a) Canadian Subsidiary Advances and Multi-Currency Advances. The Canadian Subsidiary shall repay to the Canadian Administrative Agent for the ratable account of the Canadian Subsidiary Lenders the aggregate outstanding principal amount or face amount, as the case may be, of its Borrowings consisting of Canadian Subsidiary Advances on the Termination Date and each Multi-Currency Borrower shall repay to the Administrative Agent for the ratable account of the Multi-Currency Lenders the aggregate outstanding principal amount of its Borrowings consisting of Multi-Currency Advances on the Termination Date.

(b) Letter of Credit Advances. Each Borrower shall, on demand, repay to the Appropriate Agent for the account of the Appropriate Lenders the outstanding principal amount of each Letter of Credit Advance made by them to such Borrower.

SECTION 2.04. Reduction of the Commitments. (a) Optional. AGCO may, upon at least three Business Days' notice to the Administrative Agent (and, with respect to a reduction of the Letter of Credit Commitment and the Unused Canadian Subsidiary Commitments, the Canadian Administrative Agent), terminate in whole or reduce in part the unused portions of the Letter of Credit Commitments of the Issuing Banks, the Unused Canadian Subsidiary Commitments or the Unused Multi-Currency Commitments; provided that each partial reduction

(i) shall be in an aggregate amount of U.S. \$10,000,000 or an integral multiple of U.S. \$5,000,000 in excess thereof;

(ii) shall be made ratably among the Appropriate Lenders in accordance with their Commitments with respect to the applicable Facility; and

(iii) shall be permanent and irrevocable.

Any reduction of the Letter of Credit Commitments shall apply to the Letter of Credit Commitments of both Issuing Banks and shall reduce each such Letter of Credit Commitment by the full amount of such reduction.

(b) Mandatory.

(i) On the date of receipt by AGCO or any of its Restricted Subsidiaries of the Net Cash Proceeds from the sale, lease, transfer or other disposition of any assets of AGCO or any of its Restricted Subsidiaries, other than

(o) Receivables discounted in transactions permitted under Section 5.02(e)(x),

(p) the sale by AGCO and its Subsidiaries of an interest in the business of AGCO Argentina S.A., to the extent permitted under Section 5.02(e)(ix),

(q) the sale of the Caravan division of Xavier Fendt GmbH & Company,

(r) the sale by AGCO of its existing and former headquarters buildings and related land, to the extent permitted under Section 5.02(e)(viii),

(s) dispositions to joint ventures permitted under Section 5.02(f)(vi),

(t) sales of assets in the ordinary course of business,

(u) dispositions the Net Cash Proceeds of which do not exceed U.S. \$2,000,000 for any one disposition or series of related dispositions,

(v) any dispositions to the extent that the aggregate amount of Net Cash Proceeds therefrom after such date do not exceed the greater of (A) U.S. \$20,000,000 or (B) the aggregate Net Cash Proceeds received by AGCO and its Restricted Subsidiaries during 1999 from the sale of (1) the Haedo, Argentina plant, (2) the small-truck business located in Haedo, Argentina, (3) the interest of

AGCO and its Restricted Subsidiaries in Morotes de San Luis S.A. and
(4) the industrial-machinery division of AGCO do Brazil S.A.,

(w) dispositions by a Restricted Subsidiary to another Restricted Subsidiary or AGCO and dispositions by AGCO to a Restricted Subsidiary,

(x) the disposition of AGCO's real property located in Topeka, Kansas or of the former headquarters building in Stoneleigh, England,

(y) the disposition of any capital stock of Agricredit Acceptance Corporation and

(z) bulk sales of Receivables permitted under Section 5.02(e)(v),

the aggregate amount of the Multi-Currency Facility and the Canadian Subsidiary Facility shall be permanently reduced by the amount of 50% of such Net Cash Proceeds, with each such facility being reduced by a portion of such Net Cash Proceeds equal to the amount thereof multiplied by a fraction, the numerator of which is the amount of such facility at the time of such reduction and the denominator of which is the aggregate amount of both such facilities. Upon such reduction, (A) each Multi-Currency Lender's Multi-Currency Commitment shall be reduced ratably in accordance with the proportion that such Commitment bore to the Multi-Currency Facility immediately before giving effect to such reduction, and (B) each Canadian Subsidiary Lender's Canadian Subsidiary Commitment shall be reduced ratably in accordance with the proportion that such Commitment bore to the Canadian Subsidiary Facility immediately before giving effect to such reduction.

(ii) The aggregate amount of the Multi-Currency Facility and the Canadian Subsidiary Facility shall be permanently reduced by the amount of any Excess Proceeds (or of what would be such Excess Proceeds but for their application pursuant to Section 2.05(b)(iv)) in existence on any date, with each such Facility being reduced by a portion of such Excess Proceeds equal to the amount thereof multiplied by a fraction, the numerator of which is the amount of such Facility at the time of such reduction and the denominator of which is the aggregate amount of both such Facilities. Upon such reduction, (A) each Multi-Currency Lender's Multi-Currency Commitment shall be reduced ratably in accordance with the proportion that such Commitment bore to the Multi-Currency Facility immediately before giving effect to such reduction, and (B) each Canadian Subsidiary Lender's Canadian Subsidiary Commitment shall be reduced ratably in accordance with the proportion that such Commitment bore to the Canadian Subsidiary Facility immediately before giving effect to such reduction.

(iii) The aggregate amount of the Multi-Currency Facility and the Canadian Subsidiary Facility shall be permanently reduced by:

(A) the maximum gross proceeds that could be received by AGCO and its Subsidiaries) from purchasers that are parties to any securitization facility permitted under Section 5.02(e)(v), assuming that such purchasers purchased the maximum face amount of Receivables that may be outstanding on any date and that they are committed to purchase under such securitization facility (whether or not such commitments are subject to contingencies), minus

(B) any amounts payable by AGCO and its Subsidiaries to such purchasers at the time of AGCO's and its Subsidiaries' receipt of such proceeds,

with each of the Multi-Currency Facility and the Canadian Subsidiary Facility being reduced by a portion of such amount equal to the amount thereof multiplied by a fraction, the numerator of which is the amount of such Facility at the time of such reduction and the denominator of which is the aggregate amount of both such Facilities. Upon such reduction, (A) each Multi-Currency Lender's Multi-Currency Commitment shall be reduced ratably in accordance with the proportion that such Commitment bore to the Multi-Currency Facility immediately before giving effect to such reduction, and (B) each Canadian Subsidiary Lender's Canadian Subsidiary Commitment shall be reduced ratably in accordance with the proportion that such Commitment bore to the Canadian Subsidiary Facility immediately before giving effect to such reduction.

(c) Letters of Credit. If on any date the aggregate amount of the Multi-Currency Facility is less than U.S. \$75,000,000 (or, if the Letter of Credit Facility on such date is in a lesser amount, such lesser amount), the amount of the Letter of Credit Facility and each Issuing Bank's Letter of Credit Commitment automatically shall be reduced to such aggregate amount, except that on no date shall the amount of the Letter of Credit Facility be reduced below the then-outstanding Available Amount of all Letters of Credit and the aggregate principal amount of all Letter of Credit Advances.

SECTION 2.05. Prepayments and Deposits. (a) Optional. A Borrower may, upon at least two Business Days' notice to the Administrative Agent stating the proposed date (which shall be a Business Day) and aggregate principal amount of the prepayment, and if such notice is given such Borrower shall, except as provided in the next-following sentence, prepay the outstanding aggregate principal amount of the Advances, other than Bankers' Acceptances, comprising part of the same Borrowing made by it, in whole or ratably in part; provided that each partial prepayment shall be in an aggregate principal amount of U.S. \$5,000,000 or an integral multiple of U.S. \$1,000,000 (or the Multi-Currency Equivalent) in excess thereof. A Borrower shall not be required to prepay any amount as to which it shall have given a notice

of prepayment; provided that, if a Borrower shall have failed to prepay an Advance as to which it shall have given a notice of prepayment, then, if such Advance is a Eurocurrency Rate Advance, such Advance shall accrue interest from the prepayment date specified in such notice of prepayment for the next following three Business Days at 2% per annum in excess of the rate per annum at which interest would accrue on a Eurocurrency Rate Advance with an Interest Period of one month, beginning on such prepayment date, and from such third Business Day shall have such Interest Period as such Borrower may specify in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01 or, if it shall failed so to have specified an Interest Period, as provided in Section 2.08(c).

(b) Mandatory.

(i) (A) On any date on which the Multi-Currency Facility shall be reduced pursuant to Section 2.04(b), if the Multi-Currency Borrower Outstandings on such date shall exceed the amount of the Multi-Currency Facility after giving effect to such reduction, the Multi-Currency Borrowers shall prepay Multi-Currency Advances or Letter of Credit Advances by the Multi-Currency Lenders in the aggregate principal amount equal to such excess. Each such prepayment by a Multi-Currency Borrower shall be applied ratably to such Multi-Currency Advances forming part of the same Borrowing by such Borrower, or to such Letter of Credit Advances pursuant to draws on the same Letter of Credit issued for the account of such Multi-Currency Borrower, as AGCO shall designate at the time of such prepayment.

(B) On any date on which the Canadian Subsidiary Facility shall be reduced pursuant to Section 2.04(b), if the Canadian Subsidiary Outstandings on such date shall exceed the amount of the Canadian Subsidiary Facility after giving effect to such reduction, the Canadian Subsidiary shall prepay Canadian Subsidiary Advances or Letter of Credit Advances by the Canadian Subsidiary Lenders in the aggregate principal amount equal to such excess. Each such prepayment by the Canadian Subsidiary shall be applied ratably to such Canadian Subsidiary Advances forming part of the same Borrowing by the Canadian Subsidiary, or to such Letter of Credit Advances pursuant to draws on the same Letter of Credit issued for the account of the Canadian Subsidiary, as the Canadian Subsidiary shall designate at the time of such prepayment.

(ii)(A) If, on the last day of any Interest Period for any Eurocurrency Rate Advance to a Multi-Currency Borrower and on any date on which a Base Rate Advance to a Multi-Currency Borrower is outstanding, if the Multi-Currency Borrower Outstandings on such date shall exceed 105% of the amount

of the Multi-Currency Facility on such date, such Multi-Currency Borrower shall prepay the lesser of

(1) the aggregate principal amount of such Eurocurrency Advance as to which such last date shall have occurred or of such Base Rate Advance, and

(2) such portion of such principal amount as shall be the Multi-Currency Equivalent in the currency of such Advances of such excess.

(B) On the last day of any Interest Period for any Eurocurrency Rate Advance to the Canadian Subsidiary and on the last day of any Contract Period with respect to any outstanding Bankers' Acceptances and on any date on which a Base Rate Advance to the Canadian Subsidiary is outstanding, if the Canadian Subsidiary Outstandings on such date shall exceed 105% of the amount of the Canadian Subsidiary Facility on such date, the Canadian Subsidiary shall prepay the lesser of

(1) the aggregate principal amount of such Eurocurrency Rate Advance to it as to which such last day shall have occurred or the aggregate face amount of such Bankers' Acceptance as to which such last day shall have occurred or the aggregate principal amount of such Base Rate Advance, and

(2) such portion of such principal amount or face amount, as the case may be, as shall be the Multi-Currency Equivalent in the currency of such Advances of such excess.

(iii) (A) With respect to any determination of the Borrowing Base in respect of a certificate delivered pursuant to Section 5.03(n)(i), the Borrowers shall, on the 30th day after the end of the fiscal quarter in respect of which such certificate was delivered (or, if such day is not a Business Day, the next- following Business Day) prepay an aggregate principal amount of the Advances equal to the amount, if any by which the Borrower Outstandings on such day shall exceed the Borrowing Base as determined pursuant to such certificate.

(B) With respect to any determination of the Borrowing Base in respect of a certificate delivered pursuant to Section 5.03(n)(ii), the Borrowers shall, on the Business Day next following the day on which such certificate shall be delivered, prepay an aggregate principal amount of the Advances equal to the

amount, if any by which the Borrower Outstandings on such day shall exceed the Borrowing Base as determined pursuant to such certificate.

(C) The Borrowers shall, on any Business Day on which Excess Proceeds exist (or would exist if not applied to the prepayment provided herein), prepay an aggregate principal amount of the Advances equal to such Excess Proceeds.

Each such prepayment shall be applied ratably to such Advances forming part of the same Borrowings or such Letter of Credit Advances pursuant to draws on the same Letters of Credit as AGCO shall designate at the time of such prepayment.

(iv) On the date on which the aggregate unpaid principal amount of Eurocurrency Rate Advances comprising any Borrowing under the Multi-Currency Facility shall be reduced, by payment or prepayment, to less than U.S. \$5,000,000, the Borrower owing such Borrowing shall prepay such Advances in full.

(v) The Borrowers shall make such prepayments of Multi-Currency Advances as are required by Sections 2.09(c)(ii), (d)(ii), (e)(ii) and (f)(ii).

(vi) AGCO shall, on each Business Day, pay to the Administrative Agent for deposit in the L/C Cash Collateral Account an amount sufficient to cause the aggregate amount on deposit in such Account to equal the amount by which (A) the Multi-Currency Equivalent in U.S. dollars of (1) the aggregate principal amount of all Letter of Credit Advances, plus (2) the aggregate Available Amount of all Letters of Credit then outstanding, exceeds (B) the Letter of Credit Facility on such Business Day.

(c) Interest on Principal Amounts Prepaid. All prepayments under this Section 2.05 shall be made together with accrued interest to the date of such prepayment on the principal amount prepaid.

SECTION 2.06. Interest. (a) Ordinary Interest. Each Borrower shall pay interest on the unpaid principal amount of each Base Rate Advance and Eurocurrency Rate Advance to it owing to each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(i) Base Rate Advances. During such periods as such Advance is a Base Rate Advance, a rate per annum equal at all times to the Base Rate in effect from time to time, payable in arrears (A) quarterly on the last day of each March, June, September, and December during such periods, (B) on the date on which such Base Rate Advance shall be paid in full and (C) on the Termination Date.

(ii) Eurocurrency Rate Advances. During such periods as such Advance is a Eurocurrency Rate Advance, a rate per annum equal at all times during each Interest Period for such Advance to the sum of

(x) the Eurocurrency Rate for such Interest Period for such Advance, and

(y) the Applicable Margin in effect from time to time,

payable in arrears on (A) the last day of such Interest Period, (B) if such Interest Period has a duration of more than three months, also on each day that occurs during such Interest Period every three months from the first day of such Interest Period, (C) on which such Advance shall be paid in full and (D) on the Termination Date.

(b) Default Interest. Upon the occurrence and during the continuance of a Default under Section 6.01(a), and at the election of the Required Lenders upon the occurrence and during the continuance of any other Default, each Borrower shall pay interest on the unpaid principal amount or face amount, as the case may be, of each Advance owing to each Lender or the amount of any interest, fee or other amount payable hereunder, which in any case is not paid when due, from the date such amount shall be due until such amount shall be paid in full, payable in arrears on the date such amount shall be paid in full and on demand, at a rate per annum equal at all times to

(i) in the case of any Base Rate Advance, 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to Section 2.06(a)(i) above;

(ii) in the case of any Eurocurrency Rate Advance denominated in U.S. dollars, (A) until the end of the then-current Interest Period, 2% per annum above the interest rate that would otherwise be applicable pursuant to subsection (a)(ii) above, and (B) thereafter, 2% per annum above the rate per annum required to be paid on Base Rate Advances pursuant to Section 2.06(a)(i) above;

(iii) in the case of any Eurocurrency Rate Advance denominated in an Alternate Currency, a rate per annum computed each day and equal to 2% per annum above the rate per annum at which interest would accrue on a Eurocurrency Rate Advance with an Interest Period of one month beginning on such day; and

(iv) in the case of any outstanding Bankers' Acceptances, 2% per annum above the Base Rate applicable to Canadian Subsidiary Borrowings.

SECTION 2.07. FEES. (A) COMMITMENT FEE. AGCO shall pay to the Administrative Agent for the account of the Multi-Currency Lenders and to the Canadian Administrative Agent for the account of the Canadian Subsidiary Lenders a commitment fee computed each day, beginning on the effective date of this Second Amended and Restated Credit Agreement, on each Multi-Currency Lender's Unused Multi-Currency Commitment and each Canadian Subsidiary Lender's Unused Canadian Subsidiary Commitment, from the date hereof until the Termination Date,

(i) until AGCO shall have delivered to the Administrative Agent pursuant to Section 5.03(b) financial statements for its fiscal quarter ending March 31, 1999, 0.25% per annum, and

(b) thereafter at the percentage rate per annum determined by reference to the Senior Funded Debt/EBITDA Ratio in effect at such date of determination, as set forth below in the matrix below:

SENIOR FUNDED DEBT/ EBITDA RATIO	<2.0	>=2.0 but <3.0	>=3.0 but <4.0	>=4.0
PERCENTAGE RATE	0.150%	0.250%	0.300%	0.350%

(b) AGENTS' FEE. AGCO shall pay to the Agents for their respective accounts the fees separately agreed between AGCO and each Agent.

(c) PAYMENT OF FEES. The fees and commission described in this Section 2.07 and in Section 2.13(e)(i) and (ii) shall be payable in arrears quarterly on the last Business Day of each March, June, September and December, and on the Termination Date.

SECTION 2.08. CONVERSION AND DESIGNATION OF INTEREST PERIODS.

(a) On any Business Day, upon notice given to the Appropriate Agent not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion and subject to the provisions of Section 2.09,

(x) AGCO may Convert all or any portion of the Multi-Currency Advances (but not Letter of Credit Advances) in U.S. dollars of one Type comprising the same Borrowing into Advances of another Type (other than Advances by way of Bankers' Acceptances), and

(y) the Canadian Subsidiary may Convert all or any portion of the Canadian Subsidiary Advances or Multi-Currency Advances (but not Letter of Credit Advances) of one Type comprising the same Borrowing into Advances of another Type;

provided that

(i) any Conversion of Eurocurrency Rate Advances into Base Rate Advances or into Advances by way of Bankers' Acceptances shall be made only on the last day of an Interest Period for such Eurocurrency Rate Advances; any Conversion of Base Rate Advances into Eurocurrency Rate Advances or into Advances by way of Bankers' Acceptances shall be in an amount not less than the relevant minimum amount specified in Section 2.01; any Conversion of Advances by way of Bankers' Acceptances into Base Rate Advances or Eurocurrency Rate Advances shall be made only on the last day of the relevant Contract Period; if less than all Advances by way of Bankers' Acceptances or all Eurocurrency Rate Advances are Converted, after such Conversion, not less than the relevant minimum amount specified in Section 2.01 shall continue as Advances by way of Bankers' Acceptances or Eurocurrency Rate Advances, as the case may be;

(ii) if less than all Advances comprising part of the same Borrowing are Converted, the portion of the Advances Converted must at least equal the minimum aggregate principal amount of a Borrowing permitted under Section 2.01 and all Lenders' Advances comprising the Borrowing to be Converted in part shall be Converted ratably in accordance with their applicable Pro Rata Shares;

(iii) each Conversion of less than all Advances comprising part of the same Borrowing shall be deemed to be an additional Borrowing for purposes of Section 2.02(d), and no such Conversion of any Advances may result in there being outstanding more separate Borrowings than permitted under Section 2.02(d); and

(iv) no Advances may be Converted into Eurocurrency Rate Advances or into Advances by way of Bankers' Acceptances while a Default has occurred and is continuing.

Each such notice of Conversion shall, within the restrictions specified above, specify (w) the date of such Conversion, (x) the Advances to be Converted (y) if such Conversion is into Eurocurrency Rate Advances, the duration of the initial Interest Period for such Advances and (z) if such Conversion is into Advances by way of Bankers' Acceptances, the duration of the Contract Period for such Advances. Each notice of Conversion shall be irrevocable and binding on AGCO.

(b) On the date on which the aggregate unpaid principal amount of Eurocurrency Rate Advances denominated in U.S. dollars shall be reduced, by payment or prepayment or otherwise, to less than U.S. \$5,000,000, such Advances shall automatically Convert into Base Rate Advances; if the aggregate face amount of outstanding Bankers' Acceptances shall be reduced, by payment or prepayment or otherwise, to less than Cdn. \$5,000,000, the Advances by way of such Bankers' Acceptances shall automatically convert, on the last day of the relevant Contract Period, into Base Rate Advances.

(c) If a Borrower shall fail to select the duration of any Interest Period for any Eurocurrency Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Appropriate Agent will forthwith so notify such Borrower and the Appropriate Lenders, whereupon each such Eurocurrency Rate Advance will automatically, on the last day of the then-existing Interest Period therefor,

(i) if it is an Advance denominated in U.S. dollars or Canadian Dollars, Convert into a Base Rate Advance, and

(ii) if it is an Advance denominated in an Alternate Currency (other than Canadian Dollars), be deemed to have an Interest Period of one month.

(d) If the Canadian Subsidiary shall fail to select the duration of any Contract Period for any Advances by way of Bankers' Acceptances in accordance with the provisions contained in the definition of "Contract Period" in Section 1.01, the Canadian Administrative Agent will forthwith so notify the Canadian Subsidiary and the Appropriate Lenders, whereupon each such Advance by way of Banker's Acceptances will automatically, on the last day of the then-existing Contract Period therefor, Convert into a Base Rate Advance.

SECTION 2.09. Increased Costs, Etc. (a) If, due to either

(i) the introduction of or any change in or in the interpretation of any law or regulation or

(ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law)

made, or effective, after the date hereof, there shall be any increase in the cost to any Lender or either Issuing Bank of agreeing to make or of making, funding or maintaining Eurocurrency Rate Advances or of agreeing to accept Bankers' Acceptances or of agreeing to issue or of issuing, maintaining or participating in Letters of Credit or of agreeing to make or of making or maintaining Letter of Credit Advances, in any case to or for the account of any Borrower,

then such Borrower shall from time to time, upon demand by such Lender or Issuing Bank (with a copy of such demand to the Administrative Agent and, if such Lender is a Canadian Subsidiary Lender or such Issuing Bank is the Canadian Issuing Bank, the Canadian Administrative Agent), pay to the Administrative Agent, if such Lender is a Multi-Currency Lender, and otherwise to the Canadian Administrative Agent for the account of such Lender or such Issuing Bank additional amounts sufficient to compensate such Lender or such Issuing Bank for such increased cost. A certificate as to the amount of such increased cost and stating that such Lender's or Issuing Bank's request for payment is consistent with such Lender's or Issuing Bank's internal policies, submitted to such Borrower by such Lender or such Issuing Bank, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender or either Issuing Bank determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law), which in any such case is adopted, issued, made or effective after the date hereof, affects or would affect the amount of capital required or expected to be maintained by such Lender or such Issuing Bank or any corporation controlling such Lender or such Issuing Bank and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend or participate in Letters of Credit or, in the case of an Issuing Bank, to issue Letters of Credit, hereunder and other commitments of such type or the issuance or maintenance of the Letters of Credit (or similar contingent obligations), in any case to or for the account of any Borrower, then, upon demand by such Lender or such Issuing Bank (with a copy of such demand to the Administrative Agent and, if such Lender is a Canadian Subsidiary Lender or such Issuing Bank is the Canadian Issuing Bank, the Canadian Administrative Agent), such Borrower shall pay to the Administrative Agent, if such Lender is a Multi-Currency Lender or such Issuing Bank is the Multi-Currency Issuing Bank, and otherwise to the Canadian Administrative Agent for the account of such Lender or such Issuing Bank, from time to time as specified by such Lender or such Issuing Bank, additional amounts sufficient to compensate such Lender or such Issuing Bank in the light of such circumstances, to the extent that such Lender or such Issuing Bank reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend or such Issuing Bank's commitment to issue or maintain of any Letters of Credit. A certificate as to such amounts and stating that such Lender's or such Issuing Bank's request for payment is consistent with such Lender's or such Issuing Bank's internal policies, submitted to such Borrower by such Lender or such Issuing Bank, shall be conclusive and binding for all purposes, absent manifest error.

(c) If, with respect to any Eurocurrency Rate Advances in U.S. dollars or any Alternate Currency, Appropriate Lenders owed more than 50% of the then-outstanding aggregate unpaid principal amount thereof notify the Administrative Agent, in the case of Multi-Currency Advances and otherwise the Canadian Administrative Agent that the Eurocurrency Rate for any Interest Period for such Advances in U.S. dollars or any Alternate Currency will not adequately reflect the cost to such Lenders of making, funding or

maintaining their Eurocurrency Rate Advances for such Interest Period, the Administrative Agent or Canadian Administrative Agent, as applicable, shall forthwith so notify the affected Borrower and the Appropriate Lenders, whereupon

(i) if U.S. dollars are the affected currency, each such Eurocurrency Rate Advance denominated in U.S. dollars will automatically, on the last day of the then-existing Interest Period therefor, Convert into a Base Rate Advance;

(ii) if an Alternate Currency is the affected currency, the affected Borrower shall, on the last day of the then-existing Interest Period, prepay in full such Eurocurrency Advances in the affected currency; and

(iii) the obligation of the Appropriate Lenders to make such Eurocurrency Rate Advances in the affected currency shall be suspended,

until the Administrative Agent or Canadian Administrative Agent, as applicable, shall notify the affected Borrowers that such Lenders have determined that the circumstances causing such suspension no longer exist.

(d) Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation of any law or regulation shall make it unlawful, or any central bank or other governmental authority shall assert that it is unlawful, for any Lender or its Eurocurrency Lending Office to perform its obligations hereunder to make Eurocurrency Rate Advances in U.S. dollars or any Alternate Currency or to continue to fund or maintain such Eurocurrency Rate Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrowers through the Administrative Agent, if such Lender is a Multi-Currency Lender, and otherwise through the Canadian Administrative Agent,

(i) the obligation of the Appropriate Lenders to make Eurocurrency Advances in the affected currency shall be suspended,

(ii) the affected Borrower shall, on the earlier of the last day of the then-existing Interest Period and such date as may be required by law, prepay in full all Multi-Currency Advances in any such Alternate Currency other than Canadian Dollars and

(iii) each Eurocurrency Rate Advance denominated in U.S. dollars or Canadian Dollars will automatically, upon such demand, Convert into a Base Rate Advance,

until the Administrative Agent or the Canadian Administrative Agent, as applicable, shall notify the affected Borrowers that such Lender has determined that the circumstances causing such suspension no longer exist.

(e) During the continuance of any Event of Default, and upon the election of the Required Lenders and during the continuance of any Default,

(i) each Eurocurrency Rate Advance denominated in U.S. dollars or Canadian Dollars will automatically, on the last day of the then-existing Interest Period therefor, Convert into a Base Rate Advance and each outstanding Bankers' Acceptance will automatically, on the last day of the then-existing Contract Period therefor, Convert into a Base Rate Advance;

(ii) the Borrowers will, on the last day of the then-existing Interest Period therefor, prepay each Eurocurrency Rate Advance in an Alternate Currency other than Canadian Dollars; and

(iii) the obligation of the Lenders to make Eurocurrency Rate Advances and accept Bankers' Acceptances shall be suspended.

(f) If on any date either S&P or Moody's shall cease to rate the senior, unsecured, long-term debt of AGCO, unless the Supermajority Lenders consent otherwise,

(i) each Eurocurrency Rate Advance denominated in U.S. dollars or Canadian Dollars will automatically, on the seventh Business Day after such date, Convert into a Base Rate Advance and each outstanding Bankers' Acceptance will automatically, on the later of the seventh Business Day after such date and the last day of the then-existing Contract Period therefor, Convert into a Base Rate Advance;

(ii) the Borrowers will, on the seventh Business Day after such date, prepay each Eurocurrency Rate Advance in an Alternate Currency other than Canadian Dollars; and

(iii) the obligation of the Lenders to make Eurocurrency Rate Advances and accept Bankers' Acceptances shall be suspended until such time as S&P and Moody's both shall again rate such debt.

(g) Each Lender shall notify AGCO of any event occurring after the date of this Agreement entitling such Lender to compensation under subsection (a) or (b) of this Section 2.09 within 180 days, after such Lender obtains actual knowledge thereof; provided that

(i) if any Lender fails to give such notice within 180 days after it obtains actual knowledge of such an event, such Lender shall, with respect to compensation payable pursuant to such subsection (a) or (b) in respect of any costs resulting from such event, only be entitled to payment under such subsection (a) or (b) for costs incurred from and after the date 180 days prior to the date that such Lender gives such notice, and

(ii) each Lender will designate a different Applicable Lending Office for the Advances of such Lender affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, be disadvantageous to such Lender or contrary to its policies.

SECTION 2.10. Payments and Computations. (a) Each Borrower shall make each payment hereunder and under the Notes free and clear of any setoff or counterclaim not later than 11:00 A.M. (Relevant Currency Time) on the day when due, in the case of principal or interest on and other amounts relating to any Borrowing in the currency in which such Borrowing was denominated and in any other case in U.S. dollars, to the Appropriate Agent in same-day funds by deposit of such funds to the Appropriate Agent's Account for payments in the applicable currency. The Appropriate Agent will promptly thereafter (and in any event, if received from a Borrower by the time specified in the preceding two sentences, on the day of receipt) cause like funds to be distributed

(i) if such payment by a Borrower is in respect of principal, interest, fees or any other Obligation then payable hereunder in a particular currency and under the Notes to more than one Lender, to such Lenders for the account of their respective Applicable Lending Offices for payments in such currency ratably in accordance with the amounts of such respective Obligations in such currency then payable to such Lenders, and

(ii) if such payment by a Borrower is in respect of any Obligation then payable hereunder to one Lender, to such Lender for the account of its Applicable Lending Office for payments in the applicable currency.

Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(d), from and after the effective date of such Assignment and Acceptance, the Appropriate Agent shall make all payments hereunder and under the Notes in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) If an Agent receives funds for application to the Obligations under the Loan Documents under circumstances for which the Loan Documents do not specify the Advances or the Facility to which, or the manner in which, such funds are to be applied, such Agent may, but shall not be obligated to, elect to distribute such funds to each Lender ratably in accordance with such Lender's proportionate share of the principal amount of all outstanding Advances and the Available Amount of all Letters of Credit then outstanding, in repayment or prepayment of such of the outstanding Advances or other Obligations owed to such Lender, and for application to such principal installments, as such Agent shall direct.

(c) All computations of interest, fees and Letter of Credit commissions shall be made by the Appropriate Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest, fees or commissions are payable, except that

(i) computations of interest for Base Rate Advances, and for fees and Letter of Credit commissions payable in Canadian dollars, shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as applicable, and

(ii) each rate of interest on, and each fee and Letter of Credit commission payable in respect of, Canadian Subsidiary Advances that is calculated on the basis of a year of 360 days, shall be determined pursuant to such calculation and expressed as an annual rate for the purpose of the Interest Act (Canada) as equivalent to such rate as so determined, multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360.

The principle of deemed reinvestment of interest will not apply to any interest calculated under this Agreement, and for the purposes of the Interest Act (Canada) the rates of interest stipulated in the Agreement are intended to be nominal rates, and not effective rates or yields. Each determination by an Agent of an interest rate, fee or commission hereunder shall be conclusive and binding for all purposes, absent manifest error.

(d) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or commitment fee, as the case may be; provided that, if such extension would cause payment of interest on or principal of Eurocurrency Rate Advances or of face amounts of Bankers' Acceptances to be made in the next-following calendar month, such payment shall be made on the next-preciding Business Day.

(e) Unless an Agent shall have received notice from the Borrower prior to the date on which any payment is due to any Lender hereunder that the Borrower will not

make such payment in full, such Agent may assume that the Borrower has made such payment in full to the such Agent on such date and such Agent may, in reliance upon such assumption, cause to be distributed to each such Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to such Agent and such Agent makes available to a Lender on such date a corresponding amount, such Lender shall repay to such Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to such Agent, at the Federal Funds Rate.

SECTION 2.11. Taxes. (a) Any and all payments by the Borrowers hereunder or under the Notes shall be made, in accordance with Section 2.10, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto of or by any governmental authorities, excluding, in the case of each Lender and either Agent, franchise taxes and net income taxes that are imposed on such Lender, or either Agent by the state or foreign jurisdiction under the laws of which such Lender or such Agent (as the case may be) is organized or any political subdivision thereof (including the country within which such state or jurisdiction is located) and, in the case of each Lender, franchise taxes and net income taxes that are imposed on such Lender by the state of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrowers shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Lender or an Agent,

(i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.11) such Lender or such Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made,

(ii) the Borrowers shall make such deductions and

(iii) the Borrowers shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrowers shall pay any present or future stamp, documentary, excise, property or similar taxes, charges or levies that arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) The Borrowers shall indemnify each Lender and each Agent for the full amount of Taxes and Other Taxes, and for the full amount of taxes imposed by any jurisdiction on amounts payable under this Section 2.11, paid by or imposed on such Lender or such Agent (as the case may be) and any liability (including penalties, additions to tax, interest and expenses) arising therefrom or with respect thereto. This indemnification shall be made within 30 days from the date such Lender or such Agent (as the case may be) makes written demand therefor, and delivers to AGCO with a certificate describing in reasonable detail the manner in which the indemnified amount was calculated; provided that a Lender or an Agent shall not be required to describe in such certificate information that such Lender or Agent deems to be confidential or the disclosure of which is inconsistent with such Lender's or Agent's internal policies. Any such calculation shall be conclusive, absent manifest error.

(d) Within 30 days after the date of any payment of Taxes, the Multi-Currency Borrowers shall furnish to the Administrative Agent, and the Canadian Subsidiary shall furnish to the Canadian Administrative Agent, at their respective addresses referred to in Section 8.02, the original receipt of payment thereof or a certified copy of such receipt. In the case of any payment hereunder or under the Notes by the Borrowers through an account or branch outside the United States, in the case of any Multi-Currency Borrower, or through an account or branch outside Canada, in the case of the Canadian Subsidiary, or on behalf of the Borrowers by a payor that is not a United States person, or a person Resident in Canada, as the case may be, if the Borrowers determine that no Taxes are payable in respect thereof, the Borrowers shall furnish, or shall cause such payor to furnish, to the Appropriate Agent, at such address, an opinion of counsel acceptable to such Agent stating that such payment is exempt from Taxes. For purposes of this subsection (d) and subsection (e), the terms "United States" and "United States person" shall have the meanings specified in Section 7701 of the Internal Revenue Code, and the terms "Canada" and "Resident in Canada" shall have the meanings ascribed thereto for purposes of the Income Tax Act (Canada).

(e) Each Lender organized under the laws of a jurisdiction outside the United States, in the case of a Multi-Currency Lender, and each Lender organized under the laws of a jurisdiction outside the country of the applicable Borrower, in each other case, shall, on or prior to the date of its execution and delivery of this Agreement in the case of each initial Lender hereunder, and on the date of the Assignment and Acceptance pursuant to which it became a Lender in the case of each other Lender, and from time to time thereafter if requested in writing by a Borrower or the Appropriate Agent (but only so long thereafter as such Lender remains lawfully able to do so), provide the Appropriate Agent and such Borrower with (i) in the case of a Multi-Currency Lender, Internal Revenue Service form 1001 or 4224, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that such Lender is entitled to benefits under an income tax treaty to which the United States is a party that reduces the rate of interest-withholding tax on payments under this

Agreement or the Notes or certifying that the income receivable pursuant to this Agreement or the Notes is effectively connected with the conduct of a trade or business in the United States, and (ii) in the case of any Lender organized under the laws of a jurisdiction outside the country within which an applicable Borrower is organized, such forms, as are reasonably requested by such Borrower and required by the applicable tax authority of such jurisdiction, indicating that such Lender is entitled to benefits under an income tax treaty to which the country within which such Borrower is resident is a party that reduces the rate of interest-withholding tax on payments under this Agreement or the Notes. If the appropriate forms provided by a Lender at the time such Lender first becomes a party to this Agreement indicates an interest-withholding tax rate in excess of zero, withholding tax at such rate shall be considered excluded from Taxes unless and until such Lender provides the appropriate form certifying that a lesser rate applies, whereupon withholding tax at such lesser rate only shall be considered excluded from Taxes for periods governed by such form; provided that, if at the date of the Assignment and Acceptance pursuant to which a Lender assignee becomes a party to this Agreement, the Lender assignor was entitled to payments under subsection (a) in respect of United States (or the jurisdiction wherein the applicable Borrower is organized) withholding tax with respect to interest paid at such date by a Borrower, then, to such extent, the term Taxes shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise includible in Taxes) (or the jurisdiction wherein the applicable Borrower is organized) withholding tax, if any, applicable with respect to the Lender assignee on such date. If any form or document referred to in this subsection (e) requires the disclosure of information, other than information necessary to compute the tax payable and information required on the date hereof by Internal Revenue Service form 1001 or 4224 or other form that the applicable Borrower has indicated in writing to the Lenders on the date hereof as being a required form to avoid or reduce withholding tax on payments under this Agreement or on the Notes, that a Lender reasonably considers to be confidential, such Lender shall give notice thereof to the Borrowers and shall not be obligated to include in such form or document such confidential information.

(f) For any period with respect to which a Lender has failed to provide the Borrowers with the appropriate form described in subsection (e) (other than if such failure is due to a change in law occurring after the date on which a form originally was required to be provided or if such form otherwise is not required under subsection (e)), such Lender shall not be entitled to indemnification under subsection (a) or (c) with respect to Taxes imposed by the United States; provided that should a Lender become subject to Taxes because of its failure to deliver a form required hereunder, the Borrowers shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

(g) Without prejudice to the survival of any other agreement of the Borrowers hereunder, the agreements and obligations of the Borrowers contained in this

Section 2.11 shall survive the payment in full of principal and interest hereunder and under the Notes.

SECTION 2.12. Sharing of Payments, Etc. If any Lender shall obtain at any time any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) distributed other than in accordance with the provisions of this Agreement,

(a) on account of Obligations due and payable to such Lender hereunder and under the Notes at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations due and payable to all Lenders hereunder and under the Notes at such time) of payments on account of the Obligations due and payable to all Lenders hereunder and under the Notes at such time obtained by all the Lenders at such time, or

(b) on account of Obligations owing (but not due and payable) to such Lender hereunder and under the Notes at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing to such Lender at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lenders hereunder and under the Notes at such time) of payments on account of the Obligations owing (but not due and payable) to all Lenders hereunder and under the Notes at such time obtained by all the Lenders at such time,

such Lender shall forthwith purchase from the other Lenders such participations in the Obligations due and payable or owing to them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each other Lender shall be rescinded and such other Lender shall repay to the purchasing Lender the purchase price to the extent of such other Lender's ratable share (according to the proportion of (x) the purchase price paid to such Lender to (y) the aggregate purchase price paid to all Lenders) of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (A) the amount of such other Lender's required repayment to (B) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section 2.12 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.13. Letters of Credit. (a) The Letter of Credit Facility. Each Issuing Bank agrees, on the terms and conditions hereinafter set forth, to issue letters of credit (the "Letters of Credit") for the account of any Multi-Currency Borrower (in the case of the Multi-Currency Issuing Bank) or the Canadian Subsidiary (in the case of the Canadian Issuing Bank) from time to time on any Business Day during the period from

(x) in the case of any Letter of Credit issued for the account of a Multi-Currency Borrower, the date of the initial Borrowing, and

(y) in the case of any Letter of Credit issued for the account of the Canadian Subsidiary, the date of this Agreement until 60 days before the Termination Date

(i) in an aggregate Available Amount for all Letters of Credit issued for the account of all Borrowers not to exceed at any time the Appropriate Issuing Bank's Letter of Credit Commitment, minus the aggregate principal amount of all Letter of Credit Advances to any Borrower then outstanding,

(ii) in an Available Amount for each Letter of Credit issued for the account of a Multi-Currency Borrower not to exceed either

(A) the aggregate Unused Multi-Currency Commitments on such Business Day, or

(B) the excess, if any, of the Borrowing Base over Borrower Outstandings on such Business Day, and

(iii) in an Available amount for each such Letter of Credit issued for the account of the Canadian Subsidiary not to exceed either

(A) the aggregate Unused Canadian Subsidiary Commitments on such Business Day, or

(B) the excess, if any, of the Borrowing Base over Borrower Outstandings on such Business Day.

No Letter of Credit shall have an expiration date (including all rights of a Borrower or the beneficiary to require renewal) later than the earlier of 60 days before the Termination Date and, in the case of a Standby Letter of Credit, one year after the date of issuance thereof, and, in the case of a Trade Letter of Credit, 180 days after the date of issuance thereof. Each Letter of Credit shall require that all draws thereon must be presented to the Issuing Bank by the expiration date therefor, regardless of whether presented prior to such date to any correspondent bank or other institution. Within the limits of the Letter of Credit Facility, and

subject to the limits referred to above, the Borrower may request the issuance of Letters of Credit under this Section 2.13(a), repay any Letter of Credit Advances resulting from drawings thereunder pursuant to Section 2.13(c) and request the issuance of additional Letters of Credit under this Section 2.13(a).

On the date of the initial Borrowing hereunder, each Letter of Credit issued under the Old Credit Agreement shall be deemed for all purposes, as of such date, without further action by any Person, to have been issued hereunder.

(b) Request for Issuance. (i) Each Letter of Credit shall be issued upon notice, given not later than 11:00 A.M. (New York City time) on the first Business Day prior to the date of the proposed issuance of such Letter of Credit, by a Borrower to the Appropriate Issuing Bank, which shall give to the Appropriate Agent and each Appropriate Lender prompt notice thereof by telex, telecopier or cable. Each such notice of issuance of a Letter of Credit (a "Notice of Issuance") shall be by telex, telecopier or cable, confirmed immediately in writing, specifying therein

(A) the requested date of such issuance (which shall be a Business Day);

(B) the requested Available Amount of such Letter of Credit;

(C) the requested expiration date of such Letter of Credit;

(D) the requested currency in which such Letter of Credit shall be denominated, which shall be U.S. dollars or an Alternate Currency; provided that no Borrower shall make a request for a Letter of Credit in an Alternate Currency described in clause (b) of the definition thereof unless it shall have previously obtained the consent of each Lender to the issuance of Letters of Credit in such currency;

(E) the requested name and address of the beneficiary of such Letter of Credit; and

(F) the requested form of such Letter of Credit,

and shall be accompanied by such application and agreement for letter of credit (a "Letter of Credit Agreement") as the Appropriate Issuing Bank may specify to such Borrower for use in connection with such requested Letter of Credit. If

(x) the requested form of such Letter of Credit is acceptable to the Appropriate Issuing Bank in its sole discretion, and

(y) it has not received notice of objection to such issuance from the Required Lenders,

the Appropriate Issuing Bank will, upon fulfillment of the applicable conditions set forth in Article III, make such Letter of Credit available to the requesting Borrower at its office referred to in Section 8.02 or as otherwise agreed with such Borrower in connection with such issuance. In the event and to the extent that the provisions of any Letter of Credit Agreement shall conflict with this Agreement, the provisions of this Agreement shall govern. A Letter of Credit shall be deemed to have been issued for the account of each Borrower delivering the Notice of Issuance therefor.

(ii) The Issuing Bank shall furnish

(A) to the Appropriate Agent on the first Business Day of each week a written report summarizing issuance and expiration dates of Letters of Credit issued during the previous week, the respective Available Amounts with respect thereto, currencies in which such Letters of Credit were denominated, for whose account such letters of credit were issued and drawings during such week under all Letters of Credit;

(B) to each Appropriate Lender on the first Business Day of each month a written report summarizing issuance and expiration dates of Letters of Credit issued during the preceding month and drawings during such month under all Letters of Credit; and

(C) to the Appropriate Agent and each Appropriate Lender on the first Business Day of each calendar quarter a written report setting forth the average daily aggregate Available Amount during the preceding calendar quarter of all Letters of Credit.

(c) Drawing and Reimbursement.

(i) The payment by the Appropriate Issuing Bank of a draft drawn under any Letter of Credit shall constitute for all purposes of this Agreement the making by such Issuing Bank of a Letter of Credit Advance, which shall

(A) in the case of payment on a draft drawn under a Letter of Credit denominated in U.S. dollars or Canadian Dollars, be a Base Rate Advance in the amount of such draft, and

(B) in any other case, be a Eurocurrency Rate Advance that bears interest at the rate per annum equal to the rate per annum at which interest

would accrue on a Eurocurrency Rate Advance with an Interest Period of one month beginning on the date of such draw.

(ii) Upon the issuance of each Letter of Credit for the account of a Multi-Currency Borrower, each Multi-Currency Credit Lender (other than the Multi-Currency Issuing Bank) shall be deemed to have purchased a participation therein equal to its Pro Rata Share of the Available Amount thereof and, upon written demand by the Multi-Currency Issuing Bank following a draw on such a Letter of Credit, with a copy of such demand to the Administrative Agent, each Multi-Currency Lender (other than the Multi-Currency Issuing Bank) shall purchase from the Multi-Currency Issuing Bank, directly and not as a participation, and the Multi-Currency Issuing Bank shall sell and assign to each such other Multi-Currency Lender, such other Lender's Pro Rata Share of such Letter of Credit Advance resulting from such draw as of the date of such purchase, by making available for the account of its Applicable Lending Office to the Administrative Agent for the account of the Multi-Currency Issuing Bank, by deposit to the Administrative Agent's Account, in same-day funds in the currency in which such Letter of Credit was denominated, an amount equal to the portion of the outstanding principal amount of such Letter of Credit Advance to be purchased by such Lender.

(iii) Upon the issuance of each Letter of Credit for the account of the Canadian Subsidiary, each Canadian Subsidiary Lender (other than the Canadian Issuing Bank, if it is then a Canadian Subsidiary Lender) shall be deemed to have purchased a participation therein equal to its Pro Rata Share of the Available Amount thereof and, upon written demand by the Canadian Issuing Bank following a draw on such a Letter of Credit, with a copy of such demand to the Administrative Agent and the Canadian Administrative Agent, each Canadian Subsidiary Lender (other than the Canadian Issuing Bank) shall purchase from the Canadian Issuing Bank, directly and not as a participation, and the Canadian Issuing Bank shall sell and assign to each such other Canadian Subsidiary Lender, such other Lender's Pro Rata Share of the Letter of Credit Advance resulting from such draw as of the date of such purchase, by making available for the account of its Applicable Lending Office to the Canadian Administrative Agent for the account of the Canadian Issuing Bank, by deposit to the Canadian Administrative Agent's Account, in same-day funds in the currency in which such Canadian Subsidiary Letter of Credit was denominated, an amount equal to the portion of the outstanding principal amount of such Letter of Credit Advance to be purchased by such Canadian Subsidiary Lender.

(iv) Each Borrower agrees to each participation, sale and assignment pursuant to this subsection (c).

(v) Each Appropriate Lender agrees to purchase its Pro Rata Share of an outstanding Letter of Credit Advance on

(A) the Business Day on which demand therefor is made by the Issuing Bank, provided notice of such demand is given not later than 11:00 A.M. (New York City time) on such Business Day, or

(B) the first Business Day next succeeding such demand if notice of such demand is given after such time.

Upon any such assignment by the Appropriate Issuing Bank to any Appropriate Lender of a portion of a Letter of Credit Advance, the Appropriate Issuing Bank shall be deemed to have represented and warranted to such Appropriate Lender that such Issuing Bank is the legal and beneficial owner of such interest being assigned by it, but makes no other representation or warranty and assumes no responsibility with respect to such Letter of Credit Advance, the Loan Documents or any Loan Party. If and to the extent that any Appropriate Lender shall not have so made the purchase price for its Pro Rata Share of a Letter of Credit Advance available to the Appropriate Agent, such Lender agrees to pay to the Appropriate Agent forthwith on demand such amount together with interest thereon, for each day from the date of demand by the Appropriate Issuing Bank until the date such amount is paid to the Appropriate Agent, at the Federal Funds Rate, in the case of demands made by the Multi-Currency Issuing Bank, and at the Base Rate (with respect to Canadian Subsidiary Borrowings) in the case of demands made by the Canadian Issuing Bank. If such Lender shall pay to the Appropriate Agent such amount for the account of the Appropriate Issuing Bank on any Business Day, such amount so paid in respect of principal shall constitute a Letter of Credit Advance made by such Lender on such Business Day for purposes of this Agreement, and the outstanding principal amount of the Letter of Credit Advance made by the Appropriate Issuing Bank shall be reduced by such amount on such Business Day.

(d) Obligations Absolute. The Obligations of the Borrowers under this Agreement, any Letter of Credit Agreement and any other agreement or instrument relating to any Letter of Credit shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement, such Letter of Credit Agreement and such other agreement or instrument under all circumstances, including without limitation the following circumstances:

(i) any lack of validity or enforceability of this Agreement, any Letter of Credit Agreement, any Letter of Credit or any other agreement or instrument relating thereto (this Agreement and all of the other foregoing being, collectively, the "L/C Related Documents");

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations of any Borrower in respect of any L/C Related Document or any other amendment or waiver of or any consent to departure from all or any of the L/C Related Documents;

(iii) the existence of any claim, set-off, defense or other right that any Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), the Issuing Bank or any other Person, whether in connection with the transactions contemplated by the L/C Related Documents or any unrelated transaction;

(iv) any statement or any other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(v) payment by the Appropriate Issuing Bank under a Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; provided that this clause (v) shall not be deemed to be a waiver of any claim that any Borrower might have against such Issuing Bank as a result of any such payment;

(vi) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any Loan Party Guaranty or any other Guaranty, for all or any of the Obligations of each Borrower in respect of the L/C Related Documents; or

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including without limitation any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Borrower or a guarantor.

(e) Compensation. (i) Each Multi-Currency Borrower shall pay to the Administrative Agent, for the account of the Multi-Currency Lenders (which for purposes of this subsection (e) shall be deemed to include each such Lender acquiring a participation in a Letter of Credit issued for the account of a Multi-Currency Borrower pursuant to subsection (c) above) a commission computed each day at a rate equal to the rate per annum equal to the Applicable Margin on such day for Eurocurrency Rate Advances on the aggregate Available Amount of all Letters of Credit outstanding and issued for such Multi-Currency Borrower's account. Each such Lender's commission shall be calculated by allocating to such Lender a portion of the total commission determined ratably according to the proportion that such

Lender's Multi-Currency Commitments bear to all Multi-Currency Lenders' Multi-Currency Commitments.

(ii) The Canadian Subsidiary shall pay to the Canadian Administrative Agent, for the account of the Canadian Subsidiary Lenders (which for purposes of this subsection (e) shall be deemed to include each such Lender acquiring a participation in a Letter of Credit issued for the account of the Canadian Subsidiary pursuant to subsection (c) above) a commission computed each day at a rate equal to the rate per annum equal to the Applicable Margin on such day for Eurocurrency Rate Advances on the aggregate Available Amount of all Letters of Credit outstanding and issued for the Canadian Subsidiary's account. Each such Lender's commission shall be calculated by allocating to such Lender a portion of the total commission determined ratably according to the proportion that such Lender's Canadian Subsidiary Commitments bear to all Canadian Subsidiary Lenders' Canadian Subsidiary Commitments.

(iii) The commissions specified in this subsection (e) shall be payable as provided in Section 2.07(c).

(iv) Each Borrower also shall pay to the Appropriate Issuing Bank, for its own account, such issuance fees, other commissions, transfer fees and other fees and charges in connection with the issuance or administration of each Letter of Credit as the Borrowers and such Issuing Bank have separately agreed.

SECTION 2.14. Use of Proceeds. The proceeds of Advances to the Borrowers shall be available (and AGCO agrees that it shall use such proceeds) solely for the purpose of refinancing amounts owing under the Old Credit Agreement and for general corporate purposes. Neither AGCO nor any Borrowing Subsidiary will apply any such proceeds in violation of United States law or any applicable foreign law.

SECTION 2.15. Replacement of a Bank. Subject to the second and third paragraphs of this Section 2.15, if

(a) a Multi-Currency Lender requests compensation under Section 2.09(a) or (b) or 2.11 and other Multi-Currency Lenders holding Commitments equal to at least one third of the Multi-Currency Facility shall not have made a similar request,

(b) a Canadian Subsidiary Lender requests compensation under Section 2.09(a) or (b) or 2.11 and other Canadian Subsidiary Lenders holding Commitments equal to at least one third of the Canadian Subsidiary Facility shall not have made a similar request,

(c) the obligation of a Lender to make Eurocurrency Rate Advances or to Convert Base Rate Advances into Eurocurrency Rate Advances shall be suspended pursuant to Section 2.09(c) or (d) in circumstances in which such obligations of other Lenders holding Commitments equal to at least one third of the Multi-Currency Facility shall not have been suspended, or

(d) a Lender becomes insolvent, goes into receivership or fails to make any Advances required to be made by it hereunder,

then, so long as such condition occurs and is continuing with respect to any Lender (a "Replaced Lender"), AGCO may designate a Person (a "Replacement Lender") that is an Eligible Assignee to assume such Replaced Lender's Commitments hereunder and to purchase any Advances by such Replaced Lender and such Replaced Lender's rights hereunder, without recourse to or representation or warranty by, or expense to, such Replaced Lender, for a purchase price equal to the outstanding principal amount of the Advances by such Replaced Lender, plus any accrued but unpaid interest on such Advances and accrued but unpaid fees and other amounts owing to such Replaced Lender.

Subject to the execution and delivery to the Appropriate Agent and the Replaced Lender by the Replacement Lender of an Assignment and Acceptance (and the approval thereof by the applicable Persons specified in Section 8.07(a)(v)) and the payment to the Administrative Agent by AGCO on behalf of such Replaced Lender of the assignment fee specified in Section 8.07(a)(vi), the Replacement Lender shall succeed to the rights and obligations of such Replaced Lender hereunder and such Replaced Lender shall no longer be a party hereto or have any rights hereunder; provided that the obligations of the Borrowers to such Replaced Lender under Sections 2.09, 2.11 and 8.04 with respect to events occurring or obligations arising before or as a result of such replacement shall survive such replacement. Promptly following its replacement by the Replacement Lender, the Replaced Lender shall return to the Borrowers the Notes delivered by the Borrowers to such Replaced Lender and the Borrowers will deliver new Notes to the Replacement Lender.

AGCO may not exercise its rights under this Section 2.15 with respect to any Lender (i) unless it exercises such rights with respect to all Lenders to which circumstances giving rise to the replacement of such Lender apply, or (ii) if a Default has occurred and is continuing.

SECTION 2.16. Bankers' Acceptances and BA Equivalent Loans.

(a) Face Amounts. The face amount of each Bankers' Acceptance shall be Cdn. \$100,000 or any whole multiple thereof.

(b) Discount Rate. On each day on which Bankers' Acceptances are to be accepted, the Canadian Administrative Agent shall advise the Borrower as to the Canadian Administrative Agent's determination of the Discount Rate.

(c) Purchase and Reimbursement of Bankers' Acceptances. The Borrower shall sell, and each Canadian Subsidiary Lender shall purchase, at the Discount Rate each Bankers' Acceptance accepted by it and to deliver the Discount Proceeds less the Acceptance Fee to the Canadian Administrative Agent for the relevant Borrower's Account in accordance with Section 2.02(a). The Borrower will reimburse each Canadian Subsidiary Lender, on the last day of the relevant Contract Period, for the face amount of each Bankers' Acceptance accepted by it.

(d) Sale of Bankers' Acceptances. Each Canadian Subsidiary Lender, except a Non BA Lender, may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.

(e) Bankers' Acceptances in Blank. To facilitate the acceptance of Bankers' Acceptances under this Agreement, the Borrower shall upon execution of this Agreement and from time to time as required, provide to the Canadian Administrative Agent drafts substantially in the form of Exhibit E (or such other form as may be acceptable to the Canadian Administrative Agent) executed and duly endorsed in blank by the Borrower, in quantities sufficient for each of the Canadian Subsidiary Lenders to fulfill its obligations under this Agreement. No Canadian Subsidiary Lender shall be responsible or liable for its failure to accept a Bankers' Acceptance as required under this Agreement if the cause of such failure is, in whole or in part, due to the failure of the Borrower to provide duly executed and endorsed drafts to the Canadian Administrative Agent on a timely basis nor shall the Canadian Subsidiary Lender be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except a loss or improper use arising by reason of the gross negligence or wilful misconduct of the Canadian Subsidiary Lender, the Canadian Administrative Agent or their respective employees.

(f) Execution of Bankers' Acceptances. Bills of exchange drawn by the Borrower to be accepted as Bankers' Acceptances shall be signed by a duly authorized officer or officers of the Borrower. Notwithstanding that any Person whose signature appears on any Bankers' Acceptance may no longer be an authorized signatory for the Borrower at the date of issuance of a Bankers' Acceptance, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such Bankers' Acceptance so signed shall be binding on the Borrower.

(g) Issuance of Bankers' Acceptances. The Canadian Administrative Agent, promptly following receipt of a notice of Advance by way of Bankers' Acceptances, shall so

advise the Canadian Subsidiary Lenders and shall advise each Canadian Subsidiary Lender of the aggregate face amount of the Bankers' Acceptances to be accepted by it and the applicable Contract Period (which shall be identical for all Canadian Subsidiary Lenders). The aggregate face amount of the Bankers' Acceptances to be accepted by a Canadian Subsidiary Lender shall be determined by the Canadian Administrative Agent by reference to Section 2.01(b), except that, if the face amount of a Bankers' Acceptance which would otherwise be accepted by a Canadian Subsidiary Lender would not be Cdn. \$100,000 or a whole multiple thereof, such face amount shall be increased or reduced by the Agent in its sole discretion to Cdn. \$100,000 or the nearest whole multiple of that amount, as appropriate.

(h) Rollover of Bankers' Acceptances. With respect to each Advance which is outstanding under this Agreement by way of Bankers' Acceptances, at or before 10:00 a.m. (Toronto time), two (2) Business Days before the maturity date of such Bankers' Acceptances, the Borrower shall notify the Canadian Administrative Agent by telex, telecopier or cable in substantially the form of Exhibit B-3 hereto, if the Borrower intends to issue Bankers' Acceptances on such maturity date to provide for the payment of such maturing Bankers' Acceptances. Such notice shall be irrevocable and binding on the Borrower delivering such notice. If the Borrower fails to give such notice, such maturing Bankers' Acceptances shall be converted on their maturity date into Base Rate Advances in an amount equal to the face amount of such Bankers' Acceptances.

(i) Rollover. The rollover of Bankers' Acceptances pursuant to Section 2.16(h) shall not constitute a repayment of any Borrowing or a new advance of funds.

(j) BA Equivalent Loans by Non BA Lenders. Whenever the Borrower requests an Advance under this Agreement by way of Bankers' Acceptances, each Non BA Lender shall, in lieu of accepting a Bankers' Acceptance, make a BA Equivalent Loan.

(k) Terms Applicable to Discount Notes. The term "Bankers' Acceptance" shall include Discount Notes and all terms of this Agreement applicable to Bankers' Acceptances shall apply equally to Discount Notes evidencing BA Equivalent Loans with such changes as may in the context be necessary. For greater certainty:

(i) the term of a Discount Note shall be the same as the Contract Period for Bankers' Acceptances accepted on the same date in respect of the same Advance;

(ii) an Acceptance Fee will be payable in respect of a Discount Note and shall be calculated at the same rate and in the same manner as the Acceptance Fee in respect of a Bankers' Acceptance; and

(iii) the Discount Rate applicable to a Discount Note shall be the Discount Rate applicable to Bankers' Acceptances accepted on the same date, or maturity date in respect of rollovers, in respect of the same Advance.

(l) Prepayment of Bankers' Acceptances. Whenever the provisions of this Agreement states that the Borrower shall prepay the principal amount of Advances or any portion of the principal amount of Advances, and such Advances are by way of Bankers' Acceptances and not BA Equivalent Loans, such prepayment of such Advances shall mean that the Borrower shall deposit the face amount of each such Bankers' Acceptance into such interest-bearing account of the Canadian Administrative Agent as it shall specify. Such amounts shall be held by the Canadian Administrative Agent for payment of the Canadian Subsidiary Lender's obligations in respect of such Bankers' Acceptances on the applicable maturity date(s). The Borrower's obligations in respect of any such Bankers' Acceptances shall be satisfied by any such payment and any interest earned on such amounts shall be paid to the Borrower.

(m) Rounding. The Canadian Administrative Agent is authorized by the Canadian Subsidiary and each Canadian Subsidiary Lender to allocate among the Canadian Subsidiary Lenders the Bankers' Acceptances to be issued in such manner and amounts as the Canadian Administrative Agent may, in its sole and unfettered discretion acting reasonably, consider necessary, rounding a Canadian Subsidiary Lender's allocation up or down, so as to ensure that no Canadian Subsidiary Lender is required to accept a Bankers' Acceptance for a fraction of Cdn. \$100,000, and in such event, the respective Lenders' Pro Rata Shares of any such Bankers' Acceptances and repayments thereof shall be altered accordingly. Further, the Canadian Administrative Agent is authorized by the Canadian Subsidiary and each Canadian Subsidiary Lender to cause the proportionate share of one or more Lenders' Canadian Subsidiary Commitments to be exceeded by not more than Cdn. \$100,000 each as a result of such allocations; provided that (a) the Canadian Subsidiary Outstandings shall not thereby exceed the amount of the Canadian Subsidiary Facility and (b) no Canadian Subsidiary Lender shall be required to make available an amount greater than its Pro Rata Share of the Canadian Subsidiary Facility.

ARTICLE III

CONDITIONS OF LENDING

SECTION 3.01. Conditions Precedent to Initial Borrowing. The obligation of each Lender to make an Advance on the occasion of the initial Borrowing under this Agreement (as in effect prior to its amendment and restatement hereby) is subject to the following conditions precedent:

(a) The Lenders shall be satisfied that, in connection with the initial Borrowing hereunder, simultaneously with such initial Borrowing, all amounts owing under the Old Credit Agreement shall have been paid in full and all commitments to lend thereunder shall be terminated.

(b) There shall exist no action, suit, investigation, litigation or proceeding affecting AGCO or any of its Subsidiaries pending or threatened before any court, governmental agency or arbitrator that, in the sole judgment of any Lender,

(i) could have a Material Adverse Effect on AGCO or any Subsidiary Guarantor or

(ii) purports to affect the legality, validity or enforceability of this Agreement, any Note, any other Loan Document, any L/C Related Document or the consummation of the transactions contemplated hereby.

(c) Each of the Lenders shall have completed a due diligence investigation of AGCO and its Subsidiaries in scope, and with results, satisfactory to each of the Lenders, and the results of such investigation shall be acceptable to each of the Lenders in their sole discretion.

(d) AGCO shall have paid to the Administrative Agent the closing fee separately agreed to between AGCO and the Administrative Agent.

(e) The Administrative Agent shall have received on or before the day of the initial Borrowing the following, each dated such day (unless otherwise specified), in form and substance satisfactory to the Lenders (unless otherwise specified) and (except for the Notes) in sufficient copies for each Lender:

(i) The Notes to the order of the Lenders.

(ii) Certified copies of the resolutions of the Board of Directors of each Borrower and each other Loan Party approving this Agreement, the Notes, each other Loan Document and each L/C Related Document to which it is or is to be a party, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement, the Notes, each other Loan Document and each L/C Related Document.

(iii) A copy of the charter of each Borrower and each other Loan Party and each amendment thereto, certified (as of a date reasonably near the date of the initial

Borrowing) by an appropriate governmental official as being a true and correct copy thereof.

(iv) For AGCO and each other Loan Party other than a Foreign Subsidiary, a copy of a certificate of the Secretary of State of the state of organization of such Person, dated reasonably near the date of the initial Borrowing, listing the charter of such Person and each amendment thereto on file in his office and certifying that

(A) such amendments are the only amendments to such Person's charter on file in his office;

(B) such Person has paid all franchise taxes to the date of such certificate; and

(C) such Person is duly incorporated and in good standing or presently subsisting under the laws of the jurisdiction of organization.

(v) A certificate of each Borrower and each other Loan Party, signed on behalf of such Person by its President or a Vice President and its Secretary or any Assistant Secretary, or by other appropriate officers of it, dated the date of the initial Borrowing (the statements made in which certificate shall be true on and as of the date of the initial Borrowing), certifying as to

(A) the absence of any amendments to the charter of such Person since the date of the certificate referred to in Section 3.01(e)(iii);

(B) a true and correct copy of the bylaws of such Person as in effect on the date of the initial Borrowing; and

(C) the due incorporation and (if such Person is not a Foreign Subsidiary) good standing of such Person as a corporation organized under the laws of the jurisdiction of its organization, and the absence of any proceeding for the dissolution or liquidation of such Person.

(vi) A certificate of the Secretary or an Assistant Secretary or other appropriate officer of each Borrower and each other Loan Party certifying the names and true signatures of the officers of such Person authorized to sign this Agreement, the Notes and each other Loan Document to which it is or is to be parties and the other documents to be delivered hereunder and thereunder.

(vii) Guaranties duly executed by each Person specified in Schedule 3.01(e)(vii) (each such Subsidiary of AGCO executing the same being a "Subsidiary

Guarantor"), each such Guaranty to be in form and substance satisfactory to the Administrative Agent, and guaranteeing the obligations specified in such Schedule.

(viii) Such financial, business and other information regarding each Loan Party as the Lenders shall have requested, including without limitation information as to possible contingent liabilities, tax matters, environmental matters, obligations under ERISA, collective bargaining agreements and other arrangements with employees, annual consolidated financial statements dated December 31, 1995, of AGCO and its Restricted Subsidiaries and AGCO and its Subsidiaries, respectively.

(ix) A letter, in form and substance satisfactory to the Administrative Agent, from AGCO to Arthur Andersen LLP, its independent certified public accountants, advising such accountants that the Co-Managers and the Canadian Administrative Agent have been authorized to exercise all rights of AGCO to require such accountants to disclose any and all financial statements and any other information of any kind that they may have with respect to AGCO and its Subsidiaries and directing such accountants to comply with any reasonable request of any Co-Manager or the Canadian Administrative Agent for such information, and also advising such accountants that the Lenders have relied and will rely upon the financial statements of the AGCO and its Subsidiaries examined by such accountants in determining whether to enter into, or to take action or refrain from taking action under, the Loan Documents.

(x) A favorable opinion of King & Spalding, counsel for the Borrowers, in form and substance satisfactory to the Lenders.

(xi) A favorable opinion of Michael Swick, vice president and general counsel of AGCO, in form and substance satisfactory to the Lenders.

(xii) A favorable opinion of Jeremy Parkin, in form and substance satisfactory to the Lenders.

(xiii) A favorable opinion of Herbert Smith, French counsel to the Borrowers, in form and substance satisfactory to the Lenders.

(xiv) Such favorable opinions of McDougall Ready, Canadian counsel to the Borrowers, Hengeler Muller Weitzel Wirtz, German counsel to the Borrowers, and De Brauw Blackstone Westbroek, Netherlands counsel to the Borrowers, and such other favorable opinions of counsel as any Co-Manager may reasonably request, in form and substance satisfactory to the Lenders.

(xv) A favorable opinion of Shearman & Sterling, counsel for the Co-Managers, in form and substance satisfactory to the Co-Managers.

(xvi) Evidence that AGCO has delivered to the trustee under the Subordinated Debt Indenture a notice stating that this Agreement and related instruments and documents are the "Bank Credit Agreement" under such indenture.

(xvii) Such other approvals, opinions or documents as any Lender may reasonably request.

(f) AGCO shall have paid all accrued fees and expenses of the Agents, the Co-Managers and the Lenders (including the accrued fees and expenses of counsel to the Co-Managers) that have theretofore been invoiced.

SECTION 3.02. Conditions Precedent to Each Borrowing and Issuance. The obligation of each Lender to make an Advance (including the initial Advance but other than a Letter of Credit Advance), and the right of any Borrower to request the issuance of Letters of Credit, shall be subject to the further conditions precedent that on the date of such Borrowing or issuance, the following statements shall be true and any Notice of Borrowing delivered to the Appropriate Agent hereunder shall certify that, as of the date of the Borrowing requested thereunder:

(a) the representations and warranties contained in each Loan Document will be correct on and as of the date of such Borrowing or issuance, before and after giving effect to such Borrowing or issuance and to the application of the proceeds therefrom, as though made on and as of such date, and request for the issuance of a Letter of Credit delivered to the Issuing Bank hereunder other than any such representations or warranties that, by their terms, refer to a date other than the date of such Borrowing or issuance;

(b) no event shall have occurred and be continuing, or would result from such Borrowing or issuance or from the application of the proceeds therefrom, that constitutes or would constitute a Default; and

(c) such Borrowing is permitted under Section 2.01(a), if such Borrowing is a Multi-Currency Borrowing, or Section 2.01(b), if such Borrowing is a Canadian Subsidiary Borrowing.

SECTION 3.03. Determinations Under Section 3.01. For purposes of determining compliance with the conditions specified in Section 3.01, each Lender shall be deemed to have consented to, approved or accepted or to be satisfied with each document or

other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Appropriate Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender prior to the initial Borrowing specifying its objection thereto and such Lender shall not have made available to the Appropriate Agent such Lender's ratable portion of such Borrowing.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrowers. Each Borrower represents and warrants as of the date of this Agreement (as amended and restated) as follows:

(a) AGCO

(i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(ii) is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed, except where the failure to so qualify or be licensed is not reasonably likely to have a Material Adverse Effect; and

(iii) has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted.

(b) Set forth on Schedule 4.01(b) (or, for purposes of Section 3.02(a), the most recently delivered replacement for such Schedule, if any, delivered pursuant to Section 5.03(p) (other than, for purposes of Section 3.02(a), Dormant Subsidiaries)) is a complete and accurate list of all Subsidiaries of AGCO, showing as of the date hereof (as to each such Subsidiary) the jurisdiction of its incorporation, the number of shares of each class of capital stock authorized, and the number outstanding, on the date hereof and the percentage of the outstanding shares of each such class owned (directly or indirectly) by AGCO, the number of shares covered by all outstanding options, warrants, rights of conversion or purchase and similar rights at the date hereof and whether it is a Restricted Subsidiary or a Dormant Subsidiary.

All of the outstanding capital stock of all of the Subsidiaries of AGCO owned by AGCO or any of its Subsidiaries has been validly issued, is fully paid and non-assessable and is owned by AGCO or one or more of its Subsidiaries free and clear of all Liens, except for Liens permitted under Section 5.02(a)(ix). Each Restricted Subsidiary

(i) is a corporation duly organized, validly existing and (if not a Foreign Subsidiary) in good standing under the laws of the jurisdiction of its incorporation;

(ii) is duly qualified and in good standing as a foreign corporation in each other jurisdiction in which it owns or leases property or in which the conduct of its business requires it to so qualify or be licensed except where the failure to so qualify or be licensed is not reasonably likely to have a Material Adverse Effect; and

(iii) has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted.

Also set forth on Schedule 4.01(b) (or, for purposes of Section 3.02(a)(i), the most recently delivered replacement for such Schedule, if any, delivered pursuant to Section 5.03(q)) is a complete and accurate list of all joint ventures of AGCO and/or any of its Subsidiaries and any third Person showing as of the date hereof (as to each such joint venture) the other Person or Persons parties thereto, a brief description of the purpose thereof, and the percentage of the outstanding capital stock or other equity interests of such joint venture owned on the date hereof by AGCO or any of its Subsidiaries and any outstanding options, warrants, rights of conversion or purchase and similar rights on the date hereof with respect thereto.

(c) The execution, delivery and performance by each Loan Party of this Agreement, the Notes, each other Loan Document and each L/C Related Document to which it is or is to be a party and the consummation of the transactions contemplated hereby, are within such Loan Party's corporate powers, have been duly authorized by all necessary corporate action, and do not

(i) contravene such Loan Party's charter or by-laws;

(ii) violate any law (including without limitation the Securities Exchange Act of 1934, the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970, the Trading with the Enemy Act and any similar statute), rule, regulation (including without limitation Regulation X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award;

(iii) conflict with or result in the breach of, or constitute a default under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting any Loan Party, any of its Subsidiaries or any of their properties; or

(iv) result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Loan Party or any of its Subsidiaries.

Neither AGCO nor any of its Subsidiaries is in violation of any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or in breach of any such contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument, the violation or breach of which is reasonably likely to have a Material Adverse Effect.

(d) No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or any other third party is required for

(i) the due execution, delivery, recordation, filing or performance by any Loan Party of this Agreement, the Notes, any other Loan Document or any L/C Related Document to which it is or is to be a party, or for the consummation of the transactions contemplated hereby; or

(ii) the exercise by either Agent or any Lender of its rights under the Loan Documents.

(e) This Agreement and each of the Notes, each other Loan Document and each L/C Related Document have been (or, when delivered hereunder will have been), duly executed and delivered by each Loan Party party thereto. This Agreement, each of the Notes, each other Loan Document and each L/C Related Document have been (or, when delivered hereunder will be), the legal, valid and binding obligation of each Loan Party party thereto, enforceable against such Loan Party in accordance with its terms.

(f) The consolidated balance sheets of AGCO and its Restricted Subsidiaries and of AGCO and its Subsidiaries, respectively, as at December 31, 1995 and the related consolidated statements of income and cash flows of AGCO and its Restricted Subsidiaries and AGCO and its Subsidiaries, respectively, for the fiscal year then ended, accompanied by an opinion of Arthur Andersen LLP, independent public accountants, copies of which have been furnished to each Lender, fairly present the consolidated financial condition of AGCO and its Restricted Subsidiaries and AGCO and

its Subsidiaries, respectively, as at such date and the consolidated results of the operations of AGCO and its Restricted Subsidiaries and AGCO and its Subsidiaries, respectively, for the period ended on such date, all in accordance with GAAP applied on a consistent basis, and since December 31, 1995, nothing has occurred that has resulted in a Material Adverse Effect.

(g) No information, exhibit or report furnished by any Loan Party to either Agent or any Lender in connection with the negotiation of the Loan Documents or pursuant to the terms of the Loan Documents contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein not misleading, other than statements or omissions corrected in writings delivered to the Co-Managers prior to the date of execution hereof.

(h) There is no action, suit, investigation, litigation or proceeding affecting AGCO or any of its Subsidiaries, including any Environmental Action, pending or threatened before any court, governmental agency or arbitrator that

(i) would be reasonably likely to have a Material Adverse Effect, or

(ii) purports to affect the legality, validity or enforceability of this Agreement, any Note, any other Loan Document or any L/C Related Document or the consummation of the transactions contemplated thereby or hereby.

(i) No proceeds of any Advance will be used directly to acquire any equity security of a class that is registered pursuant to Section 12 of the Securities Exchange Act of 1934.

(j) None of the Borrowers will, directly or indirectly, use any of the proceeds of any Borrowing for the purpose, whether immediate, incidental or ultimate, of buying a "margin stock" or of maintaining, reducing or retiring any indebtedness originally incurred to purchase a stock that is currently a "margin stock", or for any other purpose that might constitute this transaction a "purpose credit", in each case within the meaning of the margin regulations of the Board of Governors of the Federal Reserve System, if such use would violate such regulations or cause any Lender to violate such regulations or impose any filing or reporting requirement on any Lender.

(k) All Borrowings under this Agreement will be "Senior Indebtedness", as defined in the Subordinated Debt Indenture. This Agreement and all related instruments and documents are the "Bank Credit Agreement", as defined in the Subordinated Debt Indenture.

(l) No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan of any Loan Party or any of its ERISA Affiliates that has resulted in or is reasonably likely to result in a Material Adverse Effect.

(m) Schedule B (Actuarial Information) to the most recent annual report (Form 5500 Series) that any Loan Party or any of its ERISA Affiliates is required to file for any Plan, copies of which have been filed with the Internal Revenue Service, is complete and accurate and fairly presents the funding status of such Plan, and since the date of such Schedule B there has been no material adverse change in such funding status.

(n) Neither any Loan Party nor any of its ERISA Affiliates has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan that could result in a Material Adverse Effect.

(o) Neither any Loan Party nor any of its ERISA Affiliates has been notified by the sponsor of a Multiemployer Plan of any Loan Party or any of its ERISA Affiliates that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and to the knowledge of AGCO no such Multiemployer Plan is reasonably expected to be in reorganization or to be terminated, within the meaning of Title IV of ERISA, in either case which reorganization or termination could result in a Material Adverse Effect.

(p) Neither the business nor the properties of AGCO or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that would be reasonably likely to have a Material Adverse Effect.

(q) The operations and properties of AGCO and each of its Subsidiaries comply in all material respects with all Environmental Laws, all necessary Environmental Permits have been obtained and are in effect that are material to the operations and properties of AGCO and its Subsidiaries, AGCO and its Subsidiaries are in compliance in all material respects with all such Environmental Permits, and no circumstances exist that would be reasonably likely to

(i) form the basis of an Environmental Action against any Loan Party or any of its Subsidiaries or any their properties that could have a Material Adverse Effect or

(ii) cause any such property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law that could have a Material Adverse Effect.

(r) None of the properties of AGCO or any of its Subsidiaries is listed or proposed for listing on the National Priorities List under CERCLA.

(s) (i) Neither AGCO nor any of its Subsidiaries has transported or arranged for the transportation of any Hazardous Materials to any location that is listed or proposed for listing on the National Priorities List under CERCLA;

(ii) to the best of AGCO's knowledge, Hazardous Materials have not been generated, used, treated, handled, stored or disposed of on, or released or transported to or from, any property of AGCO or any of its Subsidiaries, in an amount that would require remediation in accordance with applicable environmental laws; and

(iii) all other wastes generated at any such properties have been disposed of in compliance in all material respects with all applicable Environmental Laws and Environmental Permits,

except to the extent that such transportation, generation, use, treatment, handling, storage, disposition or release would not result in a Material Adverse Effect.

(t) Neither AGCO nor any of its Subsidiaries is a party to any indenture, loan or credit agreement or any lease or other agreement or instrument or subject to any charter or corporate restriction that would be reasonably likely to have a Material Adverse Effect.

(u) Each of AGCO and each of its Subsidiaries has filed, has caused to be filed or has been included in all Federal and foreign income-tax returns, all state income-tax returns where a tax Lien could be imposed on any assets of AGCO or any of its Restricted Subsidiaries and all other material income-tax returns required to be filed and has paid all taxes shown thereon to be due, together with applicable interest and penalties, except for any taxes being contested in good faith by appropriate proceedings promptly initiated and diligently pursued and for which reserves or other appropriate provisions required by GAAP have been established and with respect to which no Lien has attached to its property or become enforceable against its other creditors.

(v) Set forth on Schedule 4.01(v) hereto is a complete and accurate list, as of the date hereof, of each taxable year of AGCO for which Federal income tax returns have been filed and for which the expiration of the applicable statute of limitations for assessment or collection has not occurred by reason of extension or otherwise.

(w) There are no adjustments as of the date hereof to the Federal income tax liability of AGCO proposed by the Internal Revenue Service with respect to any such year. No issues have been raised by the Internal Revenue Service in respect of any such year that, in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(x) The aggregate unpaid amount, as of the date hereof, of adjustments to the state, local and foreign tax liability of AGCO and its Subsidiaries proposed by all state, local and foreign taxing authorities (other than amounts arising from adjustments to Federal income tax returns) does not exceed U.S. \$1,000,000. No issues have been raised by such taxing authorities that, in the aggregate, would be reasonably likely to have a Material Adverse Effect.

(y) Neither AGCO nor any of its Subsidiaries is an "investment company," or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended. Neither the making of any Advances, nor the issuance of any Letters of Credit, nor the application of the proceeds or repayment thereof by the Borrower, nor the consummation of the other transactions contemplated hereby, will violate any provision of such Act or any rule, regulation or order of the Securities and Exchange Commission thereunder.

(z) Set forth on Schedule 4.01(z) hereto is a complete and accurate list as of the date hereof of all Debt of AGCO and its Subsidiaries, showing as of the date hereof the principal amount outstanding thereunder. There are no Liens on property of AGCO or any of its Restricted Subsidiaries, other than Liens permitted under the Old Credit Agreement, Liens approved or consented to by the lenders under the Old Credit Agreement and other Liens that are immaterial, individually or in the aggregate.

ARTICLE V

COVENANTS OF AGCO

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment hereunder, AGCO will, unless the Required Lenders shall otherwise consent in writing:

(a) Compliance with Laws, Etc. Except as provided in Subsection (c), comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, compliance with ERISA, the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970, the Trading with the Enemy Act and any similar statute.

(b) Payment of Taxes, Etc. Pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent,

(i) all Federal and foreign income taxes, all state income taxes in jurisdictions where a tax Lien could be imposed on any assets of AGCO or any of its Restricted Subsidiaries, and all other material income and other taxes, assessments and governmental charges or levies imposed upon it or upon its property, and

(ii) all lawful claims that, if unpaid, might by law become a Lien upon its property;

provided that neither AGCO nor any of its Subsidiaries shall be required to pay or discharge any such tax, assessment, charge or claim that is being contested in good faith by appropriate proceedings promptly initiated and diligently pursued and for which reserves or other appropriate provisions required by GAAP shall have been established, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

(c) Compliance with Environmental Laws. Comply, and cause each of its Subsidiaries and all lessees and other Persons occupying its properties to comply with all Environmental Laws and Environmental Permits applicable to its operations and properties; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct, and cause each of its Subsidiaries to conduct, any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all Environmental Laws, where the failure to do the same could reasonably be expected to result in a Material Adverse Effect.

(d) Maintenance of Insurance. Maintain, and cause each of its Restricted Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which AGCO or such Restricted Subsidiary operates. Such insurance may be subject to (A) insurance by Affiliates of AGCO or similar clauses that so long as such self insurance is in an amount no greater than U.S. \$25,000,000 and is in accord with the approved practices of corporations similarly situated and adequate insurance reserves are maintained in connection with such self-insurance, and (B) deductibles and co-payment obligations no greater than those of other corporations similarly situated.

(e) Preservation of Corporate Existence, Etc. Except as otherwise permitted by this Agreement, preserve and maintain, and cause each of its Restricted Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises; provided that neither AGCO nor any of its Restricted Subsidiaries shall be required to preserve any right or franchise if the Board of Directors of AGCO or such Restricted Subsidiary shall determine, and no Restricted Subsidiary (other than a Borrowing Subsidiary) shall be required

to preserve and maintain its corporate existence if the Board of Directors of AGCO determines, that the preservation and maintenance thereof is no longer desirable in the conduct of the business of AGCO or such Restricted Subsidiary, as the case may be, and that the loss thereof is not disadvantageous in any material respect to the Borrower, such Restricted Subsidiary or the Lenders.

(f) Visitation Rights. At any reasonable time and from time to time, permit

(i) the Agents, any Co-Manager and (while any Default shall have occurred and be continuing) any of the Lenders, and

(ii) if no Default shall have occurred and be continuing, any of the Lenders on reasonable request,

or any agents or representatives thereof, to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, AGCO and any of its Subsidiaries and to discuss the affairs, finances and accounts of AGCO and any of its Subsidiaries with any of their officers or directors and with their independent certified public accountants. The Lenders will use reasonable efforts to coordinate with AGCO and the Co-Managers such examination, copying, visits, examinations and discussions to limit any inconvenience to AGCO and its Subsidiaries.

(g) Keeping of Books. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of AGCO and each such Subsidiary in accordance with GAAP (or the foreign equivalent) in effect from time to time.

(h) Maintenance of Properties, Etc. Maintain and preserve, and cause each of its Restricted Subsidiaries to maintain and preserve, all of its properties that are used or useful in, and material to, the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(i) Qualification in New York. At all times remain qualified as a foreign corporation entitled to do business in the State of New York.

(j) Performance of Material Contracts. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, except where the failure to perform or observe the same would not have a Material Adverse Effect.

(k) Transactions with Affiliates. Conduct, and cause each of its Restricted Subsidiaries to conduct, all transactions otherwise permitted under the Loan Documents with any of their Affiliates (other than transactions between AGCO and its Restricted Subsidiaries)

(i) in accordance with current practice, or (ii) on terms that are fair and reasonable and no less favorable to AGCO or such Restricted Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

(l) Foreign Subsidiary Guaranties, etc. If AGCO shall at any time consolidate its and its Subsidiaries' financial statements for tax-reporting purposes on a worldwide basis, cause each wholly owned Foreign Subsidiary that shall not previously have delivered a Loan Party Guaranty to execute and deliver to the Lenders a Loan Party Guaranty substantially in the form of an Exhibit hereto, with such changes as the Administrative Agent may reasonably request, guarantying the obligations of AGCO hereunder and under the other Loan Documents.

(m) Year 2000. Take, and cause each of its Subsidiaries to take, all actions necessary to assure that its and its Subsidiaries' software, hardware, firmware, equipment, goods and systems (including embedded systems) are able effectively to process data including dates prior to, on and after January 1, 2000 and, at the request of either Agent or any Lender, provide, and cause each of its Subsidiaries to provide, such Agent or Lender, as the case may be, with assurance acceptable to such Agent or Lender, as the case may be, of their respective year 2000 capabilities.

(n) Covenant to Give Security. Upon the request of the Administrative Agent acting at the direction of the Required Lenders at any date when the Applicable Rating shall be BB or less, and at the expense of the AGCO,

(i) within 15 Business Days after such request, furnish to the Agent a description of the material real and personal properties of AGCO and its Subsidiaries in detail satisfactory to the Agent;

(ii) within 60 Business Days after such request,

(A) duly execute and deliver to the Administrative Agent or its designee such mortgages, pledges, assignments and other security agreements, as specified by and in form and substance reasonably satisfactory to the Administrative Agent (and which shall include provision that the release of any collateral security thereunder other than in accordance with the terms thereof shall require the consent of each Lender), securing payment of all the Obligations of the Borrowers under the Loan Documents and constituting Liens on such properties of AGCO and its Subsidiaries as the Required Lenders may require,

(B) take whatever action (including without limitation, the recording of mortgages, the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the opinion of the Administrative Agent to vest in the Administrative Agent or its designee valid and subsisting Liens on the properties purported to be subject to the security agreements delivered pursuant to this Section 5.01(p), enforceable against all third parties in accordance with their terms, and

(C) deliver to the Administrative Agent signed copies of favorable opinions, addressed to the Administrative Agent, the Canadian Administrative Agent and the Lenders, of counsel for AGCO and its Subsidiaries reasonably acceptable to the Administrative Agent, and who are qualified to practice in such jurisdictions where such collateral is or such Subsidiaries are located as the Administrative Agent may reasonably require, as to the matters contained in this Section 5.01(p), as to such security agreements being legal, valid and binding obligations of AGCO and its Subsidiaries enforceable in accordance with their terms, the creation and perfection of the Liens created thereby and such other matters as the Agent may reasonably request; and

(iii) at any time and from time to time, promptly execute and deliver any and all further instruments and documents and take all such other action as the Administrative Agent may reasonably deem desirable in obtaining the full benefits of, or in preserving the Liens of, such security agreements.

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment hereunder, AGCO will not, at any time, without the written consent of the Required Lenders or, if required under Section 8.01, of all of the Lenders:

(a) Liens, Etc. Create, incur, assume or suffer to exist, or permit any of its Restricted Subsidiaries to create, incur, assume or suffer to exist, any Lien on or with respect to any of its properties of any character (including without limitation accounts) whether now owned or hereafter acquired or, except with the consent of the Administrative Agent in connection with a refinancing of this Agreement in its entirety, (x) sign or file, or permit any of its Restricted Subsidiaries to sign or file, under the Uniform Commercial Code of any jurisdiction (or any similar law of any jurisdiction outside the United States), a financing statement that names AGCO or any of its Restricted Subsidiaries as debtor, or (y) sign, or permit any of its Restricted Subsidiaries to sign, any security agreement authorizing any secured party thereunder to file such financing statement, or assign, or permit any of its Restricted Subsidiaries to assign, any accounts or other right to receive income, excluding, however, from the operation of the foregoing restrictions the following:

(i) Permitted Liens;

(ii) (A) Liens permitted under or approved or consented to by the lenders under the Old Credit Agreement (other than Liens described in clause (i), (ii)(B) or (iii) through (x) inclusive of this subsection (a)) and (B) other Liens existing on the date hereof that individually do not secure Debt in an aggregate principal amount in excess of U.S. \$100,000 or in the aggregate secure Debt in an aggregate principal amount in excess of U.S. \$1,000,000;

(iii) purchase money Liens upon or in property acquired or held by AGCO or any of its Restricted Subsidiaries to secure the purchase price of such property or to secure Debt permitted under Section 5.02(b)(v) incurred solely for the purpose of financing the acquisition, construction or improvement of any such property to be subject to such Liens, or Liens existing on any such property at the time of acquisition, or extensions, renewals or replacements of any of the foregoing for the same or a lesser amount; provided that no such Lien shall extend to or cover any property other than the property being acquired, constructed or improved, and no such extension, renewal or replacement shall extend to or cover any property not theretofore subject to the Lien being extended, renewed or replaced;

(iv) the replacement, extension or renewal of any Lien permitted by clause (iii) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Debt secured thereby;

(v) Liens existing on the property of a person immediately prior to its being merged into AGCO or a Restricted Subsidiary or its becoming a Restricted Subsidiary, or any Lien existing on any property acquired by AGCO or a Restricted Subsidiary at the time such property is so acquired; provided that no such Lien shall have been created or assumed in contemplation of such merger or such Person's becoming a Restricted Subsidiary or such acquisition of property; and provided further that each such Lien shall at all times be confined solely to the item or items of property so acquired and, if required by the terms of the instrument originally creating such Lien, other property that is an improvement to or is acquired for specific use in connection with such acquired property;

(vi) Liens on cash securing reimbursement obligations in respect of letters of credit issued under facilities permitted under subsection (b)(vii) below, so long as the aggregate undrawn amount thereunder at any time outstanding does not exceed U.S. \$15,000,000, and any such Liens securing obligations under this Agreement;

(vii) a deed to secure debt on the property on which AGCO's headquarters are located in Duluth, Georgia and a mortgage or other Lien on AGCO's Coldwater, Ohio facility in favor of an agency of the State of Ohio;

(viii) Liens on Receivables sold pursuant to a securitization facility permitted under Section 5.02(e)(v) that, in either case, nevertheless would appear as Receivables on a balance sheet of AGCO and its Restricted Subsidiaries;

(ix) precautionary financing statements filed by lessors with respect to equipment leases under which AGCO or a Restricted Subsidiary is lessee;

(x) Liens on cash and deposit accounts in an aggregate amount not exceeding US\$120,000,000 (or the Multi-Currency Equivalent thereof) as of the date of the creation thereof by the French Subsidiary in favor of Rabobank securing Debt, or Guaranties by the French Subsidiary of Debt, owing by English Subsidiary Three to Rabobank;

(xi) Liens on Receivables discounted in transactions permitted under Section 5.02(e)(x); and

(xii) Liens on capital stock of AGCO purchased with the proceeds of Debt incurred pursuant to Section 5.02(b)(viii).

(b) Debt. Create, incur, assume or suffer to exist, or permit any of its Restricted Subsidiaries to create, incur, assume or suffer to exist, any Debt other than:

(i) Debt under the Loan Documents;

(ii) Debt of AGCO, a Borrowing Subsidiary or a Subsidiary Guarantor subordinated to the Advances on terms and conditions acceptable to each Co-Manager and the Required Lenders in their sole discretion;

(iii) in the case of AGCO,

(A) Convertible Subordinated Debentures outstanding on the date hereof, and

(B) Debt issued under the Subordinated Debt Indenture outstanding on the date hereof;

(iv) in the case of any of the Restricted Subsidiaries, Debt owed to AGCO or to a Wholly Owned Restricted Subsidiary of AGCO and, in the case of AGCO, Debt owed to any Wholly Owned Restricted Subsidiary that is subordinated to the Advances on terms and conditions acceptable to each Co-Manager and the Required Lenders in their sole discretion;

(v) Debt outstanding on the date hereof under the terms with respect thereto in effect as of the date hereof, and any Debt extending the maturity of, or refunding or refinancing, in whole or in part, any such Debt; provided that the terms of any such extending, refunding or refinancing Debt, and of any agreement entered into and of any instrument issued in connection therewith, are otherwise permitted by the Loan Documents and further provided that the principal amount of such Debt shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing, and the direct and contingent obligors therefor shall not be changed, as a result of or in connection with such extension, refunding or refinancing;

(vi) indorsements of negotiable instruments in the ordinary course of business;

(vii) Debt in an aggregate principal amount not exceeding US\$120,000,000 (or the Multi-Currency Equivalent thereof) incurred by English Subsidiary Three, owing by such Borrower to Rabobank and secured by (or a Guaranty of which by the French Subsidiary is secured by) a Lien on cash or deposit accounts of the French Subsidiary permitted under subsection (a)(x) above;

(viii) Debt of AGCO and its Restricted Subsidiaries in an aggregate principal amount not exceeding US\$150,000,000 (or the Multi-Currency Equivalent thereof) the proceeds of which are used, substantially simultaneously with the incurrence thereof, to repurchase capital stock of AGCO in a transaction otherwise permitted under this Agreement;

(ix) other Debt of AGCO and its Restricted Subsidiaries (including without limitation Debt in respect of Receivables discounted in a transaction permitted under subsection (e)(x) below and, without duplication, Guaranties permitted under subsection (f)(xiii)(B) or (C) below) in an aggregate principal amount not exceeding US\$200,000,000 (or the Multi-Currency Equivalent thereof); provided that, on the date of and after giving effect to the incurrence of any Debt under this clause (ix), the aggregate principal amount of Funded Debt owing by AGCO and its Restricted Subsidiaries not permitted to be incurred or outstanding under any clause of this subsection (b) other than this clause (ix) shall not exceed US\$100,000,000 (or the Multi-Currency Equivalent thereof);

(x) Debt consisting of a Capitalized Lease in an aggregate principal amount not exceeding US\$20,000,000 arising from the lease by AGCO of its headquarters building pursuant to Section 5.02(c);

(xi) Debt consisting of Guaranties permitted under subsection (f) below (other than clause (xiii)(B) or (C) or (xiv) thereof); and

(xii) to the extent, if any, that the same shall be Debt of AGCO and its Restricted Subsidiaries, Securitization Debt.

Notwithstanding clauses (i) through (xii) inclusive above, the Borrowers shall not incur any Debt pursuant to clause (i) of the second paragraph of Section 4.03 of the Subordinated Debt Indenture (or that would be incurred pursuant to such clause if Section 4.03 were then applicable under Section 4.20 of the Subordinated Debt Indenture), other than

(x) Debt outstanding under this Agreement, and

(y) if the aggregate amount of the Multi-Currency Commitments and the Canadian Subsidiary Commitments shall have been reduced (other than pursuant to Section 4.10 of such indenture), Debt in an aggregate principal amount not exceeding the amount of such reduction.

(c) Sale-Leasebacks. Directly or indirectly become or remain liable, or permit any Restricted Subsidiary to become or remain liable, as lessee or guarantor or other surety with respect to any lease, whether a Capitalized Lease or otherwise, of any assets (whether real or personal or mixed), whether now owned or hereafter acquired, that:

(i) AGCO or any Restricted Subsidiary has sold or transferred or is to sell or transfer to any other Person, other than to another Restricted Subsidiary, or

(ii) AGCO or any Restricted Subsidiary intends to use for substantially the same purpose as any other property that has been sold or is to be sold or transferred by AGCO or any Restricted Subsidiary to any Person in connection with such lease,

except for the lease by AGCO of its headquarters building and related land at 4205 River Green Parkway, Duluth, Georgia following a sale thereof permitted under Section 5.02(e)(viii).

(d) Mergers, Etc. Merge into or consolidate with any Person or permit any Person to merge into it, or permit any of its Restricted Subsidiaries to do so, except that

(i) any Restricted Subsidiary of AGCO may merge into or consolidate with any other Restricted Subsidiary of AGCO, but only if

(A) in the case of any such consolidation, the Person formed by such consolidation shall be a Restricted Subsidiary of AGCO, and

(B) if a Loan Party (x) is not the surviving corporation of any such merger, or (y) is a party to any such consolidation, the surviving corporation or Person formed by such consolidation, as the case may be, shall assume, in a manner reasonably satisfactory to the Required Lenders, the obligations of such Loan Party under the Loan Documents to which such Loan Party was a party;

(ii) any of AGCO's Restricted Subsidiaries may merge into AGCO so long as AGCO is the surviving corporation; and

(iii) any other Person (other than a Subsidiary of AGCO that is not a Restricted Subsidiary) may merge into AGCO or any of its Restricted Subsidiaries so long as AGCO or such Restricted Subsidiary is the surviving corporation;

provided that in each case, immediately after giving effect thereto, no event shall occur and be continuing that constitutes a Default.

(e) Sales of Assets. Sell, lease, transfer or otherwise dispose of, or permit any of its Restricted Subsidiaries to sell, lease, transfer or otherwise dispose of, any assets, including without limitation substantially all assets constituting the business of a division, branch or other unit operation, other than Inventory sold in the ordinary course of its business, except

(i) sales, licenses and other dispositions of assets in the ordinary course of its business;

(ii) in a transaction authorized by subsection (d) above;

(iii) the sale of any asset by AGCO or any Restricted Subsidiary (other than a bulk sale of Inventory and a sale of Receivables other than delinquent accounts for collection purposes only) so long as

(A) the purchase price paid to AGCO or such Restricted Subsidiary for such asset shall be no less than the fair market value of such asset at the time of such sale;

(B) the purchase price for such asset (and all assets sold in related transactions) shall be paid to AGCO or such Restricted Subsidiary either (i) solely in cash or by way of the assumption of liabilities of AGCO or such Restricted Subsidiary, or (ii) solely in the form of assets (A) that are not Investments and (B) the aggregate fair-market value of which, as determined in good faith by the Board of Directors of AGCO, is equal to the aggregate fair-market value of the assets sold;

(C) the purchase price (including any portion thereof in respect of an assumption of liabilities of AGCO or such Restricted Subsidiary) paid to AGCO or such Restricted Subsidiary for such asset,

(1) shall not exceed U.S. \$25,000,000 in the aggregate for such transaction and all related transactions, or

(2) together with the aggregate purchase prices (including any portions thereof in respect of an assumption of liabilities of AGCO or any Restricted Subsidiary) paid to AGCO or any Restricted Subsidiary for all such sales of assets after the date of this Agreement, shall not exceed 10% of Consolidated Tangible Net Worth as of the last day of the fiscal quarter of AGCO immediately preceding such sale; and

(D) the Borrowers shall, on the date of such sale, if required by Section 2.05(b)(i) or (ii), make any prepayment required by such Section;

(iv) so long as no Default shall occur and be continuing, the grant of any option or other right to purchase any asset in a transaction which would be permitted under the provisions of clause (iii) above;

(v) sales of Receivables invoiced to third parties at addresses located in the United States and Canada under a securitization facility, but only so long as the aggregate face amount of Receivables purchased by the purchasers under such facility and outstanding on any date of determination may not exceed U.S. \$500,000,000;

(vi) transfers of assets between Restricted Subsidiaries and to AGCO;

(vii) dispositions of cash to make Investments permitted under subsection (f) below;

(viii) the sale by AGCO of its headquarters building and related land at 4205 River Green Parkway, Duluth, Georgia and its former headquarters building land at 4830 River Green Parkway, Duluth, Georgia;

(ix) any sale by AGCO or any of its Restricted Subsidiaries of an interest in the business of AGCO Argentina S.A. to Deutz AG that closes on or before December 31, 1997;

(x) subject to Section 5.02(b)(ix), the discounting of Receivables by Xavier Fendt GmbH & Company and by AGCO Argentina S.A.; and

(xi) the sale of the Caravan division of Xavier Fendt GmbH & Company.

(f) Investments, Guaranties, Etc. Make or hold, or permit any of its Restricted Subsidiaries to make or hold, any Investment in, or enter into a Guaranty of any Obligation of, any Person other than

(i) (A) Investments in Restricted Subsidiaries existing on the date hereof, and

(B) Investments by AGCO and its Wholly Owned Restricted Subsidiaries in any Restricted Subsidiary at least 51% of all classes and series of stock, interests in capital or profits and beneficial interests of which are owned by AGCO and/or by one or more Wholly Owned Restricted Subsidiaries (other than Financial Services Insurance Company of Tennessee); provided that no Investments shall be made pursuant to this clause (i) while a Default has occurred and is continuing;

(ii) Investments after the date hereof (in addition to any Investment permitted under clause (i) above or clauses (iii) through (v) below) by AGCO and its Restricted Subsidiaries in any Person (other than Financial Services Insurance Company of Tennessee)

(x) at least 5% of all classes and series of stock, interests in capital or profits and beneficial interests of which are owned by AGCO and/or by one or more Wholly Owned Restricted Subsidiaries, and

(y) that is solely engaged in businesses that are related, ancillary or complementary to the business of AGCO and its Restricted Subsidiaries as of the date hereof,

the sole consideration for which consists of Common Stock of AGCO and/or cash consideration not exceeding in the aggregate, on the date of any such Investment,

(A) the sum of

(1) U.S. \$50,000,000 (or the Multi-Currency Equivalent thereof), and

(2) 50% of Consolidated Net Income for the period beginning January 1, 1995 and ending at the end of the fiscal quarter immediately preceding the date of such Investment, minus

(B) the aggregate amount of any dividends paid by AGCO pursuant to subsection (g)(i)(B) below prior to the date of such Investment, minus

(C) the aggregate amount of any cash Investments then outstanding and made pursuant to clause (v);

provided that no Investments shall be made pursuant to this clause (ii):

(I) while a Default has occurred and is continuing,

(II) in the case of any such Investment in any Person that has equity securities of any class that is registered pursuant to Section 12 of the Securities Exchange Act of 1934, at least five Business Days prior to the date of such Investment, AGCO shall have notified each Lender of the type and amount of such Investment and the issuer of such equity securities and shall have certified that such Investment will not result in a breach of the representation and warranty contained in Section 4.01(i) or

(III) in a Finance Subsidiary if a default has occurred and is continuing under any credit or loan agreement or similar facility to which such Finance Subsidiary is a party or under any Debt of such Finance Subsidiary;

(iii) Investments by AGCO and its Restricted Subsidiaries in joint ventures outstanding as of the date hereof and specified in Schedule 4.01(b);

(iv) other Investments in joint ventures approved by the Required Lenders;

(v) Investments in capital stock and other equity interests in Persons (other than Financial Services Insurance Company of Tennessee), in addition to those permitted under clauses (i) through (iv) inclusive above, but only so long as

(A) the aggregate amount of such Investments outstanding on the date of any such Investment does not exceed U.S. \$25,000,000 (or the Multi-Currency Equivalent thereof),

(B) the amount of any such Investment does not exceed the aggregate amount of any additional Investments that could be made under clause (ii) above on the date of such Investment,

(C) in the case of any such Investment in any Person that has equity securities of any class that is registered pursuant to Section 12 of the Securities Exchange Act of 1934, if, after giving effect to such Investment, the aggregate amount of all Investments by AGCO and the Restricted Subsidiaries in such Person would exceed US \$10,000 (or the Multi-Currency Equivalent thereof), at least five Business Days prior to the date of such Investment, AGCO shall have notified each Lender of the type and amount of such Investment and the issuer of such equity securities and shall have certified that such Investment will not result in a breach of the representation and warranty contained in Section 4.01(i),

(D) at the time of such Investment, no Default shall have occurred and be continuing and

(E) AGCO and its Restricted Subsidiaries shall not own in the aggregate 5% or more of any class or series of stock, interests in capital or profits or beneficial interests of any Person in which an Investment is made pursuant this clause (v);

(vi) Investments received in settlement of Debt of third parties created in the ordinary course of business;

(vii) Investments by AGCO and its Restricted Subsidiaries in Cash Equivalents and in Hedge Agreements;

(viii) the indorsement of negotiable instruments in the ordinary course of business;

(ix) Investments by AGCO and its Restricted Subsidiaries in Financial Services Insurance Company of Tennessee in cash in an aggregate amount invested not to exceed, on a Consolidated basis, U.S. \$5,000,000 at any one time outstanding;

(x) advances to officers and employees of AGCO or any of its Restricted Subsidiaries in the ordinary course of business for travel and entertainment expenses;

(xi) Guaranties required to be delivered pursuant to Section 3.01(e)(vii), 5.01(1) or 5.02(1);

(xii) Investments in Agrifin Credit Acceptance Corporation, Massey Ferguson Finance Ltd., Massey Ferguson France SNC and Massey Ferguson Finanzierung G.m.b.H. in existence on the date hereof;

(xiii) Guaranties (A) by AGCO of the hedging and foreign-exchange arrangements that any Subsidiary may enter into with any financial institution, (B) by AGCO or any Restricted Subsidiary of lines of credit of dealers conducting business in Brazil and financing for retail purchasers in Brazil or Argentina of products manufactured by AGCO or its Restricted Subsidiaries, or by AGCO of Guaranties by Restricted Subsidiaries of such lines of credit, and (C) by AGCO of Indebtedness of Xavier Fendt GmbH & Company;

(xiv) Guaranties permitted under subsection (b) above (other than clause (xiii) thereof);

(xv) Guaranties of obligations (other than obligations constituting Debt) of any Subsidiary incurred in the ordinary course of such Subsidiary's business;

(xvi) securities received in settlement of bankruptcy claims;

(xvii) Guaranties by the French Subsidiary of Debt of English Subsidiary Three permitted under Section 5.02(b)(vii); and

(xviii) Guaranties by AGCO of Indebtedness of its Restricted Subsidiaries permitted under Section 5.02(b)(ix).

(g) Dividends, Etc. Declare or pay any dividends, purchase, redeem,

 retire, defease or otherwise acquire for value any of its capital stock or any warrants, rights or options to acquire such capital stock, now or hereafter outstanding, return any capital to its stockholders as such, make any distribution of assets, capital stock, warrants, rights, options, obligations or securities to its stockholders as such or permit any of its Restricted Subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value any capital stock of AGCO or any warrants, rights or options to acquire such capital stock, except that

(i) so long as no Default shall have occurred and be continuing, AGCO may

(A) declare and deliver dividends and distributions payable only in, or convert any preferred stock into, Common Stock of AGCO, and

(B) declare and pay cash dividends to its stockholders and purchase, redeem, retire or otherwise acquire shares of its own outstanding capital stock for cash so long as the aggregate amount thereof does not exceed

(1) 50% of Consolidated Net Income for the period beginning January 1, 1995 and ending at the end of the fiscal quarter immediately preceding such declaration or payment, minus

(2) the aggregate amount of any cash Investments then outstanding and made pursuant to subsection (f)(ii) above in excess of U.S. \$50,000,000;

(ii) AGCO may acquire shares of its capital stock to eliminate fractional shares; provided that the aggregate amount paid by AGCO pursuant to acquisitions under this clause (ii) after the date of this Agreement shall not exceed U.S. \$20,000,000.

Any dividend permitted under this Subsection (g) on the date of its declaration may continue to be paid notwithstanding any subsequent change; provided that any dividend shall be paid within 90 days after its declaration.

(h) Change in Nature of Business. Engage, or permit any of its Restricted Subsidiaries (including without limitation any Persons becoming Restricted Subsidiaries after the date hereof) to engage in any business that is not related, ancillary or complementary to the business of AGCO and its Restricted Subsidiaries as of the date hereof.

(i) Charter Amendments. Amend, or permit any of its Restricted Subsidiaries to amend, its charter, bylaws or similar constituent documents that would have a Material Adverse Effect.

(j) Prepayments, Etc. of Debt. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of, or amend, modify or supplement in any way, any subordination terms of, any Debt, other than

(i) the prepayment of the Advances in accordance with the terms of this Agreement;

(ii) payments and prepayments of Debt outstanding under any overdraft facility permitted under subsection (b)(viii) above;

(iii) regularly scheduled or required repayments or redemptions of Debt outstanding on the date hereof;

(iv) regularly scheduled payments in respect of New Subordinated Debt (to the extent such payment is not contrary to the terms of subordination thereof);

(v) payments and prepayments of Debt owed by (A) AGCO to any Restricted Subsidiary (other than a Foreign Subsidiary), (B) any Restricted Subsidiary to AGCO, and (C) any Restricted Subsidiary to another Restricted Subsidiary (other than a Foreign Subsidiary);

(vi) the prepayment of the Debt outstanding under the Old Credit Agreement; and

(vii) the payment of Debt with the Net Cash Proceeds of the sale of the Caravan division of Xavier Fendt GmbH & Company;

or amend, modify or change in any manner any term or condition (including without limitation any financial covenant) of any such Debt, or permit any of its Restricted Subsidiaries to do any of the foregoing (other than to prepay any Debt payable to AGCO); or cancel, forgive or modify in any respect materially adverse to AGCO or the Lenders any Debt owing by a Subsidiary to AGCO or another Subsidiary.

(k) Restrictions on Dividends. Permit any of its Restricted Subsidiaries to enter into agreements that prohibit or limit the amount of dividends or loans that may be paid or made to AGCO or another Subsidiary of AGCO by any of its Restricted Subsidiaries or any demands for payment on Debt owing by any Restricted Subsidiary of AGCO to AGCO or another Subsidiary of AGCO, other than (i) restrictions imposed under an agreement for the sale of all of the capital stock or other equity interest of a Subsidiary or for the sale of a substantial part of the assets of such Subsidiary, in either case to the extent permitted hereunder and pending the consummation of such sale, and (ii) restrictions in any agreement with another Person relating to a joint venture conducted through a Subsidiary of AGCO in which such Person is a minority stockholder requiring the consent of such Person to the payment of dividends.

(l) New Subsidiaries. Acquire, or permit any of its Restricted Subsidiaries to acquire, any new Subsidiary, or permit any Dormant Subsidiary to cease to meet the conditions necessary to qualify as a Dormant Subsidiary hereunder, unless such new

Subsidiary or Dormant Subsidiary (if other than a Finance Subsidiary) shall have executed and delivered to the Administrative Agent a Loan Party Guaranty in form and substance satisfactory to the Administrative Agent of any or all Loan Parties' obligations hereunder and under the other Loan Documents, as determined by the Administrative Agent; provided that, subject to Section 5.01(1), no Foreign Subsidiary shall be required to guaranty the obligations of any Subsidiary that is not a Foreign Subsidiary.

(m) Issuance or Sales of Stock. Either

(i) sell, assign or otherwise transfer, or permit any of its Restricted Subsidiaries to sell, assign or otherwise transfer, any capital stock of any Restricted Subsidiary owned at any time after the date hereof, or

(ii) permit any Restricted Subsidiary to issue or sell any shares of its capital stock, except

(A) to qualify directors of Subsidiaries where required by applicable law or to satisfy other requirements of applicable law with respect to the ownership of capital stock of Subsidiaries incorporated in jurisdictions outside of the United States of America, and

(B) issuances and sales of capital stock by Wholly Owned Restricted Subsidiaries to AGCO or other Wholly Owned Subsidiaries of AGCO permitted by subsection (f)(ii) above,

except that AGCO or any Restricted Subsidiary may so transfer, issue or sell such capital stock or shares:

(1) if, after giving effect to such transfer, issuance or sale, no Default shall have occurred and be continuing (including without limitation any Default under subsection (b) or (f) above);

(2) in circumstances where, as a result of such transfer, issuance or sale, any Person would cease to be a Restricted Subsidiary, no Default would have existed under Section 5.04 as of the end of the most recent fiscal quarter of AGCO, assuming that such Person had not been a Restricted Subsidiary at any time during the periods or on any date used in making any calculation or determination under such Section; and

(3) if AGCO shall have delivered to each Lender (x) a certification to the effect set forth in clause (1) and (if applicable) clause (2) above (together with a reasonably detailed statement showing the basis for its certification as to the matters

described in clause (ii)) and (y) if requested by the Administrative Agent pro-forma financial statements for each period and date referred to in clause (2) above prepared as if such Person had not been a Restricted Subsidiary for such period or as of such date.

(n) Change in Policies Regarding Receivables, Reserves and Allowances. Modify, supplement or fail to carry out, or permit any Restricted Subsidiary to modify, supplement or fail to carry out, in any material respect, its policies and procedures in effect on the date hereof regarding the creation of Reserves and Allowances or the terms of the obligations of the obligors under Receivables, or implement any such policies or procedures that differ materially from those of AGCO in effect on the date hereof.

(o) Excess Proceeds. Permit to exist any Excess Proceeds (as defined in the Subordinated Debt Indenture), if the existence thereof would require AGCO to offer to purchase the New Subordinated Debt.

(p) No Notice Under Subordinated Debt Indenture. Deliver, or permit there to be delivered, to the trustee under the Subordinated Debt Indenture any notice that any agreement, instrument or document, other than this Agreement and related instruments and documents, is the "Bank Credit Agreement" thereunder.

SECTION 5.03. Reporting Requirements. So long as any Advance shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment hereunder, AGCO will, unless the Required Lenders shall otherwise consent in writing, furnish to the Administrative Agent (with a sufficient number of copies so that the Administrative Agent may distribute a copy to the Canadian Administrative Agent and each of the Lenders, and the Administrative Agent agrees promptly following receipt thereof to distribute to the Canadian Administrative Agent and each Lender a copy of each item received by it pursuant to this Section 5.03):

(a) Default Notice. As soon as possible and in any event within two days after a Responsible Employee shall know of the occurrence of each Default, a statement of the chief financial officer of AGCO setting forth details of such Default and the action that AGCO has taken and proposes to take with respect thereto.

(b) Quarterly Financials. As soon as available and in any event within 45 days after the end of each of the first three quarters of each fiscal year of AGCO, and within 100 days after the end of the fourth quarter of each fiscal year of AGCO, consolidated balance sheets of AGCO and its Restricted Subsidiaries and (in the case of the first three fiscal quarters) AGCO and its Subsidiaries, respectively, as of the end of such quarter and consolidated statements of income and cash flows of AGCO and its Restricted Subsidiaries and (if applicable) AGCO and its Subsidiaries, respectively, for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, setting forth in each case

in comparative form the corresponding figures for the corresponding period of the preceding fiscal year, all in reasonable detail and duly certified (subject to year-end audit adjustments) by the chief financial officer of AGCO as having been prepared in accordance with GAAP, together with, in the case of the financial statements relating to the first three fiscal quarters,

(i) a certificate of said officer stating that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that AGCO has taken and proposes to take with respect thereto, and

(ii) a schedule in form satisfactory to the Administrative Agent of the computations used by AGCO in determining compliance with the covenants contained in Sections 5.02(e)(iii), 5.02(f)(ii) and (v), 5.02(g)(i)(B) and (iii) and 5.04(a), (b), (c) and (d).

(c) Annual Financials. As soon as available and in any event within 100 days after the end of each fiscal year of AGCO, a copy of the annual audit report for such year for AGCO and its Subsidiaries, including therein consolidated balance sheets and consolidated statements of income and cash flows of AGCO and its Subsidiaries for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders of Arthur Andersen LLP or other independent public accountants of recognized national standing, together with

(i) a certificate of such accounting firm to the Lenders stating that in the course of the regular audit of the business of AGCO and its Subsidiaries, which audit was conducted by such accounting firm in accordance with generally accepted auditing standards, such accounting firm has obtained no knowledge that a Default has occurred and is continuing, or if, in the opinion of such accounting firm, a Default has occurred and is continuing, a statement as to the nature thereof;

(ii) a schedule in form satisfactory to the Administrative Agent of the computations used by such accountants in determining, as of the end of such fiscal year, the Consolidated Average Funded Debt/EBITDA Ratio and compliance with the covenants contained in Sections 5.02(e)(iii), 5.02(f)(ii) and (v), 5.02(g)(i)(B) and (iii) and 5.04(a), (b), (c) and (d); and

(iii) a certificate of the chief financial officer of AGCO stating that no Default has occurred and is continuing or, if a default has occurred and is continuing, a statement as to the nature thereof and the action that AGCO has taken and proposes to take with respect thereto.

(d) ERISA Events and ERISA Reports. (i) Promptly and in any event within 10 Business Days after any Responsible Employee of any Loan Party or any of its ERISA Affiliates knows or has reason to know that any ERISA Event with respect to any Loan Party or any of its ERISA Affiliates has occurred, a statement of the chief financial officer of AGCO describing such ERISA Event and the action, if any, that such Loan Party or such ERISA Affiliate has taken and proposes to take with respect thereto, and (ii) on the date on which any records, documents or other information must be furnished to the PBGC with respect to any Plan pursuant to Section 4010 of ERISA, a copy of such records, documents and information.

(e) Plan Terminations. Promptly and in any event within two Business Days after receipt thereof by any Loan Party or any of its ERISA Affiliates, copies of each notice from the PBGC stating its intention to terminate any Plan of any Loan Party or any of its ERISA Affiliates or to have a trustee appointed to administer any such Plan.

(f) Plan Annual Reports. Promptly and in any event within 30 days after the filing thereof with the Internal Revenue Service, copies of each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) with respect to each Plan for which any Loan Party or any of its ERISA Affiliates is required to file such report.

(g) Multiemployer Plan Notices. Promptly and in any event within five Business Days after receipt thereof by any Loan Party or any of its ERISA Affiliates from the sponsor of a Multiemployer Plan of any Loan Party or any of its ERISA Affiliates, copies of each notice concerning

(i) the imposition of Withdrawal Liability by any such Multiemployer Plan that might have a Material Adverse Effect,

(ii) the reorganization or termination, within the meaning of Title IV of ERISA, of any such Multiemployer Plan that might be expected to have a Material Adverse Effect or

(iii) the amount of liability incurred by such Loan Party or any of its ERISA Affiliates in connection with any event described in clause (i) or (ii), if paying such liability might have a Material Adverse Effect.

(h) Litigation. Promptly after the commencement thereof, notice of all actions, suits, investigations, litigation and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting AGCO or any of its Subsidiaries of the type described in Section 4.01(h).

(i) Securities Reports. Promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports that AGCO or any of its Subsidiaries sends to its stockholders, and copies of all regular, periodic and special reports, and all registration statements, that any Loan Party or any of its Subsidiaries files with the Securities and Exchange Commission or any governmental authority that may be substituted therefor, or with any national securities exchange.

(j) Creditor Reports. Upon request by either Agent or any Lender, copies of any statement or report furnished to any other holder of the securities of any Loan Party or of any of its Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 5.03.

(k) Material Contract Notices. Promptly upon receipt thereof, copies of all default notices received by any Loan Party or any of its Subsidiaries under or pursuant to any Material Contract and, from time to time upon request by the Administrative Agent, such information regarding any Material Contracts as the Administrative Agent may reasonably request.

(l) Environmental Conditions. Promptly after the occurrence thereof, notice of any condition or occurrence on any property of any Loan Party or any of its Subsidiaries that results in a material noncompliance by any Loan Party or any of its Subsidiaries with any Environmental Law or Environmental Permit or would be reasonably likely to form the basis of an Environmental Action against any Loan Party or any of its Subsidiaries or such property that could have a Material Adverse Effect.

(m) Adverse Developments. Promptly after the occurrence thereof, notice of any other event or condition relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of AGCO and its Restricted Subsidiaries (including without limitation any events or conditions described in Section 4.01(q) or the loss of use of any trademarks or patents) that is reasonably likely to have a Material Adverse Effect.

(n) Borrowing Base Certificates. As soon as practicable and, in any event by

(i) the 15th day after the last day of each calendar month (or, if such day is not a Business Day, on the next-following day that is a Business Day),

(ii) if a Default shall have occurred and be continuing, not later than the fifth Business Day after the Required Lenders shall have requested the same, and

(iii) if a sale of Receivables shall have occurred pursuant to Section 5.02(e)(v), not later than the fifth Business Day after the date of such sale,

a Borrowing Base Certificate executed by the Chief Financial Officer, the Treasurer or an Assistant Treasurer of AGCO with respect to the Receivables and Inventory of AGCO and its Restricted Subsidiaries as of the last Business Day of the immediately preceding calendar month, in the case of a Borrowing Base Certificate delivered pursuant to clause (i) above, as of the date of such request, in the case of a Borrowing Base Certificate delivered pursuant to clause (ii) above and as of the date of such sale, in the case of a Borrowing Base Certificate delivered pursuant to clause (iii) above.

(o) Quarterly Operations Report. As soon as possible and in any event by the 45th day after each fiscal quarter of AGCO, beginning with the fiscal quarter ending December 31, 1996, a quarterly operations report in respect of the immediately preceding fiscal quarter in substantially the form prepared by AGCO for its internal use and containing substantially the information as is contained in such report as of the date hereof.

(p) Replacement Schedules. Promptly, and in any event within 30 days, after any information contained in Schedule 4.01(b) (other than with respect to Dormant Subsidiaries) or any representation or warranty herein referring to such Schedule, if repeated as of any date, shall become or would be incorrect or incomplete, deliver to the Administrative Agent a replacement for such Schedule that will cause such information, or such representation or warranty, to be correct and complete.

(q) Securitization Debt. Promptly on request by the Administrative Agent, such information as the Administrative Agent may request to determine the aggregate principal amount of Securitization Debt outstanding on any date.

(r) Other Information. Such other information respecting the business, condition (financial or otherwise), operations, performance, taxes, properties or prospects of any Loan Party or any of its Subsidiaries as any Co-Manager may reasonably request or any Lender may from time to time reasonably request through a Co-Manager.

SECTION 5.04. Financial Covenants. So long as any Advance shall remain unpaid, any Letter of Credit shall be outstanding or any Lender shall have any Commitment hereunder, AGCO will, unless the Required Lenders otherwise consent in writing:

(a) Consolidated Total Debt Ratio. Maintain, as of the end of each fiscal quarter of AGCO, the ratio of

(i) the aggregate principal amount of all Debt of AGCO and its Restricted Subsidiaries, to

(ii) such aggregate principal amount, plus Consolidated Net Worth, in each case at the last day of such fiscal quarter, at no more than .60 to 1.

(b) EBITDA Ratio. Maintain, as of the end of each fiscal quarter of AGCO, the ratio of

(i) Consolidated EBITDA, to

(ii) (A) Consolidated Net Interest Expense, plus

(B) the aggregate principal amount of Consolidated Senior Funded Debt to be paid within one year after the last day of such fiscal quarter, plus

(C) the aggregate amount of all capital expenditures made by AGCO and its Restricted Subsidiaries,

in the case of clauses (i), (ii)(A) and (ii)(C) above for such fiscal quarter and the three fiscal quarters of AGCO immediately preceding such fiscal quarter, at no less than the ratio set forth below with respect to the date on which such fiscal quarter ends:

RATIO	FISCAL QUARTERS ENDING:
2.00 to 1.00	Prior to March 31, 1999
1.20 to 1.00	On or after March 31, 1999 but prior to December 31, 1999
1.30 to 1.00	On or after December 31, 1999 but prior to December 31, 2000
1.50 to 1.00	On or after December 31, 2000 but prior to March 31, 2001
1.75 to 1.00	On or after March 31, 2001

(c) Consolidated Senior Funded Ratio. Maintain, as of the last day of each fiscal quarter of AGCO, the ratio of

(i) the aggregate principal amount of Consolidated Senior Funded Debt and Securitization Debt as of the end of such fiscal quarter to

(ii) Consolidated EBITDA for such fiscal quarter and the three complete fiscal quarters of AGCO immediately preceding such fiscal quarter, at no more than the ratio set forth below with respect to the date on which such fiscal quarter ends:

RATIO	FISCAL QUARTERS ENDING:
5.00 to 1.00	Prior to December 31, 1999
4.00 to 1.00	On or after December 31, 1999 but prior to September 30, 2000
3.75 to 1.00	On or after September 30, 2000 but prior to December 31, 2000
3.50 to 1.00	On or after December 31, 2000

(d) Consolidated Tangible Net Worth Ratio. Maintain, as of the last day of each fiscal quarter of AGCO, the ratio of

(i) the sum of (A) Consolidated Tangible Net Worth, and (B) the aggregate principal amount of all New Subordinated Debt and the Convertible Subordinated Debentures, to

(ii) Consolidated Total Assets,

in each case as of the last day of such fiscal quarter, at no less than

(1) 0.22 to 1.00, if such fiscal quarter ends before July 1, 1997,

(2) 0.26 to 1.00, if such fiscal quarter ends after July 1, 1997 but before October 1, 1998,

(3) 0.30 to 1.00, if such fiscal quarter ends after October 1, 1998.

SECTION 5.05. Covenants of the Borrowing Subsidiaries. Each Borrowing Subsidiary will perform and observe each covenant in Section 5.01 and 5.02 that AGCO is required to cause it to perform or observe under such Sections.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) (i) Any Borrower shall fail to pay (A) any principal or face amount of any Advance on the date when the same becomes due and payable, or (B) any interest on any Advance within one day after the date when the same becomes due and payable, or (ii) any Loan Party shall fail to make any other payment under any Loan Document, in any case within five days after the date when the same becomes due and payable; or

(b) any representation or warranty made by any Loan Party (or any of its officers) under or in connection with any Loan Document shall prove to have been incorrect in any material respect when made; or

(c) AGCO shall fail to perform or observe any term, covenant or agreement contained in Section 5.01(e)(with respect to any Borrower), 5.02(c), (d), (e), (g) or (m), 5.03(a) or 5.04; or

(d) any Loan Party shall fail to perform any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for 30 days after the earlier of (i) such Loan Party having knowledge thereof, and (ii) written notice thereof having been given to AGCO; or

(e) any Loan Party or any of AGCO's other Restricted Subsidiaries shall fail to pay any principal of, premium or interest on or any other amount payable in respect of any Debt, if such Debt is outstanding in a principal or notional amount of at least U.S. \$10,000,000 in the aggregate (but excluding Debt outstanding hereunder), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace

period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt or otherwise to cause, or to permit the holder thereof to cause, such Debt to mature; or any such Debt shall be declared to be due and payable or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(f) any Loan Party or any of AGCO's other Restricted Subsidiaries shall generally not pay its debts as such debts become due, shall suspend or threaten to suspend making payment whether of principal or interest with respect to any class of its debts or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against any Loan Party or any of AGCO's other Restricted Subsidiaries seeking, or seeking the administration, to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, administrator, receiver and manager, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of 30 days or any of the actions sought in such proceeding (including without limitation the entry of an order for relief against, or the appointment of a receiver, administrator, receiver and manager, trustee, custodian or other similar official for, it or any substantial part of its property) shall occur; or any Loan Party or any of AGCO's other Restricted Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (f), or an encumbrancer takes possession of, or a trustee or administrator or other receiver or similar officer is appointed in respect of, all or any part of the business or assets of any Loan Party or any of AGCO's other Restricted Subsidiaries, or distress or any form of execution is levied or enforced upon or sued out against any such assets and is not discharged within seven days of being levied, enforced or sued out, or any Lien that may for the time being affect any of its assets becomes enforceable, or anything analogous to any of the events specified in this subsection (f) occurs under the laws of any applicable jurisdictions; or

(g) any judgment or order for the payment of money in excess of U.S. \$10,000,000 (other than any such judgment for a monetary amount insured against by a reputable insurer that shall have admitted liability therefor) shall be rendered against any Loan Party or any of AGCO's other Restricted Subsidiaries and either

(i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order, or

(ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) any non-monetary judgment or order shall be rendered against any Loan Party or any of AGCO's other Restricted Subsidiaries that is reasonably likely to have a Material Adverse Effect, and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(i) any provision of any Loan Document after delivery thereof pursuant to Section 3.01 shall for any reason cease to be valid and binding on or enforceable against any Loan Party party to it, or any such Loan Party shall so state in writing; or

(j) any security agreement or other document delivered pursuant to Section 5.01(n) shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first-priority Lien (or a valid first-priority Lien in the case of collateral provided by a Foreign Subsidiary) on any purported collateral referred to therein; or

(k) any of the following shall occur:

(i) any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Stock of AGCO (or other securities convertible into such Voting Stock) representing 40% or more of the combined voting power of all Voting Stock of AGCO; or

(ii) during any period of up to 24 consecutive months, commencing after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of AGCO (together with any new directors whose election to the board of directors or whose nomination for election by AGCO's stockholders was approved by a vote of at least two-thirds of the members of the board of directors at the beginning of such period or whose election or nomination for election was previously so approved) shall cease for any reason to constitute a majority of the board of directors of AGCO; or

(iii) any Person or two or more Persons acting in concert shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation, will result in its or their acquisition of, control over Voting Stock of AGCO (or other securities convertible into such securities) representing 40% or more of the combined voting power of all Voting Stock of AGCO; or

(iv) any "Change of Control", as defined in the Subordinated Debt Indenture, shall occur; or

(l) any ERISA Event shall have occurred with respect to a Plan of any Loan Party or any of its ERISA Affiliates and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans of the Loan Parties and their ERISA Affiliates with respect to which an ERISA Event shall have occurred and then exist for which the liability of the Loan Parties and their ERISA Affiliates is reasonably likely to have a Material Adverse Effect; or

(m) any Loan Party or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan of any Loan Party or any of its ERISA Affiliates that it has incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts then required to be paid to Multiemployer Plans by the Loan Parties and their ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), is reasonably likely to have a Material Adverse Effect; or

(n) any Loan Party or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan of any Loan Party or any of its ERISA Affiliates that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganization or termination the aggregate annual contributions of the Loan Parties and their ERISA Affiliates to all Multiemployer Plans that are then in reorganization or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganization or termination occurs by an amount that is reasonably likely to have a Material Adverse Effect,

then, and in any such event, the Administrative Agent

(i) may, and shall at the request of the Required Lenders, by notice to AGCO, declare the obligation of each Lender to make Advances and of the Issuing Banks to issue Letters of Credit to be terminated, whereupon the same shall forthwith terminate, and

(ii) may, and shall at the request of the Required Lenders,

(A) by notice to AGCO, declare the Notes, all interest thereon and all other amounts payable under this Agreement and the other Loan Documents to be forthwith due and payable, whereupon the Notes, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrowers, and

(B) by notice to each party required under the terms of any agreement in support of which a Standby Letter of Credit is issued, request that all Obligations under such agreement be declared to be due and payable;

provided that in the event of an actual or deemed entry of an order for relief with respect to any Borrower under the Federal Bankruptcy Code,

(x) the obligation of each Lender to make Advances and of the Issuing Bank to issue Letters of Credit shall automatically be terminated and

(y) the Notes, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrowers.

SECTION 6.02. Actions in Respect of the Letters of Credit. If

(a) an event of an actual or deemed entry of an order for relief with respect to any Borrower under the Federal Bankruptcy Code shall have occurred, AGCO will forthwith, and

(b) any other Event of Default shall have occurred and be continuing, the Administrative Agent may, irrespective of whether it is taking any of the actions described in Section 6.01 or otherwise, make demand upon AGCO to, and forthwith upon such demand AGCO will,

pay to the Administrative Agent on behalf of the Lenders in same-day funds at the Administrative Agent's office designated in such demand, for deposit in such interest-bearing

account as the Administrative Agent shall specify (the "L/C Cash Collateral Account"), an amount equal to the aggregate Available Amount of all Letters of Credit then outstanding. If at any time the Administrative Agent determines that any funds held in the L/C Cash Collateral Account are subject to any right or claim of any Person other than the Administrative Agent and the Lenders or that the total amount of such funds is less than the amount required to be on deposit hereunder, AGCO will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the L/C Cash Collateral Account, an amount equal to the excess of (i) such amount required to be deposited hereunder over (ii) the total amount of funds, if any, then held in the L/C Cash Collateral Account that the Administrative Agent determines to be free and clear of any such right and claim. The L/C Cash Collateral Account shall be in the name and under the sole dominion and control of the Administrative Agent. The Administrative Agent shall have no obligation to invest any amounts on deposit in the L/C Cash Collateral Account. AGCO grants to the Administrative Agent, for its benefit and the benefit of the Lenders, the Agents and the Issuing Banks, a lien on and security interest in the L/C Cash Collateral Account and all amounts on deposit therein as collateral security for the performance of the Borrowers' obligations under this Agreement and the other Loan Documents. The Administrative Agent shall have all rights and remedies available to it under applicable law with respect to the L/C Cash Collateral Account and all amounts on deposit therein.

ARTICLE VII

THE AGENTS

SECTION 7.01. Authorization and Action. Each Lender hereby appoints and authorizes Rabobank to take action on its behalf as the Administrative Agent, and each Canadian Subsidiary Lender hereby appoints and authorizes Deutsche Bank Canada to act on its behalf as Canadian Administrative Agent, to exercise such powers and discretion under this Agreement and the other Loan Documents as are delegated to them respectively by the terms hereof and thereof, together with such powers and discretion as are reasonably incidental thereto. As to any matters not expressly provided for by the Loan Documents (including without limitation enforcement or collection of the Notes), neither Agent shall be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding upon all Lenders and all holders of Notes; provided that neither Agent shall be required to take any action that exposes it or its officers or directors to personal liability or that is contrary to this Agreement or applicable law. Each Agent will give to each Lender prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Agents' Reliance, Etc. Neither Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, each Agent:

(i) may treat the payee of any Note as the holder thereof until the Administrative Agent receives and accepts an Assignment and Acceptance entered into by the Lender that is the payee of such Note, as assignor, and an Eligible Assignee, as assignee, as provided in Section 8.07;

(ii) respectively, may consult with legal counsel (including counsel for any Loan Party), independent public accountants and other experts selected by it, and may rely on any opinion of counsel delivered under this Agreement, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts or any such opinion;

(iii) make no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with the Loan Documents by any other Person;

(iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of any Loan Document on the part of any Loan Party or to inspect the property (including the books and records) of any Loan Party;

(v) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Loan Document or any other instrument or document furnished pursuant hereto (other than its own execution and delivery thereof) or the creation, attachment perfection or priority of any Lien purported to be created under or contemplated by any Loan Document;

(vi) respectively, shall incur no liability under or in respect of any Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, telecopy, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties;

(vii) shall have no liability or responsibility to any Loan Party for any failure on the part of any Lender to comply with any obligation to be performed by such Lender under this Agreement;

(viii) shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default under this Agreement unless they have received notice from a Lender or Loan Party referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "Notice of Default";

(ix) shall incur no liability as a result of any determination whether the transactions contemplated by the Loan Documents constitute a "highly leveraged transaction" within the meaning of the interpretations issued by the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System; and

(xi) may act directly or through agents on its behalf.

SECTION 7.03. Agents, in their Individual Capacity and Affiliates. With respect to their respective Commitments, and the Advances made by each of them, respectively, and the Notes issued to each of them, respectively, Rabobank and Deutsche Bank Canada shall have the same rights and powers under the Loan Documents as any other Lender and may exercise the same as though it were not an Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Rabobank and Deutsche Bank Canada in their individual capacities. Rabobank and Deutsche Bank Canada and their respective affiliates may accept deposits from, lend money to, act as trustee under indentures of, accept investment banking engagements from and generally engage in any kind of business with, any Loan Party, any of its Subsidiaries and any Person who may do business with or own securities of any Loan Party or any such Subsidiary, all as if Rabobank and Deutsche Bank Canada were not Agents and without any duty to account therefor to the Lenders.

SECTION 7.04. Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon either Agent or any other Lender and based on the financial statements referred to in Section 4.01(f) and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon either Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. Each Lender severally agrees to indemnify each Agent and each Co-Manager (to the extent not promptly reimbursed by the Borrowers) from and against such Lender's ratable share of any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (including without limitation fees and expenses of legal counsel consulted pursuant to Section 7.02(ii)) of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such

Agent or any Co-Manager in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Agent or any Co-Manager under the Loan Documents; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's or such Co-Manager's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse each Agent and each Co-Manager promptly upon demand for its ratable share of any costs and expenses payable by any Borrower under Section 8.04, to the extent that such Agent or such Co-Manager is not promptly reimbursed for such costs and expenses by the Borrower. For purposes of this Section 7.05, the Lenders' respective ratable shares of any amount shall be determined, at any time, according to the sum of

(a) the aggregate principal amount of the Advances (other than Advances by way of Bankers' Acceptances) outstanding at such time and owing to the respective Lenders;

(b) the aggregate face amount of Bankers' Acceptances outstanding at such time and owing to the respective Lenders;

(c) their respective Pro Rata Shares of the aggregate Available Amount of all Letters of Credit outstanding at such time and

(d) their respective Unused Multi-Currency Commitments and Unused Canadian Subsidiary Commitments at such time.

SECTION 7.06. Successor Agent. Either Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers and may be removed (but only as to all of the Facilities) at any time with cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial bank or other financial institution and having a combined capital and surplus of at least U.S. \$1,000,000,000. Upon the acceptance of any appointment as an Agent hereunder by a successor Agent, such successor Agent shall succeed to and become vested with all the rights, powers, discretion, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Loan Documents. After any retiring Agent's resignation or removal hereunder as an Agent, the provisions of this Article VII and Section 8.04 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Agent under this Agreement.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement, the Notes or any other Loan Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that

(a) no amendment, waiver or consent shall, unless in writing and signed by all of the Lenders, do any of the following at any time:

(i) waive any of the conditions specified in Section 3.02,

(ii) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes, or the number of Lenders, that shall be required for the Lenders or any of them to take any action hereunder,

(iii) amend this Section 8.01,

(iv) reduce or forgive the principal of, or interest on, the Notes or any fees or other amounts payable hereunder or increase the aggregate amount of the Commitments,

(v) postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder or amend Section 2.05,

(vi) permit any Letter of Credit to have an expiration date (including all rights of a Borrower or beneficiary to require renewal) later than 60 days before the Termination Date or

(vii) waive any rights under, consent to any departure from or agree to any amendment of any provision of, the Subordinated Debt Indenture;

(b) no amendment, waiver or consent shall be made to Section 2.09(f) except with the consent of the Supermajority Lenders;

(c) no amendment, waiver or consent shall, unless in writing and signed by the Required Lenders and each Lender that has a Commitment under the Facility affected by such amendment, waiver or consent,

(i) increase the Commitments of such Lender or subject such Lender to any additional obligations,

(ii) reduce the principal of, or interest on, the Notes held by such Lender or any fees or other amounts payable hereunder to such Lender,

(iii) postpone any date fixed for any payment of principal of, or interest on, the Notes held by such Lender or any fees or other amounts payable hereunder to such Lender or

(iv) change the order of application of any prepayment set forth in Section 2.05 in any manner that materially affects such Lender;

(d) no amendment, waiver or consent shall, unless in writing and signed by the Appropriate Issuing Bank in addition to the Lenders required above to take such action, affect the rights or obligations of such Issuing Bank under this Agreement; and

(e) no amendment, waiver or consent shall, unless in writing and signed by the Appropriate Agent, in addition to the Lenders required above to take such action, affect the rights or duties of such Agent under this Agreement or any Note.

Anything in this Agreement to the contrary notwithstanding, if any Lender shall fail to fulfill its obligations to make an Advance hereunder then, for so long as such failure shall continue, such Lender shall (unless AGCO and the Required Lenders, determined as if such Lender were not a "Lender" hereunder, shall otherwise consent in writing) be deemed for all purposes relating to amendments, modifications, waivers or consents under this Agreement or the Notes (including without limitation under this Section 8.01) to have no Advances or Commitments, shall not be treated as a "Lender" hereunder when performing the computation of Required Lenders, and shall have no rights under this Section 8.01; provided that any action taken by the other Lenders with respect to the matters referred to in clause (a) or (b) of this Section 8.01 shall not be effective as against such Lender.

SECTION 8.02. Notices, Etc. All notices and other communications provided for hereunder shall be in writing (including telecopy communication) and mailed, telecopied or delivered,

(a) if to the AGCO or any Borrowing Subsidiary to AGCO at its address at 4830 River Green Parkway, Duluth, Georgia 30136, Attention: General Counsel, Telecopier No. (404) 813-6158, with a copy to the Chief Financial Officer at the same address and telecopier number;

(b) if to any Lender, at its Domestic Lending Office specified opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender;

(c) if to the Administrative Agent, at its address at 245 Park Avenue, 38th Floor, New York, New York 10167, Attention: Structured Finance Department, Telecopier No. (212) 922-0969; and

(d) if to the Canadian Administrative Agent, at its address at P.O. Box 196, 222 Bay Street, 12th Floor, Toronto, Ontario M5K 1H6, Attention: Francois Wentzel, Vice President and Director, Telecopier No. (416) 682-8484,

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall be effective when five days after deposit in the mails and when transmitted by telecopier, except that notices and communications to an Agent pursuant to Article II, III or VII shall not be effective until received by such Agent.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any Lender or either Agent to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs and Expenses. (a) (i) AGCO agrees to pay on demand all costs and expenses of the Agents and each Co-Manager in connection with the preparation, execution, delivery, administration, modification and amendment of the Loan Documents at any time (including without limitation in connection with this amendment and restatement) (including without limitation (A) all due diligence, syndication, transportation, computer, duplication, appraisal, audit, insurance and consultant fees and expenses and (B) the reasonable fees and expenses of counsel (including without limitation New York, local and foreign counsel) for the Agents and/or the Co-Managers with respect thereto, with respect to advising the Agents and Co-Managers as to their respective rights and responsibilities, or the perfection, protection or preservation of rights or interests, under the Loan Documents, with respect to negotiations with any Loan Party or with other creditors of any Loan Party or any of its Subsidiaries arising out of any Default or any events or circumstances that may give rise

to a Default and with respect to presenting claims in or otherwise participating in or monitoring any bankruptcy, insolvency or other similar proceeding involving creditors' rights generally and any proceeding ancillary thereto); provided that AGCO shall not be obligated to pay out-of-pocket expenses of the Administrative Agent or the Co-Managers referred to in clause (A) above to the extent that the aggregate amount thereof exceeds U.S. \$50,000.

(ii) AGCO further agrees to pay on demand all costs and expenses of each Agent, each Co-Manager and each Lender in connection with the enforcement of the Loan Documents against any Borrower, whether in any action, suit or litigation, any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally or otherwise (including without limitation the reasonable fees and expenses of counsel for each Agent, each Co-Manager and each Lender with respect thereto), and each Borrowing Subsidiary severally agrees to pay on demand all such costs and expenses in respect of any such enforcement relating to itself.

(b) AGCO agrees to indemnify and hold harmless each Agent, each Co-Manager and each Lender and each of their affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including without limitation reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with

(i) any acquisition or proposed acquisition;

(ii) the actual or alleged presence of Hazardous Materials on any property of any Loan Party or any of its Subsidiaries or any Environmental Action relating in any way to any Loan Party or any of its Subsidiaries; or

(iii) any financing hereunder;

in each case whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, shareholders or creditors or an Indemnified Party or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. The Borrowers agree not to assert any claim against the either Agent, any Co-Manager, any Lender, any of their affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise

relating to any of the transactions contemplated herein or in any other Loan Document or the actual or proposed use of the proceeds of the Advances.

(c) If any prepayment or payment (or failure to prepay after the delivery of a notice of prepayment) of principal of, or Conversion of, any Eurocurrency Rate Advance is made by Borrower to or for the account of a Lender other than on the last day of the Interest Period for such Advance, as a result of a payment or Conversion, acceleration of the maturity of the Notes pursuant to Section 6.01 or for any other reason, or by an Eligible Assignee to a Lender other than on the last day of the Interest Period for such Advance upon an assignment of rights and obligations under this Agreement pursuant to Section 2.15, such Borrower shall, upon demand by such Lender (with a copy of such demand to the Appropriate Agent), pay to the Appropriate Agent for the account of such Lender any amounts required to compensate such Lender for all losses, costs or expenses that such Lender may reasonably incur as a result of such failure, including without limitation foreign exchange losses, based on customary funding and foreign exchange hedging arrangements, whether or not such arrangements actually occur, and any and all other losses, costs or expenses incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain any Borrowing and the unavailability of funds as a result of such Borrower failing to prepay any amount when specified in a notice of prepayment or otherwise when due, but excluding loss of anticipated profits.

(d) If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it under any Loan Document, including without limitation fees and expenses of counsel and indemnities, such amount may be paid on behalf of such Loan Party by either Agent, any Co-Manager or any Lender, in its sole discretion.

SECTION 8.05. Right of Set-off. Upon (a) the occurrence and during the continuance of any Event of Default and (b) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Notes due and payable pursuant to the provisions of Section 6.01, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law and subject to Section 2.12, to set off and otherwise apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of a Borrower against any and all of the Obligations of such Borrower now or hereafter existing under this Agreement and the Note or Notes held by such Lender, irrespective of whether such Lender shall have made any demand under this Agreement or such Note or Notes and although such obligations may be unmaturing. Each Lender agrees promptly to notify such Borrower after any such set-off and application; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and

remedies (including without limitation other rights of set-off) that such Lender and its Affiliates may have.

SECTION 8.06. Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrowers and the Agents and when the Administrative Agent shall have been notified by each Lender that such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrowers, the Agents, the Issuing Banks and each Lender and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of each Lender except as permitted under Section 5.02(d). Section 8.13 shall also inure to the benefit of each Subsidiary of AGCO referred to therein.

SECTION 8.07. Assignments and Participations. (a) Each Lender and the Issuing Bank may assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including without limitation all or a portion of its Commitment or Commitments, and the Advances owing to it and the Note or Notes held by it), and the Issuing Bank may assign its Letter of Credit Commitment; provided that

(i) any such assignment by an Issuing Bank of its Letter of Credit Commitment shall be of its entire Letter of Credit Commitment;

(ii) in the case of each such assignment of a Multi-Currency Commitment (except in the case of an assignment to a Person that, immediately prior to such assignment, was a Multi-Currency Lender or an assignment of all of a Multi-Currency Lender's rights and obligations under this Agreement), (A) the amount of the Multi-Currency Commitment of the assigning Multi-Currency Lender being assigned pursuant to such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than U.S. \$15,000,000 and shall be an integral multiple of U.S. \$1,000,000, and (B) the assignor shall simultaneously assign to the assignee a ratable share of (1) all participations in Letters of Credit issued for the account of Multi-Currency Borrowers and then outstanding, and (2) all Letter of Credit Advances then owing to such Lender as a result of draws on Letters of Credit issued for the account of Multi-Currency Borrowers;

(iii) in the case of each such assignment of a Canadian Subsidiary Commitment (except in the case of an assignment to a Person that, immediately prior to such assignment, was a Canadian Subsidiary Lender or an assignment of all of a Canadian Subsidiary Lender's rights and obligations under this Agreement), (A) the amount of the Canadian Subsidiary Commitment of the assigning Canadian Subsidiary Lender being assigned pursuant to such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less

than U.S. \$10,000,000 and shall be an integral multiple of U.S. \$1,000,000, and (B) the assignor shall simultaneously assign to the assignee a ratable share of (1) all participations in Letters of Credit issued for the account of the Canadian Subsidiary and then outstanding, and (2) all Letter of Credit Advances then owing to such Lender as a result of draws on Letters of Credit issued for the account of the Canadian Subsidiary;

(iv) each such assignment shall be to an Eligible Assignee;

(v) the proposed Assignee (if other than an affiliate of the assignor) shall be approved by the Administrative Agent, AGCO, the Canadian Administrative Agent and the Canadian Issuing Bank (if such assignment relates to Canadian Subsidiary Advances or Canadian Subsidiary Commitments) and the Multi-Currency Issuing Bank (if such assignment relates to Multi-Currency Advance or Multi-Currency Commitments) (such approval in each case not to be unreasonably withheld or delayed); and

(vi) the parties to each such assignment shall execute and deliver to the Administrative Agent for its own account, for its acceptance and recording in the Register, an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of U.S. \$2,500, payable by the assignee to the Administrative Agent.

Upon such execution, delivery, acceptance and recording, from and after the effective date specified in such Assignment and Acceptance,

(x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder or under any other Loan Document have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender hereunder, and

(y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement and under each other Loan Document (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows:

(i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto;

(ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto;

(iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01(f) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance;

(iv) such assignee will, independently and without reliance upon either Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement;

(v) such assignee confirms that it is an Eligible Assignee or an Affiliate of the assignor;

(vi) such assignee appoints and authorizes the Administrative Agent (and, if such assignee will be a Canadian Subsidiary Lender, the Canadian Administrative Agent) to take such action as agent on its behalf and to exercise such powers and discretion under this Agreement as are delegated to the Administrative Agent (and the Canadian Administrative Agent, if applicable) by the terms hereof, together with such powers and discretion as are reasonably incidental thereto; and

(vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to and accepted by it and a register for the recordation of the names and addresses of the Issuing Banks and the Lenders and their respective Commitment under each Facility of, the principal amount of the Advances owing under each Facility to, and the Notes held by, each Lender from time to time (the

"Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrowers, the Agents, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower, the Canadian Administrative Agent, either Issuing Bank or any Lender at any reasonable time and from time to time upon reasonable prior notice. The Administrative Agent, promptly following receipt thereof, will notify the Canadian Administrative Agent of any Assignment and Acceptance relating to the Canadian Subsidiary Facility.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee, together with any Note or Notes subject to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit D hereto,

- (i) record the information contained therein in the Register, and
- (ii) give prompt notice thereof to the Borrowers.

Within five Business Days after its receipt of such notice, the Borrowers, at their own expense, shall execute and deliver to the Administrative Agent in exchange for the surrendered Note or Notes a new Note to the order of such Eligible Assignee in an amount equal to the Commitment assumed by it under a Facility pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a Commitment hereunder under such Facility, a new Note to the order of the assigning Lender in an amount equal to the Commitment retained by it hereunder. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A hereto for AGCO and the Borrowing Subsidiaries.

(e) Each Lender may sell participations in or to all or a portion of its rights and obligations under this Agreement (including without limitation all or a portion of its Commitments, the Advances owing to it and the Note or Notes held by it) to a financial institution (a "Participant"); provided that

- (i) such Lender's obligations under this Agreement (including without limitation its Commitments) shall remain unchanged;
- (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations;

(iii) such Lender shall remain the holder of any such Note for all purposes of this Agreement,

(iv) the Borrowers, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and

(v) no Participant under any such participation shall have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce or forgive the principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, postpone any date fixed for any payment of principal of, or interest on, the Notes or any fees or other amounts payable hereunder, in each case to the extent subject to such participation, except in accordance with the terms hereof or of any other Loan Document.

(f) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or Participant or proposed assignee or Participant, any public information relating to any Borrower furnished to such Lender by or on behalf of such Borrower and any information conspicuously labelled by a Borrower as being confidential at the time such information is furnished to such Lender if such assignee or Participant or proposed assignee or Participant has agreed to use reasonable efforts to keep such information confidential.

(g) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including without limitation the Advances owing to it and the Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

Section 8.08. Judgment Currency. (a) If for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder or under the Notes in any currency (the "Original Currency") into another currency (the "Other Currency") the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the Original Currency with the Other Currency at 11:00 A.M. on the second Business Day preceding that on which final judgment is given.

(b) The obligation of a Borrower in respect of any sum due in the Original Currency from it to any Lender or either Agent hereunder or under the Notes held by such

Lender shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by such Lender or such Agent (as the case may be) of any sum adjudged to be so due in such Other Currency such Lender or such Agent (as the case may be) may in accordance with normal banking procedures purchase the Original Currency with such Other Currency; if the amount of the Original Currency so purchased is less than the sum originally due to such Lender or such Agent (as the case may be) in the Original Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or such Agent (as the case may be) against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to any Lender or such Agent (as the case may be) in the Original Currency, such Lender or such Agent (as the case may be) agrees to remit to such Borrower such excess.

SECTION 8.09. Consent to Jurisdiction. Each Borrower irrevocably

(a) submits to the jurisdiction of any New York State or Federal court sitting in New York City and any appellate court from any thereof in any action or proceeding arising out of or relating to any Loan Document;

(b) agrees that all claims in respect of such action or proceeding may be heard and determined in such New York State or in such Federal court;

(c) waives, to the fullest extent that it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding (including without limitation Articles 14 and 15 of the French Civil Code);

(d) consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such Borrower at its address specified in Section 8.02; and

(e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Nothing in this Section 8.09 shall affect the right of either Agent or any Lender to serve legal process in any other manner permitted by law or affect the right of either Agent or any Lender to bring any action or proceeding against any Borrower or its property in the courts of other jurisdictions.

Each Borrower irrevocably appoints and designates AGCO as its agent for service of process and, without limitation of any other method of service, consents to service of process by mail at the address of AGCO for delivery of notices specified in Section 8.02.

SECTION 8.10. Governing Law. This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 8.11. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.12. No Liability of the Issuing Banks. Each Borrower assumes all risks of the acts or omissions of any beneficiary or transferee of any Letter of Credit with respect to its use of such Letter of Credit. Neither Issuing Bank nor any of its officers or directors shall be liable or responsible for:

(a) the use that may be made of any Letter of Credit or any acts or omissions of any beneficiary or transferee in connection therewith;

(b) the validity, sufficiency or genuineness of documents, or of any endorsement thereon, even if such documents should prove to be in any or all respects invalid, insufficient, fraudulent or forged;

(c) payment by such Issuing Bank against presentation of documents that do not comply with the terms of a Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or

(d) any other circumstances whatsoever in making or failing to make payment under any Letter of Credit,

except that no Borrower shall have a claim against such Issuing Bank, and such Issuing Bank shall be liable to a Borrower, to the extent of any direct, but not consequential, damages suffered by such Borrower that such Borrower proves were caused by

(i) such Issuing Bank's willful misconduct or gross negligence in determining whether documents presented under any Letter of Credit comply with the terms of the Letter of Credit or

(ii) such Issuing Bank's willful failure to make lawful payment under a Letter of Credit after the presentation to it of a draft and certificates strictly complying with the terms and conditions of the Letter of Credit.

In furtherance and not in limitation of the foregoing, either Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

SECTION 8.13. Certain Cash Deposits.

(a) If, as of the 15th day of the first complete calendar month after the end of the each fiscal quarter of AGCO (or, if such 15th day is not a Business Day, the next-following Business Day), the Multi-Currency Borrower Outstandings shall exceed 105% of the Multi-Currency Facility (the "Multi-Currency Borrower Excess Outstandings") and to the extent that a Multi-Currency Borrower is not required on such date to prepay Multi-Currency Advances in an aggregate principal amount equal to the Multi-Currency Borrower Excess Outstandings pursuant to Section 2.05(b)(ii)(A), AGCO will, promptly after a request therefor by the Administrative Agent, deposit in same-day funds at the Administrative Agent's office designated in such request, for deposit in such interest-bearing account as the Administrative Agent shall specify (the "Multi-Currency Borrower Cash Collateral Account"), an amount equal to the Multi-Currency Borrower Excess Outstandings (net of any prepayment pursuant to Section 2.05(b)(ii)(A)). The Multi-Currency Borrower Cash Collateral Account shall be in the name and under the sole dominion and control of the Administrative Agent. The Administrative Agent shall have no obligation to invest any amounts on deposit in the Multi-Currency Borrower Cash Collateral Account. AGCO grants to the Administrative Agent, for its benefit and the benefit of the Lenders, a lien on and security interest in the Multi-Currency Borrower Cash Collateral Account and all amounts from time to time on deposit therein as collateral security for the performance of AGCO's obligations under this Agreement and the other Loan Documents. The Administrative Agent shall have all rights and remedies available to it under applicable law with respect to the Multi-Currency Borrower Cash Collateral Account and all amounts on deposit therein. Promptly after any date on which there shall occur a reduction in the amount of the Multi-Currency Borrower Excess Outstandings, the Administrative Agent will return to AGCO, free and clear of any Lien under this subsection (a), an amount equal to the excess of amounts then on deposit in the Multi-Currency Borrower Cash Collateral Account (including accrued interest) over the amount of the Multi-Currency Borrower Excess Outstandings as of the date of and after giving effect to such reduction.

(b) If, as of the 15th day of the first complete calendar month after the end of the each fiscal quarter of AGCO (or, if such 15th day is not a Business Day, the next-following Business Day), the Canadian Subsidiary Outstandings shall exceed 105% of the Canadian Subsidiary Facility (the "Canadian Subsidiary Excess Outstandings") and to the extent that the Canadian Subsidiary is not required on such date to prepay Canadian Subsidiary Advances in an aggregate principal amount equal to the Canadian Subsidiary Excess Outstandings pursuant to Section 2.05(b)(ii)(B), the Canadian Subsidiary will, promptly after a request therefor by the Canadian Administrative Agent, deposit in same-day funds at the Canadian Administrative

Agent's office designated in such request, for deposit in such interest-bearing account as the Canadian Administrative Agent shall specify (the "Canadian Subsidiary Cash Collateral Account"), an amount equal to the Canadian Subsidiary Excess Outstandings (net of any prepayment pursuant to Section 2.05(b)(ii)(A)). The Canadian Subsidiary Cash Collateral Account shall be in the name and under the sole dominion and control of the Canadian Administrative Agent. The Canadian Administrative Agent shall have no obligation to invest any amounts on deposit in the Canadian Subsidiary Cash Collateral Account. The Canadian Subsidiary grants to the Canadian Administrative Agent, for its benefit and the benefit of the Lenders, a lien on and security interest in the Canadian Subsidiary Cash Collateral Account and all amounts from time to time on deposit therein as collateral security for the performance of the Canadian Subsidiary's obligations under this Agreement and the other Loan Documents. The Canadian Administrative Agent shall have all rights and remedies available to it under applicable law with respect to the Canadian Subsidiary Cash Collateral Account and all amounts on deposit therein. Promptly after any date on which there shall occur a reduction in the amount of the Canadian Subsidiary Excess Outstandings, the Canadian Administrative Agent will return to the Canadian Subsidiary, free and clear of any Lien under this subsection (b), an amount equal to the excess of amounts then on deposit in the Canadian Subsidiary Cash Collateral Account (including accrued interest) over the amount of the Canadian Subsidiary Excess Outstandings as of the date of and after giving effect to such reduction.

SECTION 8.14. Conditions to Effectiveness of this Agreement. Conditions to the effectiveness of this Second Amended and Restated Credit Agreement are (a) the delivery by each Subsidiary Guarantor that is not a Borrower of the confirmation and ratification attached hereto, (b) the delivery of secretaries' certificates or other evidence, in each case in form and substance satisfactory to the Agents, that this Agreement has been duly authorized by each Borrower and (c) the execution of this Second Amended and Restated Credit Agreement by each Borrower, each Agent, the Appropriate Issuing Banks and the Required Lenders. Until such conditions shall have been satisfied, this Agreement shall continue to be in effect as in effect prior to its amendment and restatement hereby. Promptly after the effective date of this Agreement on request by any Lender the Borrowers will execute and deliver Notes to such Lender in the applicable form attached to this Agreement as Exhibits A-1 and A-2. Prior to any such delivery, the Notes previously delivered by the Borrowers pursuant to this Agreement as in effect prior to its amendment and restatement hereby shall remain valid and binding obligations of the Borrowers for all purposes, notwithstanding the amendment and restatement of the form thereof as provided in this Agreement.

SECTION 8.15. Schedules to this Agreement. The Schedules (other than Schedule I, which is attached to this amendment and restatement) attached to this Agreement as in effect prior to its amendment and restatement hereby are the Schedules referred to in this Agreement, as amended and restated, and shall be deemed to be the Schedules attached to, and to form a part of, this Agreement, as amended and restated.

SECTION 8.16. Ratification of Guaranties, etc. Each Borrower that entered into a Guaranty of the obligations of some or all of the other Borrowers under the Credit Agreement or another Loan Document unconditionally confirms and agrees that each such Loan Document is and shall continue to be in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the date of this Agreement, each reference therein to "this Agreement", "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to this Agreement, as amended and restated hereby.

SECTION 8.17. Waiver of Jury Trial. EACH OF EACH BORROWER, EACH AGENT, EACH CO-MANAGER AND THE LENDERS HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO ANY OF THE LOAN DOCUMENTS, THE ADVANCES OR THE ACTIONS OF EITHER AGENT, ANY CO-MANAGER OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first-above written.

AGCO CORPORATION

By _____
Title:

AGCO LIMITED (formerly known as MASSEY FERGUSON LIMITED)

By _____
Title:

AGCO INTERNATIONAL LIMITED (formerly known as AGCO LIMITED)

By _____
Title:

AGCO VERTRIEBS GMBH (formerly known as MASSEY FERGUSON GMBH)

By _____
Title:

AGCO MANUFACTURING LIMITED (formerly known as MASSEY FERGUSON MANUFACTURING LIMITED)

By _____
Title:

AGCO S.A. (formerly known as MASSEY FERGUSON S.A.)

By _____
Title:

AGCO HOLDING B.V.

By _____
Title:

AGCO CANADA, LTD.

By _____
Title:

The undersigned, as a guarantor of the Borrowers' obligations under the above Credit Agreement, consents to the amendment and restatement of such Credit Agreement as set forth above and confirms that its guaranty of such obligations is, and shall continue to be, in full force and effect and ratifies and confirms such guaranty in all respects, in each case except that, on and after the effective date of such amendment and restatement, each reference in such guaranty to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended and restated as provided above.

MASSEY FERGUSON CORP.

By _____
Title:

COOPERATIEVE CENTRALE
RAIFFEISEN-BOERENLEENBANK B.A.,
"RABOBANK NEDERLAND", NEW
YORK BRANCH, as Administrative Agent,
Co-Manager, a Multi-Currency Lender
and Issuing Bank

By _____
Title:

By _____
Title:

SUNTRUST BANK, ATLANTA, as Co-
Manager and a Multi-Currency Lender

By _____
Title:

By _____
Title:

DEUTSCHE BANK CANADA, as Canadian
Administrative Agent, a Canadian Subsidiary
Lender and Canadian Issuing Bank

By _____
Title:

DEUTSCHE BANK AG, NEW YORK
BRANCH and/or CAYMAN ISLANDS
BRANCH, as Co-Manager and a Multi-
Currency Lender

By _____
Title:

By _____
Title:

THE FIRST NATIONAL BANK OF CHICAGO,
as a Multi-Currency Lender

By _____
Title:

CREDIT LYONNAIS, ATLANTA AGENCY,
as a Multi-Currency Lender

By _____
Title:

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, as a Multi-Currency Lender

By _____
Title:

MELLON BANK, N.A., as a
Multi-Currency Lender

By _____
Title:

BANKERS TRUST COMPANY,
as a Multi-Currency Lender

By _____
Title:

CHRISTIANIA BANK OG KREDITKASSE,
as a Multi-Currency Lender

By _____
Title:

CIBC INC., as a Multi-Currency Lender

By _____
Title:

COMMERZBANK AKTIEN-GESELLSCHAFT,
ATLANTA AGENCY, as a Multi-Currency Lender

By _____
Title:

KBC BANK, N.V., as a Multi-Currency Lender

By _____
Title:

CREDIT INDUSTRIEL ET COMMERCIAL,
as a Multi-Currency Lender

By _____
Title:

COBANK, ACB, as a Multi-Currency Lender

By _____
Title:

MARINE MIDLAND BANK,
as a Multi-Currency Lender

By _____
Title:

THE BANK OF TOKYO-MITSUBISHI, LTD.,
ATLANTA AGENCY, as a Multi-Currency Lender

By _____
Title:

UNION BANK OF CALIFORNIA,
as a Multi-Currency Lender

By _____
Title:

BAYERISCHE HYPOTHEKEN-UND
WECHSEL BANK AKTIEN-GESELLSCHAFT,
NEW YORK BRANCH, as a Multi-Currency Lender

By _____
Title:

WACHOVIA BANK OF GEORGIA, N.A.,
as a Multi-Currency Lender

By _____
Title:

BANQUE FRANCAISE DU COMMERCE
EXTERIEUR, as a Multi-Currency Lender

By _____
Title:

BANK OF MONTREAL, as a Multi-Currency
Lender and a Canadian Subsidiary Lender

By _____
Title:

SOCIETE GENERALE,
as a Multi-Currency Lender

By _____
Title:

TORONTO DOMINION (TEXAS), INC.,
as a Multi-Currency Lender

By _____
Title:

BANQUE NATIONALE DE PARIS,
as a Multi-Currency Lender

By _____
Title:

CLYDESDALE BANK PLC,
as a Multi-Currency Lender

By _____
Title:

DG BANK DEUTSCHE GENOSSEN-
SCHAFTSBANK, CAYMAN ISLAND
BRANCH, as a Multi-Currency Lender

By _____
Title:

ISTITUTO BANCARIO SAN PAOLO
DI TORINO ISTITUTO MOBILIARE
ITALIANO SPA, as a Multi-Currency Lender

By _____
Title:

By _____
Title:

STANDARD CHARTERED BANK,
as a Multi-Currency Lender

By _____
Title:

THE SUMITOMO BANK, LIMITED,
as a Multi-Currency Lender

By _____
Title:

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, NEW YORK BRANCH,
as a Multi-Currency Lender

By _____
Title:

BANCA NAZIONALE DEL LAVORO SPA,
NEW YORK BRANCH, as a Multi-Currency Lender

By _____
Title:

NATIONAL BANK OF CANADA,
as a Canadian Subsidiary Lender

By _____
Title:

THE TORONTO DOMINION BANK,
as a Canadian Subsidiary Lender

By _____
Title:

BANK AUSTRIA AKTIENGESELLSCHAFT,
NEW YORK BRANCH,
as a Multi-Currency Lender

By _____
Title:

PROMISSORY NOTE

U.S.\$ _____

Dated: _____, _____

FOR VALUE RECEIVED, the undersigned, [NAME OF BORROWER], HEREBY PROMISES TO PAY to the order of _____ (the "Lender"), for the account of its Applicable Lending Office (such term and other capitalized terms used herein and not otherwise defined having the respective meanings specified in the Credit Agreement referred to below) the aggregate principal amount of the Advances (or such portion thereof as may be specified in the Credit Agreement) made by the Lender to the Borrower pursuant to the Credit Agreement outstanding on the Termination Date or on such earlier date as may be specified in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest in respect of each Advance made to it (a) in United States Dollars are payable in lawful money of the United States of America to Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch ("Rabobank") (or any successor appointed as administrative agent pursuant to Article VII of the Credit Agreement), as administrative agent, at 245 Park Avenue, New York, New York 10167, Attention: Corporate Services Department, in same-day funds and (b) in an Alternate Currency are payable in such currency at the Administrative Agent's office specified in the Credit Agreement for payments in such currency, in same-day funds. Each Advance owing to the Lender by the Borrower pursuant to the Credit Agreement (including each Letter of Credit Advance purchased by the Lender as provided in the Credit Agreement), and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Second Amended and Restated Credit Agreement dated as of February __, 1999 (as amended, modified and supplemented from time to time, the "Credit Agreement") among [AGCO CORPORATION] [THE BORROWER] and certain subsidiaries thereof; the lenders listed on the signature pages thereof; Rabobank, SunTrust Bank, Atlanta, and Deutsche Bank AG, New York Branch, as co-managers; Deutsche Bank Canada, as Canadian administrative agent, and Rabobank, as administrative agent. The Credit Agreement, among other things,

(a) provides for the making of Advances by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the amount specified above (or the equivalent in other currencies), all such Advances to the undersigned being evidenced by this Promissory Note and (b) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

[NAME OF BORROWER]

By _____
Title:

ADVANCES AND PAYMENTS OF PRINCIPAL

DATE	TYPE OF ADVANCE	AMOUNT OF ADVANCE	CURRENCY	AMOUNT OF PRINCIPAL PAID OR PREPAID	UNPAID PRINCIPAL BALANCE	NOTATION MADE BY
------	--------------------	----------------------	----------	---	-----------------------------	---------------------

EXHIBIT A-2 - FORM OF PROMISSORY NOTE
CANADIAN SUBSIDIARY FACILITY

PROMISSORY NOTE

U.S.\$ _____

Dated: _____, _____, _____

FOR VALUE RECEIVED, the undersigned, AGCO CANADA, LTD., a Saskatchewan corporation, HEREBY PROMISES TO PAY to the order of _____ (the "Lender"), for the account of its Applicable Lending Office (such term and other capitalized terms used herein and not otherwise defined having the respective meanings specified in the Credit Agreement referred to below) the aggregate principal amount of the Advances (or such portion thereof as may be specified in the Credit Agreement) made by the Lender to the Borrower pursuant to the Credit Agreement outstanding on the Termination Date or on such earlier date as may be specified in the Credit Agreement.

The Borrower promises to pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest in respect of each Advance made to it in any currency are payable in such currency to Deutsche Bank Canada (or any successor appointed as Canadian administrative agent pursuant to Article VII of the Credit Agreement), as Canadian administrative agent, at _____, _____, _____, in same-day funds. Each Advance owing to the Lender by the Borrower pursuant to the Credit Agreement (including each Letter of Credit Advance purchased by the Lender as provided in the Credit Agreement), and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Second Amended and Restated Credit Agreement dated as of February __, 1999 (as amended, modified and supplemented from time to time, the "Credit Agreement") among AGCO Corporation and certain subsidiaries thereof; the lenders listed on the signature pages thereof; Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch ("Rabobank"), SunTrust Bank, Atlanta, and Deutsche Bank AG, New York Branch, as co-managers; Deutsche Bank Canada, as Canadian administrative agent, and Rabobank, as administrative agent. The Credit Agreement, among other things, (a) provides for the making of Advances by the Lender to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding the amount specified above (or the equivalent in other currencies), all such Advances to the undersigned being evidenced by this Promissory Note and (b) contains provisions for acceleration of the maturity hereof

upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

AGCO CANADA, LTD.

By: -----

Title:

EXHIBIT B-1 - FORM OF NOTICE OF BORROWING -
MULTI-CURRENCY BORROWERS

NOTICE OF BORROWING

Cooperatieve Centrale Raiffeisen-
Boerenleenbank B.A.,
"Rabobank Nederland", New York Branch,
as Administrative Agent
under the Credit Agreement
referred to below
245 Park Avenue, 38th Fl.
New York, NY 10167

_____, ____

Attention: Structured Finance Department

Ladies and Gentlemen:

The undersigned refers to the Second Amended and Restated Credit Agreement dated as of February __, 1999 (as amended, modified and supplemented from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among AGCO Corporation and certain subsidiaries thereof; the lenders listed on the signature pages thereof; Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch ("Rabobank"), SunTrust Bank, Atlanta, and Deutsche Bank AG, New York Branch, as co-managers; Deutsche Bank Canada, as Canadian administrative agent, and Rabobank, as administrative agent for the lenders; and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing"), as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 199_.

(ii) The Type of the Advances to comprise the Proposed Borrowing is a [Eurocurrency Rate Advance] [Base Rate Advance].

(iii) The aggregate principal amount of the Proposed Borrowing is \$_____.

(iv) The currency in which such Proposed Borrowing is to be made is _____. [U.S. dollars or Alternate Currency.]

[(v) The initial Interest Period for each Eurocurrency Rate Advance comprising the proposed Borrowing is _____.] [Necessary for Eurocurrency Rate Borrowings only.]

[(vi) The Borrower's Account for the undersigned for the Proposed Borrowing is _____.]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in each Loan Document are correct and will be correct on the date of the Proposed Borrowing, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, other than any such representations or warranties that, by their terms, refer to a date other than the date of the Proposed Borrowing;

(B) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

(C) on the date of the Proposed Borrowing and after giving effect thereto, the aggregate principal amount of all Borrower Outstandings will not exceed the Borrowing Base on such date; and

(D) there has occurred no Material Adverse Effect since December 31, 1995.

Very truly yours,

[NAME OF BORROWER]

By _____
Title:

EXHIBIT B-2 - FORM OF NOTICE OF BORROWING -
CANADIAN SUBSIDIARY

NOTICE OF BORROWING

Deutsche Bank Canada,
as Canadian Administrative Agent under
the Credit Agreement
referred to below
P.O. Box 196
222 Bay Street, 12th Floor
Toronto, Ontario M5K 1H6

_____, ____

Attention: Corporate Finance Department/Syndications

Ladies and Gentlemen:

The undersigned refers to the Second Amended and Restated Credit Agreement dated as of February __, 1999 (as amended, modified and supplemented from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among AGCO Corporation and certain subsidiaries thereof; the lenders listed on the signature pages thereof; Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch ("Rabobank"), SunTrust Bank, Atlanta, and Deutsche Bank, New York Branch, as co-managers; Deutsche Bank Canada, as Canadian administrative agent, and Rabobank, as administrative agent for the lenders; and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing"), as required by Section 2.02(a) of the Credit Agreement:

(i) The Business Day of the Proposed Borrowing is _____, 199_.

(ii) The Type of the Advances to comprise the Proposed Borrowing is a [Eurocurrency Rate Advance] [Base Rate Advance] [Bankers' Acceptance].

(iii) The aggregate principal amount [face amount] of the Proposed Borrowing is \$_____.

(iv) The initial Interest Period for each Eurocurrency Rate Advance comprising the proposed Borrowing is _____. [Necessary for Eurocurrency Rate Borrowings only.]

(v) The Contact Period for each Bankers' Acceptance comprising the proposed Borrowing is _____. [Necessary for Bankers' Acceptances only.]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

(A) the representations and warranties contained in each Loan Document are correct and will be correct on the date of the Proposed Borrowing, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, other than any such representations or warranties that, by their terms, refer to a date other than the date of the Proposed Borrowing;

(B) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, that constitutes a Default;

(C) on the date of the Proposed Borrowing and after giving effect thereto, the aggregate principal amount of all Borrower Outstandings will not exceed the Borrowing Base on such date; and

(D) there has occurred no Material Adverse Effect since December 31, 1995.

Very truly yours,

AGCO CANADA, LTD.

By _____
Title:

Copy to: Deutsche Bank Securities Inc.
Loan Syndications
31 West 52nd Street
New York, NY 10019

EXHIBIT B-3 - FORM OF NOTICE OF ROLLOVER -
CANADIAN SUBSIDIARY

NOTICE OF BORROWING

Deutsche Bank Canada,
as Canadian Administrative Agent under
the Credit Agreement
referred to below
P.O. Box 196
222 Bay Street, 12th Floor
Toronto, Ontario M5K 1H6

_____, ____

Attention: Corporate Finance Department/Syndications

Ladies and Gentlemen:

The undersigned refers to the Second Amended and Restated Credit Agreement dated as of February __, 1999 (as amended, modified and supplemented from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among AGCO Corporation and certain subsidiaries thereof; the lenders listed on the signature pages thereof; Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch ("Rabobank"), SunTrust Bank, Atlanta, and Deutsche Bank AG, New York Branch, as co-managers; Deutsche Bank Canada, as Canadian administrative agent, and Rabobank, as administrative agent for the lenders; and hereby gives you notice, irrevocably, pursuant to Section 2.16(h) of the Credit Agreement that the undersigned hereby requests that Bankers' Acceptances with an aggregate face value of Cdn. \$[] maturing on [] (the "Rollover Date") in accordance with Section 2.16(h) of the Credit Agreement (the "Proposed Rollover").

Each new Bankers' Acceptance should be dated so as to mature on [], 19[], resulting in a term of [] days.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Rollover Date:

(A) the representations and warranties contained in each Loan Document are correct and will be correct on the Rollover Date, before and after giving effect to the Proposed Rollover and to the application of the proceeds therefrom, as though made on and as of such date, other than any such representations or warranties that, by their terms, refer to a date other than the Rollover Date;

(B) no event has occurred and is continuing, or would result from such Proposed Rollover or from the application of the proceeds therefrom, that constitutes a Default;

(C) on the Rollover Date and after giving effect thereto, the aggregate principal amount of all Borrower Outstandings will not exceed the Borrowing Base on such date; and

(D) there has occurred no Material Adverse Effect since December 31, 1995.

Very truly yours,

AGCO CANADA, LTD.

By: _____
Title:

Copy to: Deutsche Bank North America
Loan Syndications
31 West 52nd Street
New York, NY 10019

EXHIBIT C

AGCO CORPORATION
BORROWING BASE CERTIFICATE

THE UNDERSIGNED REFERS to the Second Amended and Restated Credit Agreement dated as of February __, 1999 (as amended, modified and supplemented from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined) among AGCO Corporation and certain subsidiaries thereof; the lenders listed on the signature pages thereof; Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch ("Rabobank"), SunTrust Bank, Atlanta, and Deutsche Bank AG, New York Branch, as co-managers; Deutsche Bank Canada, as Canadian administrative agent; and Rabobank, as administrative agent for the lenders, and CERTIFIES that the amounts and computations set forth in the attached Schedule have been prepared in compliance with and as required by the Credit Agreement and are correct as of _____, 199_.

AGCO CORPORATION

By _____
Title:

SCHEDULE TO BORROWING BASE CERTIFICATE

AGCO BORROWING BASE COMPONENTS

A.	RECEIVABLES		
1.	Gross Receivables	\$	-----
2.	Reserves	\$	-----
3.	Net Receivables (A.1 Minus A.2)	\$	-----
4.	Loan Value Percentage Rate	\$	0.9000
5.	Availability (A.3 x A.4)	\$	-----
B.	INVENTORY		
1.	Gross Inventory	\$	-----
2.	Allowances	\$	-----
3.	Net Inventory (B.1 Minus B.2)	\$	-----
4.	Loan Value Percentage Rate	\$	0.6000
5.	Availability (B.3 x B.4)	\$	-----
C.	TOTAL AVAILABILITY		
(A.5 Plus B.5)	1. Total Borrowing Base Component Availability	\$	-----

ASSIGNMENT AND ACCEPTANCE

Reference is made to the Second Amended and Restated Credit Agreement dated as of February __, 1999 (as amended, modified and supplemented from time to time, the "Credit Agreement") among AGCO Corporation and certain subsidiaries thereof; the lenders listed on the signature pages thereof; Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch ("Rabobank"), SunTrust Bank, Atlanta, and Deutsche Bank AG, New York Branch, as co-managers; Deutsche Bank Canada, as Canadian administrative agent (the "Canadian Administrative Agent"); and Rabobank, as administrative agent for the lenders (the "Administrative Agent"). Terms defined in the Credit Agreement are used herein with the same meaning.

The "Assignor" and the "Assignee" referred to on Schedule 1 agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an interest in and to the Assignor's rights and obligations under the Credit Agreement as of the date hereof equal to the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement. After giving effect to such sale and assignment, the Assignee's Commitments and the amount of the Advances owing to the Assignee will be as set forth on Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under the Loan Documents or any other instrument or document furnished pursuant thereto; and (iv) attaches the Notes held by the Assignor and requests that the Administrative Agent exchange such Note or Notes for a new Note or Notes payable to the order of the Assignee in an amount equal to the Commitments assumed by the Assignee pursuant hereto or new Notes payable to the order of the Assignee in an amount equal to the Commitments assumed by the Assignee pursuant hereto and the Assignor in an amount equal to the Commitments retained by the Assignor under the Credit Agreement, respectively, as specified on Schedule 1.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01 thereof

and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon either Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent (and, if this Assignment and Acceptance relates to the Canadian Subsidiary Facility, the Canadian Administrative Agent) to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to such Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; and (vi) attaches any U.S. Internal Revenue Service forms required under Section 2.11.

4. Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent and, if applicable, the Canadian Administrative Agent. The effective date for this Assignment and Acceptance (the "Effective Date") shall be the date of acceptance hereof by the Administrative Agent and, if applicable, the Canadian Administrative Agent, unless otherwise specified on Schedule 1.

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Appropriate Agent shall make all payments under the Credit Agreement and the Notes in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

8. This Assignment and Acceptance may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Assignment and Acceptance by telecopier shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment and Acceptance to be executed by their officers thereunto duly authorized as of the date specified thereon.

[NAME OF ASSIGNOR], as Assignor

By: _____
Title:

Dated: _____, 19

[NAME OF ASSIGNEE], as Assignee

By: _____
Title:

[For Multi-Currency Facility:

Domestic Lending Office:

Eurodollar Lending Offices:

Multi-Currency Facility:

For British pounds:

For Dutch guilders:

For French francs:

For German deutschemarks:

For Italian lira:

For Swiss francs:

AFor European Union euros:]

[For Canadian Subsidiary Facility:]

ACCEPTED AND APPROVED THIS DAY

OF _____, _____

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., NEW YORK BRANCH, as Administrative Agent [and Multi-Currency Issuing Bank]

By: _____

Title:

AGCO CORPORATION

By: _____

Title:

[DEUTSCHE BANK CANADA,
as Canadian Administrative Agent
and Canadian Issuing Bank

By: _____

Title:]

SCHEDULE 1
TO
ASSIGNMENT AND ACCEPTANCE

Percentage interest in Commitments assigned:	-----
Assignee's Canadian Subsidiary Commitment:	\$ -----
Assignee's Multi-Currency Commitment:	\$ -----
Aggregate outstanding principal amount of Canadian Subsidiary Advances assigned:	\$ -----
Aggregate outstanding principal amount of Multi-Currency Advances assigned:	\$ -----
Aggregate outstanding principal amount of Letter of Credit Advances of the account of Multi-Currency Borrowers assigned:	\$ -----
Aggregate outstanding principal amount of Letter of Credit Advances for the account of the Canadian Subsidiary assigned:	\$ -----
Amount of participations in Letters of Credit issued for the account of Multi-Currency Borrowers:	\$ -----
Amount of participations in Letters of Credit issued for the account of the Canadian Subsidiary:	\$ -----
Principal amount of Notes of Multi-Currency Borrowers payable to Assignee:	\$ -----
Principal amount of Note of Multi-Currency Borrowers payable to Assignor:	\$ -----
Principal amount of Note of the Canadian Subsidiary payable to Assignee:	\$ -----
Principal amount of Note of the Canadian Subsidiary payable to Assignor:	\$ -----
Effective Date (if other than date of acceptance by Administrative Agent):	-----, 199

EXHIBIT E - FORM OF BANKERS' ACCEPTANCE

[TO BE ATTACHED]

EXHIBIT F - FORM OF
DISCOUNT NOTE

Cdn.\$ _____ Date: _____

FOR VALUE RECEIVED, the undersigned unconditionally promises to pay on _____, 19____, to or to the order of [NAME OF NON BA LENDER] ("Holder"), the sum of Cdn\$_____ with no interest thereon.

The undersigned hereby waives presentment, protest and notice of every kind and waives any defenses based upon indulgences which may be granted by the holder hereof to any party liable hereon and any days of grace.

This promissory note evidences a BA Equivalent Loan, as defined in the Second Amended and Restated Credit Agreement dated as of February __, 1999 among AGCO Corporation and certain subsidiaries named therein as Borrowers, the lenders named therein as Lenders, Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. "Rabobank Nederland", New York Branch ("Rabobank"), SunTrust Bank, Atlanta, and Deutsche Bank AG, New York Branch, as Co-Managers, Deutsche Bank Canada as Canadian Administrative Agent, and Rabobank as Administrative Agent (the "Credit Agreement") and constitutes evidence of indebtedness to the Holder arising from such BA Equivalent Loan. Payment of this note shall be made at the Canadian Administrative Agent's Account as defined in the Credit Agreement.

AGCO CANADA, LTD.

By: _____
Name:
Title:

SCHEDULE 3.01(E)(VII)

Guarantor -----	Persons Whose Obligations are Guaranteed -----
AGCO Corporation	AGCO Canada Limited Massey Ferguson Manufacturing Limited Massey Ferguson Limited Massey Ferguson GmbH Massey Ferguson S.A. AGCO Limited AGCO Holding B.V.
Massey Ferguson Manufacturing Limited	Massey Ferguson Limited
Massey Ferguson Corp.	AGCO Corporation AGCO Canada Limited Massey Ferguson Manufacturing Limited Massey Ferguson Limited Massey Ferguson GmbH Massey Ferguson S.A. AGCO Limited AGCO Holding B.V.
Massey Ferguson Limited	Massey Ferguson Manufacturing Limited
AGCO Limited	Massey Ferguson Manufacturing Limited Massey Ferguson Limited Massey Ferguson S.A. AGCO Holding B.V.
AGCO Holding B.V.	AGCO Limited Massey Ferguson Manufacturing Limited Massey Ferguson Limited Massey Ferguson S.A.

SCHEDULE I
Information Regarding Lenders and their Commitments

Lender	Multi-Currency Facility Commitment	Canadian Facility Commitment	Letter of Credit Commitment	Lending Offices
COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK RANCH	\$74,841,531		\$75,000,000	DOMESTIC: Rabobank Nederland 245 Park Avenue New York, NY EUROCURRENCY: For British Pounds: Rabobank Nederland London Branch 108 Cannon Street London EC4N 6RN England For Dutch Guilders: Rabobank Nederland Utrecht Branch Croeselaan 18 3500 HG Utrecht The Netherlands For French Francs: Rabobank Nederland 69, Boulevard Haussmann 75008-Paris, France For German Deutschemarks: Rabobank Deutschebank A.G. Solmstrasse 2-26 (City West) 6000 Frankfurt am Main 90 Federal Republic of Germany For Italian Lira: Raofin Italia S.p.A. Via Spadari 20123 Milan Italy For European Euro Euros: ----- ----- -----

Lender	Multi-Currency Facility Commitment	Canadian Facility Commitment	Letter of Credit Commitment	Lending Offices
SUNTRUST BANK, ATLANTA	\$40,909,091			DOMESTIC and EUROCURRENCY: SunTrust Bank, Atlanta 25 Park Place Atlanta, GA 30303
DEUTSCHE BANK CANADA		\$20,000,000	\$75,000,000	Deutsche Bank Canada 222 Bay Street, 12th Floor Suite 1200 P.O. Box 196 Toronto, Ontario M5K1H6
DEUTSCHE BANK AG, NEW YORK BRANCH	\$36,818,182			Deutsche Bank AG, New York Branch 31 West 52nd Street New York, New York 10019
BANK AUSTRIA AKTIENGESELLSCHAFT, NEW YORK BRANCH	\$14,080,478			Bank Austria 2 Greenwich Plaza Greenwich, CT 06830
THE FIRST NATIONAL BANK OF CHICAGO	\$40,909,091			The First National Bank of Chicago One First National Plaza Chicago, IL 60670
CREDIT LYONNAIS, ATLANTA AGENCY	\$40,909,091			Credit Lyonnais Atlanta Agency 303 Peachtree Street, NE Atlanta, GA 30308
MORGAN GUARANTY TRUST COMPANY OF NEW YORK	\$28,636,364			Morgan Guaranty Trust Company 60 Wall Street New York, NY 10260
MELLON BANK, N.A.	\$20,454,545			Mellon Bank, N.A. One Mellon Bank Center Pittsburgh, PA 15258
BANKERS TRUST COMPANY	\$32,727,273			Bankers Trust Company 130 Liberty Street New York, NY 10006
CHRISTIANIA BANK OG KREDITKASSE	\$14,555,885			Christiania Bank 11 West 42nd Street New York, NY 10036
CIBC INC.	\$40,909,091			CIBC Inc. 425 Lexington Avenue New York, New York 10017

Lender	Multi-Currency Facility	Canadian Facility	Letter of Credit	Lending Offices
	Commitment	Commitment	Commitment	
COMMERZBANK AKTIEN-GESELLSCHAFT, ATLANTA AGENCY	\$17,441,627			Commerzbank AG, Atlanta Agency 1230 Peachtree Street, N.E. Atlanta, GA 30309
KBC BANK, N.V.	\$14,080,478			KBC Bank N.V. 125 West 55th Street New York, NY 10019
CREDIT INDUSTRIEL ET COMMERCIAL	\$28,636,364			DOMESTIC: CIC Paris 57 Rue de la Victoire 75009 Paris, France
COBANK, ACB	\$28,636,364			CoBank, ACB 5500 South Quebec Englewood, CO 80111
MARINE MIDLAND BANK	\$20,454,545			Marine Midland Bank 140 Broadway New York, NY 10005
THE BANK OF TOKYO-MITSUBISHI, LTD., ATLANTA AGENCY	\$20,454,545			The Bank of Tokyo-Mitsubishi, Ltd., Atlanta Agency 133 Peachtree Street, NE Atlanta, GA 30303
UNION BANK OF CALIFORNIA	\$20,454,545			Union Bank of California 445 South Figueroa Street Los Angeles, CA 90071
BAYERISCHE HYPOTHEKEN-UND WECHSEL BANK AKTIEN-GESSELLSCHAFT, NEW YORK BRANCH	\$40,909,091			Bayerische Hypo-and Vereinsbank AG 150 East 42nd Street New York, NY 10017
WACHOVIA BANK OF GEORGIA, N.A.	\$40,909,091			Wachovia Bank of Georgia, N.A. 191 Peachtree Street, N.E. Atlanta, GA 30303
BANQUE FRANCAISE DU COMMERCE EXTERIEUR	\$20,454,545			Banque Francaise du Commerce Exterieur 645 Fifth Avenue New York, NY 10022
BANK OF MONTREAL	\$16,363,636	\$30,000,000		Bank of Montreal 115 South LaSalle Street Chicago, IL 60603

Lender	Multi-Currency Facility Commitment	Canadian Facility Commitment	Letter of Credit Commitment	Lending Offices
SOCIETE GENERALE	\$28,636,364			Societe Generale 2001 Ross Avenue Dallas, TX 75201
TORONTO DOMINION (TEXAS), INC.	\$16,363,636			The Toronto-Dominion Bank 909 Fannin Street Houston, TX 77010
BANQUE NATIONALE DE PARIS	\$20,454,545			DOMESTIC: Banque Nationale de Paris Houston Agency 333 Clay Street Houston, TX 77002
CLYDESDALE BANK PLC	\$28,636,364			Clydesdale Bank PLC 150 Buchanan Street Glasgow, Scotland, U.K.
DG DEUTSCHE GENOSSEN- SCHAFTBANK, CAYMAN ISLANDS BRANCH	\$28,636,364			DG Deutsche Genossen-Schaftsbank, Cayman Islands Branch 609 Fifth Avenue New York, New York 10017
ISTITUTO BANCARIO SAN PAOLO DI TORINO ISTITUTO MOBILIARE ITALIANO SPA	\$20,454,545			Istituto Bancario San Paolo di Torino Istituto Mobiliare Italiano SPA 245 Park Avenue New York, New York 10167
STANDARD CHARTERED BANK	\$20,454,545			Standard Chartered Bank 7 World trad Center New York, NY 10048
THE SUMITOMO BANK, LIMITED	\$20,454,545			The Sumitomo Bank, Limited 277 Park Avenue New York, NY 10172
WESTDEUTSCHE LANDESBANK GIROZENTRALE, NEW YORK BRANCH	\$40,909,091			Westdeutsche Landesbank Girozentrale 1211 Avenue of the Americas New York, NY 10036
BANCA NAZIONALE DEL LAVORO SPA, NEW YORK BRANCH	\$20,454,545			Banca Nazionale de Lavoro S.p.A. New York Branch 25 West 51st Street New York, NY 10019
NATIONAL BANK OF CANADA		\$20,000,000		

Lender	Multi-Currency Facility	Canadian Facility	Letter of Credit	Lending Offices
	Commitment	Commitment	Commitment	
THE TORONTO DOMINION BANK		\$ 30,000,000		

EMPLOYMENT AND SEVERANCE AGREEMENT

This Employment and Severance Agreement (the "Agreement") entered into this 5th day of September, 1993, by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Edward R. Swingle (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 September 5, 1993, and shall be for a term of three (3) years, unless extended in writing by both parties at least 180 days prior to the expiration of such term or unless otherwise terminated earlier in accordance with Section 6 or any other provision of this Agreement. If the employment term is not extended pursuant to a mutually acceptable written agreement at least 180 days prior to the expiration of such employment term, then at such expiration the Company shall be obligated to continue to pay to the Executive his Base Salary (as defined in section 3(a) herein) then in effect, and will continue the Executive's group health and life insurance, for a period of six (6) months following such expiration.

2. POSITION AND DUTIES.

The Executive shall serve as Vice President, Marketing, 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 ability such duties and responsibilities and shall devote all of his 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 One Hundred Sixty Thousand Dollars (\$160,000), payable in equal semimonthly installments throughout the term of such employment subject to Sections 5 and 6 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 obligations pursuant to this Agreement, the Executive shall be entitled to participate in or receive benefits under any 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 Stock Option 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 in connection with his 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 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 Vice

President, Marketing of the Company (i) he 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 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 part during the term of his employment and for a reasonable period thereafter would necessarily involve his 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 employment with the Company, he would have sufficient skills to find alternative, commensurate work in his 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 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 its Vice President, Marketing.

(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 the term -----

of his employment, he 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 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. 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 employment, he 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 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 employment with the Company.

(f) NON-SOLICITATION OF COMPANY PERSONNEL. The Executive

agrees that, except to the extent that he is required to do so in connection with his express employment responsibilities on behalf of the Company, during the term of his employment he 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 employment with the Company, and in the Restricted Territory, he 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. SEVERANCE.

(a) CHANGE IN CONTROL. In order to induce the Executive to remain in the employ of the Company, the Executive is provided the severance benefits set forth in this Section 5, in the event the Executive's employment with the Company is terminated subsequent to a change in control under the circumstances described below. In exchange for the severance benefits the Executive agrees that in the event of a Change in Control (as defined in Subsection (f) below), the Executive will not voluntarily terminate his employment with the Company until thirty (30) days after the Change in Control.

(b) SEVERANCE BENEFITS. No benefits shall be payable under this Section 5 unless there shall have been a Change in Control. In the event a Change in Control occurs, the Executive is entitled to the following benefits upon any subsequent termination of the Executive's employment within two (2) years from the date of such Change in Control, unless such termination is (a) because of the death or Incapacity (as defined in Section 6(b) below) of the Executive, (b) by the Company for Cause (as defined in Subsection (f) below), (c) by the Executive other than for Good Reason (as defined in Subsection (f) below) or (d) upon the Executive's voluntary retirement.

(i) The Company shall pay the Executive within thirty (30) days of the date of termination (subject to Subsection (ii) below) an amount in cash equal to three

times the Executive's Annual Base Compensation (as defined in Subsection (f) below; provided that in no event shall the amount payable pursuant to this Section 5, when added to any other payments which are deemed to be "parachute payments" as defined in Section 280G of the Internal Revenue Code, as amended (and as hereafter amended) (the "Code"), equal or exceed three (3) times the Executive's "base amount" as determined pursuant to Section 280G of the Code for purposes of any excise tax under Section 4999 of the Code. The foregoing shall be calculated and determined by Arthur Andersen & Co. or such other nationally recognized independent accounting firm as may be mutually acceptable to the Company and the Executive hereafter. In all events and notwithstanding anything herein to the contrary, any amounts payable under this Section 5, when taken together with the present value of all other payments in the nature of compensation to the Executive which are contingent on a Change in Control, shall be reduced by the smallest amount necessary to reduce the aggregate amount of all such payments to an amount equal to three (3) times such base amount less One Dollar (\$1.00).

(ii) The Executive may elect by written notice given to the Company prior to a Change in Control to receive all or any portion of the payments to which the Executive is entitled to receive as described above in one or more installment payments at such time or times as the Executive shall specify in the written notice, together with interest thereon calculated at a rate of interest equal to the prime rate of Chemical Bank-NYC as in effect from time to time from the date of termination.

(iii) The Company shall continue to cover the Executive under, or provide the Executive with insurance coverage no less favorable than, the life, disability and health benefit plans which are provided to the Company's then-current, similarly situated Executives for a period equal to the lesser of (X) three (3) years following the date of termination, or (Y) until the Executive is provided benefits by another employer substantially comparable to the benefits provided by the Company.

(iv) In the event of the Executive's death subsequent to termination, all

payments or benefits to which the Executive is entitled under this Section 5 shall be paid to the Executive's designated beneficiary or beneficiaries or, if none are designated, to the Executive's estate.

(v) All payments and benefits to which the Executive is entitled under this Section 5 shall be made and provided without offset, deduction or mitigation on account of income the Executive may receive from other employment or otherwise.

(vi) All payments and benefits due or required to be made or provided in the future to the Executive under this Section 5 shall become immediately due and payable without further notice or demand, upon the occurrence of any Event of Acceleration.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business of the Company, by agreement satisfactory to the Executive, to expressly assume and agree to perform the terms of this Section 5 in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. The provisions of this Section 5 shall continue to apply to each subsequent successor.

(c) The Company shall pay all of the costs and expenses, including all attorneys' fees and disbursements, at least monthly, in connection with any disputes, legal proceedings, arbitrations or other conflicts, whether or not instituted by the Company or the Executive relating to the interpretation or enforcement of any provision of this Section.

(d) EFFECT. This Section 5 is not intended and shall not be deemed to guarantee the Executive of any term of employment with the Company but only to designate the severance benefits the Executive is entitled to under the circumstances set forth in this Section 5. Moreover, this Section 5 is not intended to and shall not effect, limit or terminate any other agreement or arrangement between the Executive and the Company presently in effect or entered into hereafter.

(e) EXCLUSIVE REMEDY. The Executive and the Company acknowledge and agree that in the event the Executive receives compensation under this Section 5, the Company shall be relieved of any and all other obligations under this Agreement except for full compliance with the terms of this Section 5. By way of illustration and not limitation, if the Executive's employment is terminated in connection with a Change in Control, the Company would pay the Executive severance benefits pursuant to the terms of this Section 5 and would not be obligated to the Executive for continuation of the Executive's employment pursuant to Section 2 or payment under Section 6(e) below.

(f) DEFINITIONS. As used in this Section 5, the following capitalized terms have the meaning indicated below:

(i) "ANNUAL BASE COMPENSATION" shall mean the Executive's annualized includable compensation for the base period as defined, discussed and illustrated in Section 280G of the Code and the duly promulgated Treasury Regulations thereunder.

(ii) "CAUSE" shall be defined as set forth in Section 6(c) below.

(iii) "CHANGE IN CONTROL" shall mean changes in the ownership of corporation, changes in the effective control of a corporation and changes in ownership of a substantial portion of a corporation's assets all as defined, discussed and illustrated in Section 280G of the Code and the duly promulgated Treasury Regulations thereunder and specifically Q-27, Q-28 and Q-29 respectively of proposed Treasury Regulation Section 1.280G-1. Without limiting the foregoing and by way of example:

(A) A change in the ownership of a corporation occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of that corporation that, together with stock held by such person

or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of such corporation. However, if any one person, or more than one person acting as a group, is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of a corporation, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the corporation. An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the corporation acquires its stock in exchange for property will be treated as an acquisition of stock.

(B) A change in the effective control of a corporation is presumed (which presumption may be rebutted) to occur on the date that either: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the corporation possessing twenty percent (20%) or more of the total voting power of the stock of such corporation; or a majority of members of the corporation's board of directors is replaced during any twenty four (24)-month period by directors whose appointment or election is not endorsed by a majority of the members of the corporation's board of directors prior to the date of the appointment or election of such new directors.

(C) A change in the ownership of a substantial portion of a corporation's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the corporation that have a total fair market value equal to or more than one-third of the total fair market value of all of the assets of the corporation immediately prior to such acquisition or acquisitions. The transfer of assets by a corporation is not treated as a change in the ownership of such assets if the assets

are transferred to: a shareholder of the corporation (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the corporation; a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the corporation; or an entity, at least fifty percent (50%) of the total value or voting power is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value of voting power of all of the outstanding stock of the corporation.

(iv) "EVENT OF ACCELERATION" SHALL MEAN:

(A) The failure of the Company to make any payment or provide any benefit to which the Executive is entitled under this Agreement when due or as accelerated, which failure continues thirty (30) days after the due date thereof; or

(B) The failure by the Company to obtain the assumption of the agreement to perform this Agreement by any successor as contemplated herein; or

(C) A decrease by more than forty percent(40%) within any two (2) year period of the book value of the net assets of the Company and its subsidiaries, taken as a whole; or

(D) The filing of a petition by or against the Company for adjudication as a bankrupt under the Federal Bankruptcy Act, or for reorganization, or the filing of any petitions for similar relief; the commencement of any action or proceeding for the appointment of

a receiver or a trustee of all or substantially all of the property of the Company; the taking or possession of any property of the Company by any governmental or judicial officer or agency pursuant to statutory authority for the dissolution, rehabilitation, reorganization, or liquidation of the Company; the dissolution or commencement of any action or proceeding, whether voluntary or involuntary, for the dissolution or liquidation of the Company; or the making by the Company of an assignment for the benefit of creditors; provided that the Company shall have ninety (90) days within which to affect the dismissal of any involuntary proceedings of a type referred to above that is commenced against it.

(v) "GOOD REASON" shall mean, without the written consent of the Executive:

(A) A reduction in the Executive's base salary or a reduction in the Executive's 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 reduction in the Executive's corporate title or duties; or

(D) A material breach by the Company of this Agreement.

(vi) "NORMAL RETIREMENT DATE" shall mean the first day of the month

coincident with or next following the Executive's sixty-fifth (65th) birthday.

6. 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 certified in writing to the Company and to Executive 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 the Executive's (i) habitual drunkenness or willful failure materially to perform and discharge the duties and responsibilities of the Executive hereunder or any breach of the Executive of the provisions of Section 4 hereof, or (ii) misconduct that is materially injurious to the Company or (iii) conviction of a felony involving the personal dishonesty of the Executive or moral turpitude.

(d) NOTICE OF TERMINATION. Any termination by the Company

pursuant to the Subsections (b) or (c) above shall be communicated by written Notice of Termination to the Executive. 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 Notice of Termination shall not be dated earlier than ninety (90) days from the date such Notice is delivered or mailed to the Executive.

(e) OBLIGATION TO PAY. Except upon voluntary termination by

the Executive or termination of the Executive's employment in connection with a Change in Control (in which case Section 5 shall govern) and subject to Section 7 below, the Company shall pay the compensation specified in this Agreement to the Executive for the remainder of the term set forth in Section 1(b) or for the period specified in this Subsection 6 (e), whichever period is the lesser. The Company also will continue insurance benefits during the remainder of the term set forth in Section 1(b). 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.

7. EFFECT OF RE-EMPLOYMENT/OTHER COMPENSATION.

(a) If at any time after the termination of the Executive's employment, the Company is continuing to pay benefits to the Executive pursuant to Section 6(e) above, and the Executive enters into new employment with a party other than the Company ("Re-Employment"), the Executive shall immediately notify the Company in writing of the Executive's monthly compensation to be received from such Re-Employment and any insurance coverage provided pursuant thereto, and the following provisions shall apply:

(i) If the Executive's monthly compensation from Re-Employment is equal to or in excess of the compensation being paid by the Company, the Company shall promptly pay the Executive, in full satisfaction of all obligations to compensate the Executive under Section 6(e), an amount equal to fifty percent (50%) of Company's remaining compensation obligation. Notwithstanding anything herein to the contrary and except for the obligations in Subsection (b) below, upon payment by the Company of the amounts set forth in this Section 7(a)(i), the Company shall cease to have any obligation under Section 6(e) of this Agreement.

(ii) If the Executive's monthly compensation from Re-Employment is less than the compensation being paid by the Company, compensation payable to the Executive shall automatically be reduced by the amount of the Executive's monthly compensation from Re-Employment; provided, however, that at the end of the Company's obligations to pay under Section 6(e) it shall pay the Executive an amount equal to 100 percent (100%) of the remainder of: (A) total compensation obligations of the Company under Section 6(e) less (b) the actual compensation paid the Executive during the

post-termination period. Notwithstanding anything herein to the contrary and except for the obligations in Subsection (b) below, upon payment of the final payment the Company shall cease to have any obligations under this Agreement. The Executive shall immediately notify the Company of any change in the level of compensation received from Re-Employment and, if such compensation increases to a level equal to or in excess of the compensation being paid by the Company, the provisions of Section 7 (a)(i) shall then apply.

(b) Provided COBRA requirements have been met, the Company's obligation to provide insurance coverage to the Executive under Section 3(c) or Section 5(b)(iii) hereof shall terminate as to any specific coverage if and when comparable coverage is made available to the Executive in connection with Re-Employment.

8. 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
5295 Triangle Parkway
Norcross, Georgia 30092
Attention: Robert J. Ratliff

in the case of the Executive to:

Edward R. Swingle
610 Montauk Way
Alpharetta, Georgia 30202

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

9. 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 8 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 9, 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/ ERS

Company initials: /s/ RJR

10. 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.

11. 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.

12. 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.

13. 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, distributees, devisees and legatees and the provisions of Sections 5 and 6 hereof relating to payments and termination of the Executive's employment hereunder shall survive such termination and shall be binding upon the Company.

14. 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.

15. 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 term of this Agreement.

16. 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

/s/ Edward R. Swingle

AMENDMENT TO EMPLOYMENT AND SEVERANCE AGREEMENT

This Agreement is to amend the Employment and Severance Agreement (the "Agreement") between AGCO Corporation, a Delaware corporation, (the "Company") and Edward R. Swingle, (the "Executive"), dated September 5, 1993.

Section 5 of the Agreement is amended to add Section 5 (g) as follows:

(g) LONG TERM INCENTIVE AND OTHER STOCK PLANS. In the event of a

Change In Control (as defined in Subsection (f) above), the Company will require any successor to fulfill the terms and conditions of the Long Term Incentive Plans and any Stock Option Plans previously provided to the Executive in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. However, effective with the Change in Control, the Executive will be immediately vested for all shares earned under the Long Term Incentive Plans and for those shares awarded under any Stock Option Plan.

AGCO Corporation

Executive

By: /s/ Allen W. Ritchie

/s/ E. R. Swingle

Title: President

Edward R. Swingle

AMENDMENT TO EMPLOYMENT AND SEVERANCE AGREEMENT

This Agreement is to amend the Employment and Severance Agreement (the "Agreement" between AGCO Corporation, a Delaware corporation (the "Company") and Edward R. Swingle, (the "Executive"), dated September 5, 1993.

Section 1.b of the Agreement is amended to read as follows:

The employment term shall commence on September 5, 1993 and shall be for a term of three (3) years. Each year, at the end of the first year of service and on the anniversary date of the end of the first year of service under the Agreement, the Agreement shall be automatically extended for an additional year, unless the Company notifies the Executive prior to the anniversary date, in writing, that it desires to terminate the Agreement or unless otherwise terminated earlier in accordance with Section 6 or any other provision of the Agreement. The Company may terminate the Agreement in this manner without cause. If the Executive is notified of the termination of the Agreement, the Executive will continue similar service to the Company as directed, and the Company shall pay the Executive his Base Salary (as defined in Section 3(a) of the Agreement) then in effect and will continue the Executive's group health and life insurance for the balance of the two (2) year period remaining on the Agreement. If the Executive fails to perform similar duties as directed by the Company or voluntarily terminates the availability of services to accept other employment, the Company may cease payment of the Base Salary and insurance coverage upon thirty (30) days written notice. In the event of notice of termination without cause, the Company will reasonably cooperate with the Executive and not be unreasonable in providing the use of facilities or free time for outplacement.

AGCO CORPORATION

By: /s/ R. J. Ratliff

Name: R. J. Ratliff

Title: Chairman & CEO

EXECUTIVE

/s/ E. R. Swingle

Exhibit 12.0

AGCO CORPORATION AND SUBSIDIARIES
 STATEMENT RE: COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES
 (in millions, except ratio data)

	Year Ended December 31,				
	1998	1997	1996	1995	1994
Fixed Charges Computation:					
Interest expense	\$ 79.7	\$ 69.1	\$ 45.2	\$ 73.3	\$ 52.7
Interest component of rent expense (a)	5.3	5.6	5.4	5.0	2.4
Proportionate share of fixed charges of 50%-owned affiliates	2.8	1.8	2.0	2.0	2.1
Amortization of debt costs	1.7	1.6	1.4	1.6	0.7
Total fixed charges	\$ 89.5	\$ 78.1	\$ 54.0	\$ 81.9	\$ 57.9
Earnings Computation:					
Pretax earnings	\$ 84.8	\$245.7	\$171.6	\$190.6	\$102.3
Fixed charges	89.5	78.1	54.0	81.9	57.9
Total earnings as adjusted	\$174.3	\$323.8	\$225.6	\$272.5	\$160.2
Ratio of earnings to combined fixed charges	1.9:1	4.2:1	4.2:1	3.3:1	2.8:1

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

SELECTED FINANCIAL DATA

(in millions, except per share data and number of employees)

Year Ended December 31,	1998	1997	1996	1995(1)	1994(1)
Operating Results					
Net sales	\$2,941.4	\$3,224.4	\$2,317.5	\$2,068.4	\$1,319.3
Gross profit	537.3	666.8	470.3	440.7	276.3
Income from operations(2)	170.5	319.1	211.9	220.6	119.8
Net income(2)	60.6	168.7(3)	125.9(3)	129.1	115.5(4)
Net income per common share-diluted(2)(5)	\$ 0.99	\$ 2.71(3)	\$ 2.20(3)	\$ 2.31	\$ 2.35(4)
Weighted average number of common and common equivalent shares outstanding-diluted(5)	61.2	62.1	57.4	56.6	49.1
Dividends declared per common share(5)	\$ 0.04	\$ 0.04	\$ 0.04	\$ 0.02	\$ 0.01
Other Financial Data					
Working capital	\$1,029.9	\$ 884.3	\$ 750.5	\$ 661.5	\$ 513.9
Total assets	2,750.4	2,620.9	2,116.5	1,628.6	1,399.5
Long-term debt	924.2	727.4	567.1	415.9(6)	366.8
Stockholders' equity	982.1	991.6	774.6	588.9	476.7
Number of employees	10,572	11,829	7,801	5,548	5,789

- (1) AGCO sold a 51% joint venture interest in Agrifacit-North America effective November 1, 1996. Accordingly, Agrifacit-North America is reflected on the equity basis of accounting for the years ended December 31, 1996, 1997, and 1998. For comparative purposes, the above table also reflects Agrifacit-North America on the equity basis of accounting for the years ended December 31, 1995 and 1994. If the Company's 100% interest in Agrifacit-North America were reflected on a consolidated basis for the years ending December 31, 1995 and 1994, total revenues would be \$2,125.0 million and \$1,359.0 million, respectively, total assets would be \$2,162.9 million and \$1,823.3 million, respectively, and long-term debt would be \$568.9 million and \$589.8 million, respectively.
- (2) These amounts include nonrecurring expenses of \$40.0 million, \$18.2 million, \$22.3 million, \$6.0 million and \$19.5 million for the years ended December 31, 1998, 1997, 1996, 1995 and 1994, respectively. The effect of these nonrecurring charges reduced net income per common share on a diluted basis by \$0.41, \$0.19, \$0.25, \$0.07 and \$0.33 for the years ended December 31, 1998, 1997, 1996, 1995 and 1994, respectively. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Charges for Nonrecurring Expenses."
- (3) Includes extraordinary loss, net of taxes, of \$2.1 million, or \$0.03 per share, and \$3.5 million, or \$0.06 per share, for the write-off of unamortized debt costs related to the refinancing of the Company's revolving credit facility in January 1997 and March 1996, respectively.
- (4) These amounts include a deferred income tax benefit of \$29.9 million related to the reduction of a portion of the valuation allowance. The deferred income tax benefit had the effect of increasing net income by \$29.9 million and net income per common share on a diluted basis by \$0.61.
- (5) Net income per common share - diluted, weighted average number of common and common equivalent shares outstanding - diluted and dividends declared per common share have been restated for all periods to reflect all stock splits.
- (6) Includes \$37.6 million of the Company's 6.5% Convertible Subordinated Debentures. See Note 7 to the Consolidated Financial Statements.

Trading and Dividend Information(1)

(in dollars)	High	Low	Dividends Declared
1998			
First Quarter	\$30 9/16	\$26 15/16	\$.01
Second Quarter	29 7/16	20 7/16	.01
Third Quarter	20 11/16	6 7/16	.01
Fourth Quarter	10 3/8	5 3/4	.01

(in dollars)	High	Low	Dividends Declared
1997			
First Quarter	\$30 3/8	\$27	\$.01
Second Quarter	35 1/2	25 9/16	.01
Third Quarter	35 1/8	30 11/16	.01
Fourth Quarter	32 5/8	25 9/16	.01

(1) The Company's stock trades on the New York Stock Exchange under the symbol AG. As of February 26, 1999, there were approximately 777 stockholders of record.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

TRANSACTION HISTORY

During the periods discussed below, AGCO's results of operations were significantly affected by a series of transactions that expanded the size and geographic scope of its distribution network, enabled it to offer new products and increased its manufacturing capacity. The results of operations and financial position for the years ended December 31, 1998, 1997 and 1996 were affected by the following transactions completed by the Company:

- In June 1996, the Company acquired the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Acquisition"), which expanded its product offerings and its distribution network in South America, particularly in Brazil.
- In July 1996, the Company acquired certain assets of Western Combine Corporation and Portage Manufacturing, Inc., which were the Company's suppliers of Massey Ferguson combines and other harvesting equipment sold in North America (the "Western Combine Acquisition"). The Western Combine Acquisition provided the Company with access to advanced technology and increased the Company's gross profit margin on certain combines and harvesting equipment sold in North America.
- In November 1996, the Company sold a 51% interest in Agricredit Acceptance Company ("Agricredit-North America"), the Company's retail finance subsidiary in North America, to a wholly-owned subsidiary of Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" ("Rabobank") (the "Agricredit Sale"). The Company retained a 49% interest in Agricredit-North America and now operates the finance company with Rabobank as a joint venture (the "Agricredit-North America Joint Venture"). The Agricredit-North America Joint Venture has continued the business of Agricredit-North America and seeks to build a broader asset-based finance business through the addition of other lines of business.
- In December 1996, the Company further enhanced its market presence in Argentina and South America by acquiring the operations of Deutz Argentina S.A. ("Deutz Argentina"), a manufacturer and distributor of agricultural equipment, engines and trucks to Argentina and other markets in South America (the "Deutz Argentina Acquisition").
- In January 1997, the Company acquired the operations of Xaver Fendt GmbH & Co. KG ("Fendt"), a manufacturer and distributor of tractors, primarily in Germany and throughout Europe and Australia (the "Fendt Acquisition"). The Fendt Acquisition added a new line of tractors to the Company's product offerings and expanded the Company's market presence in Germany and throughout Europe and Australia. In December 1997, the Company sold Fendt's caravan and motor home business in order to focus on its core agricultural equipment business (the "Fendt Caravan Sale").
- In December 1997, the Company acquired the remaining 68% of Dronningborg Industries a/s (the "Dronningborg Acquisition"), the Company's supplier of combine harvesters sold under the Massey Ferguson brand name in Europe. The Company previously owned 32% of this combine manufacturer which developed and manufactured combine harvesters exclusively for AGCO. The Dronningborg Acquisition enabled the Company to achieve certain synergies within its worldwide combine manufacturing and increased the Company's gross profit margin on combines sold primarily in Europe.
- In December 1997, the Company sold 50% of Deutz Argentina's engine production and distribution business to Deutz AG, a global supplier of diesel engines. This joint venture (the "Engine Joint Venture") will allow the Company to share in research and development costs and gain access to advanced technology.
- In May 1998, the Company acquired the distribution rights for the Massey Ferguson brand in Argentina (the "MF Argentina Acquisition"). The MF Argentina Acquisition expanded the Company's distribution network in the second largest market in South America.
- In July 1998, the Company acquired the Spra-Coupe product line, a brand of agricultural sprayers sold primarily in North America (the "Spra-Coupe Acquisition"). In October 1998, the Company acquired the Willmar product line, a brand of agricultural self-propelled sprayers, spreaders and loaders sold primarily in North America (the "Willmar Acquisition"). The Spra-Coupe and Willmar Acquisitions expanded the Company's product offerings to include a full line of self-propelled sprayers.

As a result of these transactions, the historical results of the Company are not comparable from year to year in the periods presented and may not be indicative of future performance.

RESULTS OF OPERATIONS

Sales are recorded by the Company when equipment and replacement parts are shipped by the Company to its independent dealers, distributors or other customers. To the extent possible, the Company attempts to ship products to its dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on its manufacturing operations and to minimize its investment in inventory. Retail sales by dealers to farmers are highly seasonal and are a function of the timing of the planting and harvesting seasons. In certain markets, particularly in North America, there is often a time lag, generally from one to twelve months, between the date the Company records a sale and the date a dealer sells the equipment to a farmer. During this time lag

between the wholesale and retail sale, dealers may not return equipment to the Company unless the Company terminates a dealer's contract or agrees to accept returned products. Commissions payable under the Company's salesman incentive programs are paid at the time of retail sale, as opposed to when products are sold to dealers.

The following table sets forth, for the periods indicated, the percentage relationship to revenues of certain items included in the Company's Consolidated Statements of Income:

Year Ended December 31,	1998	1997	1996
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	81.7	79.3	79.7
Gross profit	18.3	20.7	20.3
Selling, general and administrative expenses	9.2	8.5	9.0
Engineering expenses	1.9	1.7	1.2
Nonrecurring expenses	1.4	0.6	1.0
Income from operations	5.8	9.9	9.1
Interest expense, net	2.3	1.7	1.4
Other expense, net	1.0	0.6	0.3
Income before income taxes, equity in net earnings of affiliates and extraordinary loss	2.5	7.6	7.4
Provision for income taxes	0.9	2.7	2.6
Income before equity in net earnings of affiliates and extraordinary loss	1.6	4.9	4.8
Equity in net earnings of affiliates	0.5	0.4	0.8
Income before extraordinary loss	2.1	5.3	5.6
Extraordinary loss, net of taxes	--	(0.1)	(0.2)
Net income	2.1%	5.2%	5.4%

YEAR ENDED DECEMBER 31, 1998 COMPARED TO
YEAR ENDED DECEMBER 31, 1997

The Company recorded net income for 1998 of \$60.6 million compared to \$168.7 million for 1997. Net income per common share on a diluted basis was \$0.99 for 1998 compared to \$2.71 in 1997. Net income for 1998 included nonrecurring expenses of \$40.0 million, or \$0.41 per common share on a diluted basis, primarily related to reductions in the Company's worldwide workforce (see "Nonrecurring Expenses"). Net income for 1997 included nonrecurring expenses of \$18.2 million, or \$0.19 per share on a diluted basis, primarily related to the restructuring of the Company's European Operations, the integration of the Deutz Argentina and Fendt operations and executive severance costs. In addition, net income for 1997 included an extraordinary loss of \$2.1 million, or \$0.03 per share on a diluted basis, for the write-off of unamortized debt costs related to the refinancing of the Company's revolving credit facility (see "Liquidity and Capital Resources"). The results for 1998 were negatively impacted by lower sales and operating margins caused by unfavorable industry conditions, lower production, lower price realization and the negative impact of currency translation.

RETAIL SALES

Global demand for agricultural equipment weakened in the second half of 1998 in most major markets. The industry decline was primarily due to the effects of high global commodity stocks and lower export demand for farm commodities which resulted in lower commodity prices. These conditions have the effect of reducing farm income thereby reducing demand for new equipment purchases. In many markets, this impact offset relatively favorable industry demand in the first half of the year.

In the United States and Canada, industry unit retail sales of tractors increased approximately 4% in 1998 over 1997 despite declining in the second half of the year. Industry retail sales of combines declined approximately 4% compared to 1997. Company retail sales of tractors were 2% higher than 1997 and Company retail sales of combines were 9% below the prior year. The Company's combine sales were negatively impacted relative to the industry primarily due to lower 1998 pre-season sales and new product introductions by competitors.

In Western Europe, industry unit retail sales of tractors in 1998 decreased approximately 3% compared to 1997. Industry results were mixed with significant declines experienced in the United Kingdom and Scandinavia offset by increases in Germany and Italy. Company retail sales of tractors decreased approximately 6% in 1998 compared to 1997. The Company's retail sales were negatively impacted by sales declines of the Massey Ferguson high horse-power tractors and aggressive pricing in this segment of the market.

In South America, industry unit retail sales of tractors in 1998 decreased approximately 5% compared to 1997. Industry results in 1998 were also mixed in this region with favorable industry results in Brazil offset by industry declines in Argentina and the remaining markets. Company retail sales of tractors were 2% below 1997, thereby slightly outperforming the market primarily

due to favorable acceptance of new product introductions.

In other international markets, industry unit retail sales of tractors were lower than 1997, particularly in Asia and Africa. The Company also experienced lower retail sales in these markets.

STATEMENT OF INCOME

Net sales for 1998 were \$2.9 billion compared to \$3.2 billion in 1997. This decline primarily reflects lower retail demand in the majority of markets throughout the world. Net sales for 1998 were also negatively impacted by the Fendt Caravan Sale and Engine Joint Venture divestitures and the negative impact on foreign currency translation due to the strengthening of the U.S. dollar against most European currencies. Net sales for 1998 were positively impacted by the Dronningborg, MF Argentina, Spra-Coupe and Willmar Acquisitions. Excluding the impact of currency translation, acquisitions and divestitures, net sales decreased approximately 6% compared to 1997.

On a regional basis, net sales in North America decreased \$15.7 million, or 1.6%, compared to 1997, primarily due to unfavorable market conditions which particularly impacted sales of

combines and replacement parts. In the Europe/Africa/Middle East region, net sales in 1998 declined \$183.6 million, or 10.3%, compared to 1997 primarily due to unfavorable industry conditions, the impact of the Fendt Caravan Sale, and the negative impact of foreign currency translation. Net sales in South America decreased \$19.0 million, or 5.7%, for 1998 compared to 1997, primarily due to the impact of the Engine Joint Venture and the negative impact of foreign exchange. In the East Asia/Pacific region, net sales declined \$64.7 million, or 42.5%, for 1998 compared to 1997, primarily due to depressed industry conditions resulting from the Asian currency devaluation and the negative impact of currency translation.

Income from operations was \$170.5 million for 1998 compared to \$319.1 million in 1997. Excluding nonrecurring expenses (see "Nonrecurring Expenses"), operating income for 1998 was \$210.5 million, or 7.2% of net sales, compared to \$337.3 million, or 10.5% of net sales, for 1997. The reduction in operating margin was a result of lower gross margins, higher selling, general and administrative expenses ("S,G&A expenses") and higher engineering expenses as a percentage of net sales. Gross margins of 18.3% for 1998 were lower than gross margins of 20.7% for 1997 due to lower production overhead absorption, lower price realization in the majority of markets, and unfavorable foreign currency exchange relating primarily to the weakening of the Canadian dollar in relation to the U.S. dollar and the strengthening of the British pound compared to other European currencies. The Company lowered 1998 tractor and combine unit production volumes by approximately 13% to reduce inventory levels in response to weakening industry conditions. Price realization in 1998 was impacted by a more competitive market environment and higher discounts to liquidate older, slower-moving inventory. S,G&A expenses for 1998 were \$270.7 million, or 9.2% of net sales, compared to \$275.4 million, or 8.5% of net sales, for 1997. As a percentage of net sales, S,G&A expenses were higher in 1998 due to the lower sales volumes and Year 2000 costs recorded in 1998 (see "Year 2000"). Engineering expenses for 1998 were \$56.1 million, or 1.9% of net sales, compared to \$54.1 million, or 1.7% of net sales, for 1997. As a percentage of net sales, engineering expenses were higher in 1998 primarily due to lower sales volumes and higher expenses due to the Dronningborg Acquisition.

Interest expense, net was \$67.7 million in 1998 compared to \$53.5 million in 1997. The higher expense was primarily due to additional borrowings to fund the Company's recent acquisitions, common stock repurchases in the second quarter of 1998 and higher levels of working capital.

Other expense, net was \$28.5 million in 1998 compared to \$19.9 million in 1997. The increase in other expense primarily relates to increased hedging costs and foreign exchange losses in addition to higher amortization of intangibles due to the Company's recent acquisitions.

The Company recorded an income tax provision of \$27.5 million in 1998 compared to \$87.5 million in 1997. The Company's effective tax rate increased in 1998 compared to 1997 due to a change in the mix of income to jurisdictions with higher tax rates.

Equity in net earnings of affiliates was \$13.8 million in 1998 compared to \$12.6 million in 1997. The increase primarily related to increased earnings in the Company's retail finance joint ventures.

YEAR ENDED DECEMBER 31, 1997 COMPARED TO YEAR ENDED DECEMBER 31, 1996

The Company recorded net income for the year ended December 31, 1997 of \$168.7 million compared to \$125.9 million for the year ended December 31, 1996. Net income per common share on a diluted basis was \$2.71 for 1997 compared to \$2.20 for 1996. Net income for 1997 included nonrecurring expenses of \$18.2 million, or \$0.19 per share on a diluted basis, primarily related to the restructuring of the Company's European operations, the integration of the Deutz Argentina and Fendt operations and executive severance costs (see "Nonrecurring Expenses"). In addition, net income for 1997 included an extraordinary after-tax charge of \$2.1 million, or \$0.03 per share on a diluted basis, for the write-off of unamortized debt costs related to the refinancing of the Company's revolving credit facility (see "Liquidity and Capital Resources"). Net income for 1996 included nonrecurring expenses of \$22.3 million, or \$0.25 per share on a diluted basis, primarily related to the restructuring of the Company's European operations, the integration and restructuring of the Company's Brazilian operations acquired in the Maxion Acquisition and executive severance costs (see "Nonrecurring Expenses"). In addition, net income for 1996 included an extraordinary after-tax charge of \$3.5 million, or \$0.06 per share on a diluted basis, for the write-off of unamortized debt costs related to the refinancing of the Company's revolving credit facility and a gain on the Agricredit Sale of \$4.7 million, or \$0.05 per share on a diluted basis. The Company's improved results for 1997 primarily reflected the positive impact of the Fendt Acquisition completed in January 1997 and improved operating margins, particularly in the Company's South American operations, partially offset by the negative currency translation effect of the strengthening dollar against most European currencies.

RETAIL SALES

Conditions in the United States and Canadian agricultural markets were favorable in 1997 compared to 1996. Industry unit retail sales of tractors, combines and hay and forage equipment for 1997 increased approximately 12%, 9% and 8%, respectively, over 1996. The Company believes general market conditions were positive due to favorable economic conditions relating to high net cash farm incomes, stable commodity prices and strong domestic and export demand of commodities. Company unit retail sales of tractors in the United States and Canada increased 5% in 1997 compared to 1996 and were negatively impacted by a change in the timing of the Massey Ferguson volume bonus plan from January 1997 to December 1996. Company unit retail sales of combines in the United States and Canada for 1997 were flat compared to 1996. Company hay and forage equipment

retail sales increased in line with the industry compared to the prior year primarily due to new products and improvements in the dairy and cattle industry. The

Company believes that aggressive competitor pricing and the introduction of certain new products contributed to the strong industry growth while the Company maintained its focus on improved profit margins.

Industry conditions in Western Europe showed mixed results in 1997 with unit retail sales of tractors decreasing approximately 3% compared to 1996 primarily due to declines in the U.K., France and Germany. The industry decline was partially due to farm consolidation in Western Europe and the relatively strong retail sales of tractors in 1996. Company unit retail sales of tractors in Western Europe, including sales of Fendt tractors in both periods, decreased in line with the industry compared to 1996. In addition to the industry conditions, the strength of the British pound against other European currencies also had a negative impact on sales and gross margins of the Company's tractors produced in the U.K.

Industry unit retail sales of tractors in South America increased approximately 35% compared to the prior year. This increase was primarily due to a recovery in Brazil resulting from increasingly favorable economic conditions and reduced farm debt levels. Company retail unit sales of tractors in South America increased approximately 25% and were negatively impacted by competitor discounting which the Company chose not to match. In other international markets, Company retail unit sales of tractors increased approximately 11%, consistent with the industry.

STATEMENT OF INCOME

Net sales for 1997 increased 39.1% to \$3.2 billion compared to \$2.3 billion for 1996. The increase was primarily the result of the Company's recent acquisitions. This increase was partially offset by the negative currency translation effect of the strengthening dollar against most European currencies. Net sales for 1997 were approximately \$181.0 million lower than they would have been at 1996 foreign exchange rates. On a regional basis in 1997, the Company experienced increased net sales of \$94.0 million, or 10.9% over 1996, in North America primarily due to the strong industry and introduction of new products. The Company achieved net sales increases in the Europe/Africa/Middle East region of \$596.5 million, or 50.3% over 1996, primarily resulting from the Fendt Acquisition, which was acquired effective January 1, 1997. In South America, the Company achieved net sales increases of \$234.0 million, or 233% over 1996, primarily related to the impact of acquired operations in Brazil and Argentina, acquired in June 1996 and December 1996, respectively. In the Asia/Pacific region, net sales in 1997 decreased \$17.6 million, or 10.4%, compared to 1996, primarily due to weak economic conditions in Asia.

Income from operations was \$319.1 million in 1997 compared to \$211.9 million in 1996. Excluding nonrecurring expenses, operating income for 1997 was \$337.3 million or 10.5% of net sales, compared to \$234.2 million, or 10.1% of net sales, in 1996. The improvement in operating margin in 1997 was the result of higher gross margins and lower S,G&A expenses as a percent of net sales. Gross profit for 1997 was \$666.8 million, or 20.7% of net sales, as compared to \$470.3 million, or 20.3% of net sales, for 1996. Gross margins were favorably impacted by cost reduction efforts, particularly in the Company's South American operations, partially offset by the negative effect of foreign exchange related to the Company's products sourced from the U.K., resulting from the strength of the British pound. S,G&A expenses were \$275.4 million, or 8.5% of net sales, for 1997 compared to \$208.4 million, or 9.0% of net sales, for 1996. The decrease in S,G&A expenses as a percentage of net sales was primarily due to a decrease in the amortization of stock-based compensation expense of \$5.2 million related to the Company's long-term incentive plan. Excluding the amortization expense related to the long-term incentive plan, S,G&A expenses were \$260.5 million, or 8.1% of net sales, in 1997 compared to \$188.3 million, or 8.1% of net sales, in 1996. Excluding the amortization expense related to the long-term incentive plan, S,G&A expenses as a percentage of net sales in 1997 were equal to 1996 primarily due to cost reduction initiatives in the Company's European operations offset by increased marketing expenses related to new product introductions. The cost reduction efforts involved the centralization of certain selling, general and administrative functions (see "Nonrecurring Expenses"). Engineering expenses were \$54.1 million, or 1.7% of net sales, for 1997 compared to \$27.7 million, or 1.2% of net sales, for 1996. The increase in engineering expenses as a percentage of net sales compared to 1996 primarily related to the higher level of engineering expenses in the newly acquired Fendt operations relative to the Company's other operations.

Interest expense, net was \$53.5 million for 1997 compared to \$32.7 million for 1996. The increase in interest expense, net was primarily due to the additional borrowings associated with the financing of the Maxion, Deutz Argentina and Fendt Acquisitions. The increased interest expense related to acquisition indebtedness was partially offset by proceeds from the Company's offering of 5.2 million shares of common stock in March 1997.

Other expense, net was \$19.9 million for 1997 compared to \$7.6 million for 1996. The increase in other expense, net was primarily due to increased amortization of intangible assets resulting from the Maxion, Deutz Argentina and Fendt Acquisitions and a gain of \$4.7 million recorded in 1996 for the Agricredit Sale.

The Company recorded a net income tax provision of \$87.5 million for 1997 compared to \$59.9 million for 1996. In 1997 and 1996, the Company's income tax provision approximated statutory rates, although actual income tax payments remained at rates below statutory rates. The Company's effective tax rate increased slightly in 1997 compared to 1996 due to a change in the mix of income to jurisdictions with higher tax rates.

Equity in net earnings of affiliates was \$12.6 million in 1997 compared to \$17.7 million in 1996. The decrease in income was primarily due to a decrease in net income recognized relating to Agricredit-North America. As a result of the Agricredit Sale in November 1996, the Company recognized only 49% of net income

of the North American retail finance company in 1997 compared to 100% through October 31, 1996.

QUARTERLY RESULTS

The following table presents unaudited interim operating results of the Company. The Company believes that the following information includes all adjustments (consisting only of normal, recurring adjustments) that the Company considers necessary for a fair presentation, in accordance with generally accepted accounting principles. The operating results for any interim period are not necessarily indicative of results for any future interim period or the entire fiscal year.

Three Months Ended	March 31	June 30	September 30	December 31
(in millions, except per share data)				
1998:				
Net sales	\$ 701.5	\$ 816.1	\$ 665.7	\$ 758.1
Gross profit	144.5	156.5	131.2	105.1
Income from operations(1)	67.9	73.2	46.1	(16.7)
Net income(1)	32.7	32.3	17.9	(22.3)
Net income per common share - diluted(1)	0.52	0.52	0.30	(0.37)
1997:				
Net sales	\$ 704.3	\$ 871.9	\$ 759.5	\$ 888.7
Gross profit	134.3	175.8	169.5	187.2
Income from operations(1)	56.6	89.2	82.4	90.9
Income before extraordinary loss(1)	27.8	48.8	44.2	50.0
Net income(1)(2)	25.7	48.8	44.2	50.0
Net income per common share before extraordinary loss - diluted(1)(2)	0.47	0.77	0.70	0.79

(1) The 1998 operating results include nonrecurring expenses of \$40.0 million, or \$0.42 per share, for the three months ended December 31, 1998. The 1997 operating results include nonrecurring expenses of \$2.6 million, or \$0.03 per share, for the three months ended March 31, 1997, \$5.2 million, or \$0.05 per share, for the three months ended June 30, 1997, \$4.9 million, or \$0.05 per share, for the three months ended September 30, 1997 and \$5.5 million, or \$0.06 per share, for the three months ended December 31, 1997.

(2) The 1997 operating results include an extraordinary after-tax loss of \$2.1 million, or \$0.03 per share, for the write-off of unamortized debt costs related to the refinancing of the Company's revolving credit facility for the three months ended March 31, 1997.

To the extent possible, the Company attempts to ship products to its dealers on a level basis throughout the year to reduce the effect of seasonal demands on its 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. The Company's net sales and income from operations have historically been the lowest in the first quarter and have increased in subsequent quarters as dealers increase inventory in anticipation of increased retail sales in the third and fourth quarters. The Company's results in the fourth quarter of 1998 reflect the impact of lower sales due to weakening industry conditions, a significant reduction in worldwide production resulting in low production overhead absorption and increased competitive pricing environment in certain markets.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financing requirements are subject to variations due to seasonal changes in inventory and dealer receivable levels. Internally generated funds are supplemented when necessary from external sources, primarily the Company's revolving credit facility. In January 1997, the Company replaced its \$650.0 million unsecured revolving credit facility with a new \$1.2 billion unsecured revolving credit facility (the "January 1997 Credit Facility"). The January 1997 Credit Facility is the Company's primary source of financing. In March 1997, the lending commitment for the January 1997 Credit Facility was reduced by \$141.2 million which represented the proceeds to the Company, net of underwriting discounts, from the Company's common stock offering. Effective January 1, 1999, lending commitments under the January 1997 Credit Facility were further reduced to \$1.0 billion. Borrowings under the January 1997 Credit Facility may not exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. As of December 31, 1998, approximately \$661.2 million was outstanding under the January 1997 Credit Facility and available borrowings, based on the lending commitment of \$1 billion, were approximately \$338.6 million. Total long-term debt for the Company increased from \$727.4 million at December 31, 1997 to \$924.2 million at December 31, 1998.

In December 1997, the Company's Board of Directors authorized the repurchase of up to \$150.0 million of its outstanding common stock. As of December 31, 1998, the Company has repurchased approximately 3.5 million shares of its common stock at a cost of approximately \$88.1 million. The purchases are made through open market transactions, and the timing and number of shares purchased depends on various factors, such as price and other market conditions.

In March 1997, the Company completed a public offering of 5.2 million shares of its common stock (the "Offering"). The net proceeds to the Company from the Offering were approximately \$140.4 million after deduction of underwriting discounts and commissions and other expenses. The Company used the proceeds from the Offering to reduce a portion of the borrowings outstanding under the January 1997 Credit Facility.

In March 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 sale of the Notes provided the Company with subordinated capital and replaced a portion of its floating rate debt with longer term fixed rate debt.

The Company's 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. The Company had \$1,029.9 million of working capital as of December 31, 1998 compared to \$884.3 million as of December 31, 1997. The increase in working capital was primarily due to working capital acquired in the Company's recent acquisitions and lower accounts payables due to lower production volume in 1998 compared to 1997.

Cash flow provided by operating activities was \$11.2 million for 1998, \$100.0 million for 1997, and \$206.7 million for 1996. The decrease in operating cash flow for 1998 compared to 1997 was primarily due to lower net income, a lower provision for deferred income taxes primarily due to the utilization of net operating losses in 1997, and lower accounts payable. This impact was offset to some extent by a lower use of cash for receivables and inventories in 1998 compared to 1997. In response to the weakening industry conditions, the Company reduced production levels, particularly in the second half of 1998. The lower production levels had the effect of generating positive cash flow by reducing the Company's receivables and inventory levels, partially offset by reducing payables due to lower raw material requirements.

The operating cash flow for 1996 was impacted favorably by the collection in 1996 of unusually high accounts receivable levels at December 31, 1995. The 1995 international receivables were unusually high due to the timing of shipments of tractors in Western Europe which were delayed until the fourth quarter of 1995 due to tire supply shortages resulting from a labor strike of a major supplier. While this tire shortage impacted the Company's cash flow at that time, the Company has alternative sources of supply and adequate borrowing availability should a similar situation occur in the future. Excluding this impact, cash flow provided by operating activities for 1997 was lower compared to 1996 primarily due to increases in inventory compared to the prior year partially caused by higher inventory levels related to the introduction of new tractors sourced from the Company's U.K. and France production facilities and increased accounts receivable related to sales growth in certain markets that require longer than average payment terms.

Capital expenditures were \$61.0 million in 1998, \$72.1 million in 1997 and \$45.2 million in 1996. For all years, the Company's capital expenditures related to the development of new and existing products as well as the maintenance and improvement of existing facilities. The decrease in capital expenditures in 1998 compared to 1997 was due to lower capital requirements for new products. The increase in capital expenditures in 1997 compared to 1996 was primarily due to capital expenditures at Fendt. The Company currently estimates that aggregate capital expenditures for 1999 will range from approximately \$55 million to \$65 million and will primarily be used to support the development and enhancement of new and existing products. The capital expenditures for 1999 are expected to be funded with cash flows from operations.

The Company's debt to capitalization ratio was 48.5% at December 31, 1998 compared to 42.3% at December 31, 1997. The increase in the debt to capitalization ratio was primarily due to the common stock repurchases and acquisitions completed in 1998.

The Company believes that available borrowings under the January 1997 Credit Facility, available cash and internally generated funds will be sufficient to support its working capital, capital expenditures, and debt service requirements for the foreseeable future.

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

NONRECURRING EXPENSES

In 1998, the Company recorded nonrecurring 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. These headcount reductions were made to address the negative market conditions which are expected to adversely affect demand in the majority of markets. The headcount reductions are expected to result in cost savings related to manufacturing costs and S,G&A expenses.

In 1997, the Company recorded nonrecurring expenses of \$18.2 million which consisted of (i) \$15.0 million related to the restructuring of the Company's European operations and the integration of the Deutz Argentina and Fendt operations, acquired in December 1996 and January 1997, respectively, and (ii) \$3.2 million related to executive severance. The costs associated with the restructuring and integration activities primarily related to the centralization and rationalization of certain manufacturing, selling and administrative functions in addition to the rationalization of a small portion of the Company's European dealer network. These restructuring and integration activities resulted in cost savings related to manufacturing costs and selling, general and administrative expenses. In addition, the European dealer rationalization is expected to improve long-term sales in certain markets.

In 1996, the Company recorded nonrecurring expenses of \$22.3 million which consisted of (i) \$15.0 million related to the restructuring of the Company's European operations and the integration and restructuring of the Company's Brazilian operations, acquired in the Maxion Acquisition in June 1996, and (ii) \$7.3 million related to executive severance. The European restructuring costs are primarily related to the centralization of certain parts warehousing, administrative, sales and marketing functions. As a result of these actions, the Company achieved savings in reduced selling, general and administrative expenses primarily relating to the Company's parts warehousing, finance, dealer communications, sales and marketing functions. The Brazilian integration costs

are primarily related to the rationalization of manufacturing, sales and administrative functions designed to resize the operations to then existing sales and production volumes. The Company achieved savings from the integration and restructuring of the Brazilian operations resulting primarily in reduced selling, general and administrative expenses and product cost reductions.

OUTLOOK

The Company's operations are subject to the cyclical nature of the agricultural industry. Sales of the Company's 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.

Global demand for agricultural equipment weakened in the second half of 1998 in most major markets. Economic uncertainty coupled with low commodity prices caused by strong harvests and reduced export demand of commodities are expected to continue to adversely affect agricultural equipment sales in the world's significant markets. In 1999, retail demand in North America is expected to decrease 15-20% due to the continued impact that low commodity prices will have on net cash farm income. In Western Europe, retail demand in 1999 is expected to decline 5-10% due to uncertainty surrounding the Common Agricultural Policy reforms discussions and projected lower European Union farm income. Retail demand in 1999 in South America is expected to decline 10-15% resulting from the recent Brazilian currency devaluation and economic uncertainty in the region. In other international markets, retail demand in 1999 is expected to decline due to continued weak economic conditions in many regions.

As a result of these conditions, the Company has taken and will continue to take aggressive actions to reduce manufacturing overheads and operating expenses in order to resize the business in line with anticipated lower levels of demand. In addition, the Company has reduced its production schedules in 1999 compared to 1998 to minimize its investments in inventories and receivables. Based on these conditions, the Company expects to remain profitable in 1999 but below 1998 levels. The Company will focus its efforts in 1999 on generating strong cash flow and on its long-term growth and profit improvement initiatives.

FOREIGN CURRENCY RISK MANAGEMENT

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 suppliers 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 are the Canadian dollar in relation to the U.S. dollar and the British pound in relation to other European currencies. Fluctuations in the value of foreign currencies create exposures which can adversely affect the Company's results of operations.

The Company attempts to manage its transactional foreign exchange exposure by hedging identifiable foreign currency cash flow commitments 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's hedging policy prohibits foreign currency forward contracts for speculative trading purposes. The Company's translation exposure resulting from translating the financial statements of foreign subsidiaries into U.S. dollars is not hedged. 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, 1998 stated in U.S. dollars are as follows (in millions):

	Net Notional Amount Buy/(Sell)	Average Contract Rate*	Fair Value Gain/(Loss)
Australian dollar	\$ 3.7	1.61	\$(0.1)
Austrian shilling	(3.5)	11.85	-
Belgian franc	(3.1)	34.91	-
British pound	40.7	0.60	(0.3)
Canadian dollar	(13.8)	1.53	0.1
Danish krone	16.9	6.25	(0.3)
Dutch guilder	14.3	1.89	0.1
French franc	173.0	5.74	3.8
German mark	(100.6)	1.64	1.7
Greek drachma	(5.6)	284.49	(0.1)
Irish punt	(4.0)	0.68	(0.1)
Italian lira	32.5	1,651.70	-
Japanese yen	(3.4)	103.63	0.3
Spanish peseta	(6.6)	145.02	(0.1)
Other	0.5		0.2
	\$141.0		\$5.2

*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.

Since December 31, 1998, the Brazilian currency has devalued significantly. The devaluation will have the result of decreasing the Company's

stockholders' equity and reducing the value of sales of the Brazilian subsidiary when translated into U.S. dollars. As of January 31, 1999, the translation of the Brazilian financial statements resulted in a decrease to stockholders' equity of approximately \$95 million.

INTEREST RATES

The Company manages its debt structure and interest rate risk through the use of fixed and floating rate debt. The fixed rate debt is primarily the 8 1/2% Senior Subordinated Notes due 2006. The floating rate debt is primarily the January 1997 Credit Facility (see "Liquidity and Capital Resources"). The Company's net exposure to interest rate risk consists of its floating rate debt which is tied to

changes in U.S. and European labor rates. Assuming a 10% increase in interest rates, interest expense, net for 1998 would have increased by approximately \$4.6 million.

YEAR 2000

The Company has assessed the impact of the Year 2000 issue on its reporting systems and operations. Based on its assessment, the Company has developed a Year 2000 compliance plan, in which all key information systems are being tested and all noncompliant software or technology is being modified or replaced. This review included all information technology systems and embedded systems in the Company's manufacturing equipment, facility equipment and in the Company's products. The Company is also reviewing the Year 2000 compliance status and compatibility of customers' and suppliers' systems which interface with the Company's systems or could impact the Company's operations.

The Company has completed the majority of the necessary modifications to its information technology systems and plans to complete testing of its systems for Year 2000 compliance during 1999. During 1998, the Company reviewed a majority of its embedded systems and identified a small percentage of systems with Year 2000 problems. The Company expects to have these affected systems replaced or corrected by mid-1999 and to complete testing of all systems during 1999. Based on its reviews, the Company estimates that the required costs to modify existing computer systems and applications will be approximately \$10 million to \$12 million of which \$5.9 million has been incurred to date. The remaining costs will be incurred in 1999.

While the Company believes that its plans are adequate to ensure that the Year 2000 issue will not materially impact future operations, the risks of these plans not being adequate or the risk that the Company's major customers and suppliers do not modify or replace their affected systems could have a material adverse impact on the Company's results of operations or financial condition in the future. Failure by the Company or its customers or suppliers to resolve the Year 2000 problem could result in a temporary slowdown or cessation of manufacturing operations at one or more of the Company's facilities and a temporary inability of the Company to process some orders and to deliver some finished products to customers. The Company is currently identifying and considering various contingency options, to minimize the risks of any Year 2000 problems.

EURO CURRENCY

The Company has established the capability to trade in the Common European currency (the "Euro") in all European locations beginning January 1, 1999. The Company began communicating with suppliers, dealers and financial institutions in 1998 and has formulated a transition plan to move to a Euro based business in 2001. The Company does not expect its competitive position (including pricing, purchasing contracts and systems modifications) to be materially affected by the change to the Euro.

ACCOUNTING CHANGES

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company will be required to adopt the new statement in 2000. The Company has not yet quantified the financial impact of adopting SFAS No. 133 and has not determined the method of adoption. However, SFAS No. 133 could increase volatility in earnings and other comprehensive income.

Effective December 31, 1998, the Company adopted SFAS No. 132, "Employer's Disclosures About Pensions and Other Postretirement Benefits," which revises disclosure requirements related to the Company's employee benefit plans and postretirement benefits, and SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," which revises disclosure requirements related to segment reporting. SFAS No. 132 and SFAS No. 131 require disclosure only; therefore their adoption had no impact on the Company's financial position or results of operations.

Effective January 1, 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income," which requires disclosures regarding the Company's comprehensive income defined as the total of net income and all other non-owner changes in equity. SFAS No. 130 requires disclosure only; therefore its adoption had no impact on the Company's financial position or results of operations.

FORWARD LOOKING STATEMENTS

Certain information included in Management's Discussion and Analysis of Financial Condition and Results of Operations constitute forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, including the information set forth under "--Outlook". Although the Company believes that the expectations reflected in such forward looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. Additionally, the Company's financial results are sensitive to movement in interest rates and foreign currencies, as well as general economic conditions, pricing and product actions taken by competitors, production disruptions and changes in environmental, international trade and other laws which impact the way in which it conducts its business. Important factors that could cause actual results to differ materially from the Company's

current expectations are disclosed in conjunction with the Company's filings with the Securities and Exchange Commission.

CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

Year Ended December 31,	1998	1997	1996
Net sales	\$2,941.4	\$3,224.4	\$2,317.5
Cost of goods sold	2,404.1	2,557.6	1,847.2
Gross profit	537.3	666.8	470.3
Selling, general and administrative expenses	270.7	275.4	208.4
Engineering expenses	56.1	54.1	27.7
Nonrecurring expenses	40.0	18.2	22.3
Income from operations	170.5	319.1	211.9
Interest expense, net	67.7	53.5	32.7
Other expense, net	28.5	19.9	7.6
Income before income taxes, equity in net earnings of affiliates and extraordinary loss	74.3	245.7	171.6
Provision for income taxes	27.5	87.5	59.9
Income before equity in net earnings of affiliates and extraordinary loss	46.8	158.2	111.7
Equity in net earnings of affiliates	13.8	12.6	17.7
Income before extraordinary loss	60.6	170.8	129.4
Extraordinary loss, net of taxes	--	(2.1)	(3.5)
Net income	\$ 60.6	\$ 168.7	\$ 125.9
Net income per common share:			
Basic:			
Income before extraordinary loss	\$ 1.01	\$ 2.82	\$ 2.44
Extraordinary loss	--	(0.03)	(0.07)
Net Income	\$ 1.01	\$ 2.79	\$ 2.37
Diluted:			
Income before extraordinary loss	\$ 0.99	\$ 2.74	\$ 2.26
Extraordinary loss	--	(0.03)	(0.06)
Net Income	\$ 0.99	\$ 2.71	\$ 2.20
Weighted average number of common and common equivalent shares outstanding:			
Basic	59.7	60.4	53.0
Diluted	61.2	62.1	57.4

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS
(dollars in millions)

December 31,	1998	1997
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 15.9	\$ 31.2
Accounts and notes receivable, net of allowances	1,016.3	997.2
Inventories, net	671.6	622.7
Other current assets	86.7	63.7
Total current assets	1,790.5	1,714.8
Property, plant and equipment, net	417.6	403.7
Investments in affiliates	95.2	87.6
Other assets	76.6	75.8
Intangible assets, net	370.5	339.0
Total assets	\$ 2,750.4	\$ 2,620.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 287.0	\$ 367.5
Accrued expenses	428.0	430.0
Other current liabilities	45.6	33.0
Total current liabilities	760.6	830.5
Long-term debt	924.2	727.4
Postretirement health care benefits	24.5	24.5
Other noncurrent liabilities	59.0	46.9
Total liabilities	1,768.3	1,629.3
Commitments and Contingencies (Note 11)		
Stockholders' Equity:		
Common stock; \$0.01 par value, 150,000,000 shares authorized, 59,535,921 and 62,972,423 shares issued and outstanding in 1998 and 1997, respectively	0.6	0.6
Additional paid-in capital	427.3	515.0
Retained earnings	635.8	577.6
Unearned compensation	(11.1)	(20.0)
Accumulated other comprehensive income	(70.5)	(81.6)
Total stockholders' equity	982.1	991.6
Total liabilities and stockholders' equity	\$ 2,750.4	\$ 2,620.9

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(dollars in millions)

	COMMON STOCK		ADDITIONAL	RETAINED	UNEARNED	ADDITIONAL	CUMULATIVE	TOTAL
	SHARES	AMOUNT	PAID-IN CAPITAL	EARNINGS	COMPENSATION	MINIMUM PENSION LIABILITY	TRANSLATION ADJUSTMENT	STOCKHOLDERS' EQUITY
Balance, December 31, 1995	50,557,040	\$ 0.5	\$ 307.2	\$ 287.7	\$ (22.6)	\$ (2.6)	\$ 18.7	\$ 588.9
Net income	--	--	--	125.9	--	--	--	125.9
Issuance of restricted stock	474,500	--	13.7	--	(13.7)	--	--	--
Conversions of subordinated debentures into common stock	5,916,319	0.1	37.5	--	--	--	--	37.6
Stock options exercised	312,292	--	1.7	--	--	--	--	1.7
Common stock dividends (\$0.04 per common share)	--	--	--	(2.2)	--	--	--	(2.2)
Amortization of unearned compensation	--	--	--	--	18.5	--	--	18.5
Additional minimum pension liability	--	--	--	--	--	2.6	--	2.6
Change in cumulative translation adjustment	--	--	--	--	--	--	1.6	1.6
Balance, December 31, 1996	57,260,151	0.6	360.1	411.4	(17.8)	--	20.3	774.6
Net income	--	--	--	168.7	--	--	--	168.7
Issuance of common stock, net of offering expenses	5,175,000	--	140.4	--	--	--	--	140.4
Issuance of restricted stock	373,017	--	12.7	--	(12.7)	--	--	--
Stock options exercised	164,255	--	1.8	--	--	--	--	1.8
Common stock dividends (\$0.04 per common share)	--	--	--	(2.5)	--	--	--	(2.5)
Amortization of unearned compensation	--	--	--	--	10.5	--	--	10.5
Change in cumulative translation adjustment	--	--	--	--	--	--	(101.9)	(101.9)
Balance, December 31, 1997	62,972,423	0.6	515.0	577.6	(20.0)	--	(81.6)	991.6
Net income	--	--	--	60.6	--	--	--	60.6
Repurchases of common stock	(3,487,200)	--	(88.1)	--	--	--	--	(88.1)
Stock options exercised	50,698	--	0.4	--	--	--	--	0.4
Common stock dividends (\$0.04 per common share)	--	--	--	(2.4)	--	--	--	(2.4)
Amortization of unearned compensation	--	--	--	--	8.9	--	--	8.9
Change in cumulative translation adjustment	--	--	--	--	--	--	11.1	11.1
Balance, December 31, 1998	59,535,921	\$ 0.6	\$ 427.3	\$ 635.8	\$ (11.1)	\$ --	\$ (70.5)	\$ 982.1

Comprehensive
Income

Balance, December 31, 1995	
Net income	\$ 125.9
Issuance of restricted stock	
Conversions of subordinated debentures into common stock	
Stock options exercised	
Common stock dividends (\$0.04 per common share)	
Amortization of unearned compensation	
Additional minimum pension liability	2.6
Change in cumulative translation adjustment	1.6
Balance, December 31, 1996	130.1
Net income	168.7
Issuance of common stock, net of offering expenses	
Issuance of restricted stock	
Stock options exercised	
Common stock dividends (\$0.04 per common share)	
Amortization of unearned compensation	
Change in cumulative translation adjustment	(101.9)
Balance, December 31, 1997	66.8

Net income	60.6
Repurchases of common stock	
Stock options exercised	
Common stock dividends (\$0.04 per common share)	
Amortization of unearned compensation	
Change in cumulative translation adjustment	11.1

Balance, December 31, 1998	\$ 71.7
=====	

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

Year Ended December 31,	1998	1997	1996
Cash flows from operating activities:			
Net income	\$ 60.6	\$ 168.7	\$ 125.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Extraordinary loss, net of taxes	--	2.1	3.5
Gain on sale of affiliate	--	--	(4.7)
Depreciation and amortization	57.6	49.4	29.2
Equity in net earnings of affiliates, net of cash received	(3.3)	(12.6)	(17.7)
Deferred income tax provision (benefit)	(22.4)	53.4	20.1
Amortization of intangibles	13.2	12.1	5.8
Amortization of unearned compensation	8.9	10.5	18.5
Changes in operating assets and liabilities, net of effects from purchase/sale of businesses:			
Accounts and notes receivable, net	17.7	(94.7)	3.7
Inventories, net	(17.3)	(100.4)	(22.6)
Other current and noncurrent assets	(1.2)	(10.0)	(14.1)
Accounts payable	(87.7)	25.5	(9.4)
Accrued expenses	(15.0)	(1.3)	54.3
Other current and noncurrent liabilities	0.1	(2.7)	14.2
Total adjustments	(49.4)	(68.7)	80.8
Net cash provided by operating activities	11.2	100.0	206.7
Cash flows from investing activities:			
(Purchase)/sale of businesses, net	(60.6)	(289.2)	(347.0)
Purchase of property, plant and equipment	(61.0)	(72.1)	(45.2)
Proceeds from sale of affiliates	--	--	45.2
Net cash used for investing activities	(121.6)	(361.3)	(347.0)
Cash flows from financing activities:			
Proceeds from long-term debt	984.4	932.2	977.8
Payments on long-term debt	(798.9)	(813.8)	(803.2)
Payment of debt issuance costs	--	(3.5)	(12.5)
Proceeds from issuance of common stock	0.4	142.2	1.7
Repurchases of common stock	(88.1)	--	--
Dividends paid on common stock	(2.4)	(2.5)	(2.2)
Net cash provided by financing activities	95.4	254.6	161.6
Effect of exchange rate changes on cash and cash equivalents	(0.3)	(3.8)	0.4
(Decrease)increase in cash and cash equivalents	(15.3)	(10.5)	21.7
Cash and cash equivalents, beginning of period	31.2	41.7	20.0
Cash and cash equivalents, end of period	\$ 15.9	\$ 31.2	\$ 41.7

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

AGCO Corporation (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 Allis, Massey Ferguson, Hesston, White, GLEANER, New Idea, AGCOSTAR, Black Machine, Landini, Tye, Farmhand, Glencoe, Deutz (South America), IDEAL, Fendt, Spra-Coupe and Willmar. The Company distributes its products through a combination of over 8,500 independent dealers, distributors, associates and licensees. In addition, the Company provides retail financing in North America, the United Kingdom, France, Germany and Brazil through its finance joint ventures with Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" ("The Retail Finance Joint Ventures").

BASIS OF PRESENTATION

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

Effective November 1, 1996, the Company sold a 51% interest in Agricredit Acceptance Company ("Agricredit-North America"), the Company's retail finance subsidiary in North America (Note 2). Accordingly for all periods presented, the Company's consolidated financial statements reflect Agricredit-North America on the equity method of accounting.

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

REVENUE RECOGNITION

Sales of equipment and replacement parts are recorded by the Company when shipped to independent dealers, distributors or other customers. Provisions for sales incentives and returns and allowances are made at the time of sale to the dealer for existing incentive programs. Provisions are revised in the event of subsequent modification to the incentive programs. 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 United States currency in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52, "Foreign Currency Translation." Assets and liabilities are translated to United States dollars at period-end exchange rates. Income and expense items are translated at average rates of exchange prevailing during the period. Translation adjustments are accumulated as a separate component of stockholders' equity. Gains and losses which result from foreign currency transactions are included in the accompanying consolidated statements of income. For subsidiaries operating in highly inflationary economies, financial statements are remeasured into the United States dollar with adjustments resulting from the translation of monetary assets and liabilities reflected in the accompanying consolidated statements of income.

For 1997 and 1996, the Company accounted for its subsidiary in Brazil by applying the highly inflationary economy provisions of SFAS No. 52, where the U.S. dollar is substituted as the functional currency. For the year ended December 31, 1998, the Company ceased the application of highly inflationary accounting of its Brazilian subsidiary and established the functional currency as the Brazilian Real.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 parts and finished goods inventory to independent dealers, distributors or other customers. Terms vary by market, generally ranging from 30 day terms to requiring payment when the equipment is sold to retail customers. Interest is charged on the balance outstanding after certain interest-free periods, which generally range from 1 to 12 months.

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, 1998 and 1997 were as follows (in millions):

	1998	1997
Sales incentive discounts	\$ 58.4	\$53.1
Doubtful accounts	49.4	44.1
	\$107.8	\$97.2

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. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities."

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, 1998 and 1997 were as follows (in millions):

	1998	1997
Finished goods	\$271.2	\$267.7
Repair and replacement parts	256.7	250.2
Work in process, production parts and raw materials	222.6	184.5
Gross inventories	750.5	702.4
Allowance for surplus and obsolete inventories	(78.9)	(79.7)
Inventories, net	\$671.6	\$622.7

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, 1998 and 1997 consisted of the following (in millions):

	1998	1997
Land	\$ 52.2	\$ 51.5
Buildings and improvements	139.7	127.7
Machinery and equipment	325.5	274.9
Furniture and fixtures	51.5	45.0
Gross property, plant and equipment	568.9	499.1
Accumulated depreciation and amortization	(151.3)	(95.4)
Property, plant and equipment	\$ 417.6	\$403.7

INTANGIBLE ASSETS

Intangible assets at December 31, 1998 and 1997 consisted of the following (in millions):

	1998	1997
Goodwill	\$330.1	\$287.1
Trademarks	66.0	66.0
Other	4.2	2.9
Accumulated amortization	(29.8)	(17.0)
Intangible assets	\$370.5	\$339.0

The excess of cost over net assets acquired ("goodwill") is being amortized to income on a straight-line basis over periods ranging from 10 to 40 years. Goodwill and accumulated amortization are shown net of the excess of net assets over cost ("negative goodwill") of \$23.2 million for both 1998 and 1997 and its related accumulated amortization of \$19.5 million and \$17.4 million for 1998 and 1997, respectively. The Company also assigned values to certain acquired trademarks which are being amortized to income on a straight-line basis over 40 years. The net amortization expense included in other expense, net in the accompanying consolidated statements of income was \$13.2 million, \$12.1 million and \$5.8 million for the years ended December 31, 1998, 1997 and 1996, respectively.

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

ACCRUED EXPENSES

Accrued expenses at December 31, 1998 and 1997 consisted of the following (in millions):

	1998	1997
Reserve for volume discounts and sales incentives	\$ 93.8	\$ 86.9
Warranty reserves	79.4	63.5
Accrued employee compensation and benefits	55.7	58.4
Accrued taxes	50.1	88.7
Other	149.0	132.5
	\$ 428.0	\$ 430.0

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 upon 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.

EXTRAORDINARY LOSS

In 1997, the Company recorded an extraordinary loss of \$2.1 million, net of taxes of \$1.4 million, for the write-off of unamortized debt costs related to the March 1996 Credit Facility (Note 6) which was refinanced with the January 1997 Credit Facility (Note 6). In 1996, the Company recorded an extraordinary loss of \$3.5 million, net of taxes of \$2.2 million, for the write-off of unamortized debt

costs related to the Company's \$550.0 million secured revolving credit facility which was refinanced with the March 1996 Credit Facility.

NET INCOME PER COMMON SHARE

The computation, presentation and disclosure requirements for earnings per share are presented in accordance with SFAS No. 128, "Earnings Per 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, vesting of restricted stock and the conversion of the Convertible Subordinated Debentures (Note 7) into common stock during the periods outstanding.

A reconciliation of net income and the weighted average number of common shares outstanding used to calculate basic and diluted earnings per common share for the years ended December 31, 1998, 1997 and 1996 is as follows (in millions, except per share data):

BASIC EARNINGS PER SHARE

	1998	1997	1996
Weighted average number of common shares outstanding	59.7	60.4	53.0
Income before extraordinary loss	\$60.6	\$170.8	\$129.4
Extraordinary loss	-	(2.1)	(3.5)
Net income	60.6	168.7	125.9
Net income per common share:			
Income before extraordinary loss	\$1.01	\$ 2.82	\$ 2.44
Extraordinary loss	-	(0.03)	(0.07)
Net income	\$1.01	\$ 2.79	\$ 2.37

Diluted Earnings Per Share

Weighted average number of common shares outstanding	59.7	60.4	53.0
Shares issued upon assumed vesting of restricted stock	1.3	1.4	1.7
Shares issued upon assumed conversion of the Convertible Subordinated Debentures	-	-	2.2
Shares issued upon assumed exercise of outstanding stock options	0.2	0.3	0.5
Weighted average number of common and common equivalent shares outstanding	61.2	62.1	57.4
Income before extraordinary loss	\$60.6	\$170.8	\$129.4
Extraordinary loss	-	(2.1)	(3.5)
Net income	60.6	168.7	125.9
Interest expense on Convertible Subordinated Debentures, net of applicable income taxes	-	-	0.5
Net income available for common stockholders	\$60.6	\$168.7	\$126.4
Net income per common share:			
Income before extraordinary loss	\$0.99	\$ 2.74	\$ 2.26
Extraordinary loss	-	(0.03)	(0.06)
Net income	\$0.99	\$ 2.71	\$ 2.20

COMPREHENSIVE INCOME

The Company reports comprehensive income, 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 cumulative translation adjustment is the sole component of Accumulated other comprehensive income on the Consolidated Balance Sheets.

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 6) approximates fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. At December 31, 1998, the estimated fair value of the

Company's 8 1/2% Senior Subordinated Notes (Note 6), based on its listed market value, was \$242.6 million compared to the carrying value of \$248.3 million.

The Company enters into foreign exchange forward contracts to hedge the foreign currency exposure of certain receivables, payables and expected purchases and sales. These contracts are for periods consistent with the exposure being hedged and generally have maturities of one year or less. Gains and losses on foreign exchange forward contracts are deferred and recognized in income in the same period as the hedged transaction. The Company's 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. At December 31, 1998 and 1997, the Company had foreign exchange forward contracts with gross notional amounts of \$429.1 million and \$609.0 million, respectively. The deferred gains or losses from these contracts were not material at December 31, 1998 and 1997.

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 foreign exchange hedging contracts. The credit and market risks under these contracts are not considered to be significant.

ACCOUNTING CHANGES

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company will be required to adopt the new statement in 2000. The Company has not yet quantified

the financial impact of adopting SFAS No. 133 and has not determined the method of adoption. However, SFAS No. 133 could increase the volatility in earnings and other comprehensive income.

Effective December 31, 1998, the Company adopted SFAS No. 132, "Employer's Disclosures About Pensions and Other Postretirement Benefits," which revises disclosure requirements related to the Company's employee benefit plans and postretirement benefits (Note 8), and SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," which revises disclosure requirements related to segment reporting (Note 12). SFAS No. 132 and SFAS No. 131 require disclosure only; therefore their adoption had no impact on the Company's financial position or results of operations.

Effective January 1, 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income," which requires disclosures regarding the Company's comprehensive income defined as the total of net income and all other non-owner changes in equity. SFAS No. 130 requires disclosure only; therefore, its adoption had no impact on the Company's financial position or results of operations.

2. ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS

The Company completed several acquisitions in 1998, 1997 and 1996 which were primarily financed with borrowings under the Company's revolving credit facility (Note 6). In most cases, the Company acquired assets and assumed liabilities consisting primarily of accounts receivable, inventories, property, plant and equipment, trademarks, trade names and technology, accounts payable and accrued liabilities. The results of operations for the Company's acquisitions are included in the Company's consolidated financial statements as of and from the respective dates of acquisition.

Effective October 1, 1998, the Company acquired the net assets of the Willmar product line, a brand of agricultural self-propelled sprayers, spreaders and loaders, sold primarily in North America (the "Willmar Acquisition"). The purchase price, which is subject to change, was for \$32.5 million.

Effective July 1, 1998, the Company acquired certain assets related to the Spra-Coupe product line, a brand of agricultural self-propelled sprayers sold primarily in North America, for approximately \$37.2 million (the "Spra-Coupe Acquisition").

On December 4, 1997, the Company acquired the remaining 68% of Dronningborg Industries a/s ("Dronningborg") for approximately \$22.0 million (the "Dronningborg Acquisition"). Prior to the acquisition, the Company owned 32% of Dronningborg which manufactures combine harvesters sold exclusively to the Company for sale under the Massey Ferguson brand name.

Effective January 1, 1997, the Company acquired Xaver Fendt GmbH & Co. KG ("Fendt") for approximately \$283.5 million plus approximately \$38.3 million of assumed working capital debt (the "Fendt Acquisition"). Fendt's primary business is the manufacture and distribution of tractors through a network of independent agricultural cooperatives, dealers and distributors in Germany and throughout Europe and Australia. Effective December 31, 1997, the Company sold Fendt's caravan and motor home business for approximately \$10.0 million.

On December 27, 1996, the Company acquired Deutz Argentina S.A. ("Deutz Argentina") for approximately \$62.5 million (the "Deutz Argentina Acquisition"). Deutz Argentina is a manufacturer and distributor of a broad range of agricultural equipment, engines and light trucks in Argentina and other South American markets. Effective January 5, 1998, the Company sold 50% of its Deutz Argentina engine business in a joint venture to produce engines for its equipment for approximately \$7.6 million.

Effective July 8, 1996, the Company acquired certain assets of Western Combine Corporation and Portage Manufacturing, Inc., the Company's suppliers of Massey Ferguson combines and certain other harvesting equipment sold in North America (the "Western Combine Acquisition") for approximately \$19.4 million.

Effective June 28, 1996, the Company acquired certain assets and liabilities of the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Agricultural Equipment Business") for approximately \$260.0 million (the "Maxion Acquisition"). Prior to the acquisition, the Maxion Agricultural Equipment Business was AGCO's Massey Ferguson licensee in Brazil, manufacturing and distributing agricultural and industrial equipment in Brazil and other South American markets.

The above acquisitions were accounted for as purchases in accordance with Accounting Principles Board Opinion 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 allocations for the Fendt, Dronningborg, Willmar and Spra-Coupe Acquisitions resulted in a decrease in goodwill of \$47.6 million from the amounts originally recorded. These adjustments were a result of the completion of certain asset and liability valuations related primarily to property, plant and equipment and certain allowance and reserve accounts. The purchase price allocations for the Willmar and Spra-Coupe Acquisitions are preliminary and will be completed in 1999.

In addition, the purchase price allocations for the Deutz Argentina, Fendt, Western Combine, Spra-Coupe and Willmar Acquisitions included liabilities associated with certain costs to integrate the acquired businesses into the Company's operations. These costs related to the consolidation of certain acquired manufacturing operations into existing Company facilities and the integration of certain sales and marketing functions. As of December 31, 1998,

the Company had established liabilities totaling \$13.0 million for employee severance and relocation and other integration costs and had incurred \$6.5 million of expenses charged against these liabilities.

DISPOSITIONS

Effective November 1, 1996, the Company entered into an agreement with De Lage Landen International, B.V., a wholly-owned subsidiary of Rabobank Nederland, to be its joint venture partner in Agrifinco-North America, the Company's wholly-owned retail finance subsidiary in North America (the "Agrifinco-North America Joint Venture"). As a result of the agreement, the Company sold a 51% interest in Agrifinco-North America to Rabobank Nederland. The Company received total consideration of approximately \$44.3 million in the transaction and recorded a gain, before taxes, of approximately \$4.7 million. Under the Agrifinco-North America Joint Venture, Rabobank Nederland has a 51% interest and the Company retained a 49% interest in the finance company. Substantially all of the net assets of Agrifinco-North America were transferred to the Agrifinco-North America Joint Venture. Proceeds from the transaction were used to repay outstanding borrowings under the Company's revolving credit facility.

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 will receive the remaining balance in December 1999. The Haedo Sale included property, plant and equipment at the plant in addition to the transfer of manufacturing hourly and salaried employees. The Haedo Sale is not expected to have a material impact on the Company's financial position or results of operations.

3. CHARGES FOR NONRECURRING EXPENSES

The results of operations for 1998 included nonrecurring expenses of \$40.0 million, or \$0.41 per common share on a diluted basis. The nonrecurring expenses primarily related to severance, pension and postretirement benefit expense and related costs associated with reductions in the Company's worldwide permanent workforce. Approximately 1,225 of the 1,400 employees identified for termination were terminated as of December 31, 1998. Of the \$40.0 million total expense, \$9.1 million had been incurred as of December 31, 1998.

The results of operations for 1997 included nonrecurring expenses of \$18.2 million, or \$0.19 per common share on a diluted basis. These nonrecurring expenses included \$15.0 million related to the restructuring of the Company's European operations and certain costs associated with the integration of the Deutz Argentina and Fendt operations. The nonrecurring expenses for 1997 also included \$3.2 million related to executive severance costs. The costs included for these restructuring and integration activities in 1997 primarily related to the centralization and rationalization of certain manufacturing, selling and administrative functions in addition to the rationalization of a certain portion of the Company's European dealer network. Excluding the executive severance costs, the nonrecurring expenses for 1997 included \$9.2 million for employee related costs, consisting of employee severance, and \$4.7 million of payroll costs incurred through December 31, 1997 for employees that were subsequently terminated. Of the \$18.2 million total expense, \$13.4 million had been incurred as of December 31, 1998.

The results of operations for 1996 included nonrecurring expenses of \$22.3 million, or \$0.25 per common share on a diluted basis. These nonrecurring expenses included \$15.0 million related to the restructuring of the Company's European operations and the integration and restructuring of the Company's Brazilian operations, acquired in the Maxion Acquisition (Note 2) in June 1996. In addition, the nonrecurring expenses included \$7.3 million related to executive severance costs. The nonrecurring expenses for the integration and restructuring activities in 1996 included costs associated with the rationalization and centralization of certain manufacturing, parts warehousing, sales, and administrative functions. The \$15.0 million recorded in 1996 included \$9.0 million for employee related costs, including severance costs, and \$6.0 million for other nonrecurring costs. Included in the \$9.0 million of employee related costs was \$1.3 million of payroll costs incurred through December 31, 1996 for personnel that were subsequently terminated. All costs associated with the 1996 nonrecurring expenses have been incurred.

4. INVESTMENTS IN AFFILIATES

At December 31, 1998 and 1997, the Company's investments in affiliates primarily consisted of (i) the Retail Finance Joint Ventures which includes the Agrifinco-North America Joint Venture (Note 2), (ii) the Company's 50% investments in manufacturing joint ventures with various unrelated manufacturers to produce hay and forage equipment in North America, driveline assemblies in Europe, and engines in South America and (iii) certain other minority investments in farm equipment manufacturers and licensees.

Investments in affiliates as of December 31, 1998 and 1997 were as follows (in millions):

	1998	1997
Retail Finance Joint Ventures	\$ 61.2	\$ 55.6
Manufacturing joint ventures	24.2	23.4
Other	9.8	8.6
	\$ 95.2	\$ 87.6

The Company's equity in net earnings of affiliates for 1998, 1997, and 1996 were as follows (in millions):

	1998	1997	1996
Retail Finance Joint Ventures	\$ 11.4	\$ 10.9	\$ 14.8
Other	2.4	1.7	2.9
	\$ 13.8	\$ 12.6	\$ 17.7

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 Retail Finance Joint Ventures as of and for the years ended December 31, 1998 and 1997 were as follows (in millions):

December 31,	1998	1997
Total assets	\$ 1,340.2	\$ 1,239.2
Total liabilities	1,220.8	1,128.9
Partner's equity	119.4	110.3
For the Year Ended December 31,	1998	1997
Revenues	\$ 136.6	\$ 126.8
Costs	102.2	94.6
Income before income taxes	\$ 34.4	\$ 32.2

5. 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 before income taxes, equity in net earnings of affiliates and extraordinary loss were as follows for the years ended December 31, 1998, 1997 and 1996 (in millions):

	1998	1997	1996
United States	\$ (9.4)	\$ 51.7	\$ 31.9
Foreign	83.7	194.0	139.7
Income before income taxes, equity in net earnings of affiliates and extraordinary loss	\$ 74.3	\$ 245.7	\$ 171.6

The provision (benefit) for income taxes by location of the taxing jurisdiction for the years ended December 31, 1998, 1997 and 1996 consisted of the following (in millions):

	1998	1997	1996
Current:			
United States:			
Federal	\$ 0.6	\$ (2.6)	\$ 9.7
State	0.2	(0.8)	0.5
Foreign	49.1	37.5	29.6
	49.9	34.1	39.8
Deferred:			
United States:			
Federal	(6.1)	19.0	(1.1)
State	(0.8)	2.6	0.1
Foreign	(15.5)	31.8	21.1
	(22.4)	53.4	20.1
Provision for income taxes	\$ 27.5	\$ 87.5	\$ 59.9

Certain foreign operations of the Company are subject to United States as well as foreign income tax regulations. Therefore, the preceding sources of income before income taxes by location and the provision (benefit) for income taxes by taxing jurisdiction are not directly related.

A reconciliation of income taxes computed at the United States federal statutory income tax rate (35%) to the provision for income taxes reflected in the consolidated statements of income for the years ended December 31, 1998, 1997 and 1996 is as follows (in millions):

	1998	1997	1996
Provision for income taxes at United States federal statutory rate of 35%	\$ 26.0	\$ 86.0	\$ 60.1
State and local income taxes, net of federal income tax benefit	(0.4)	1.8	0.3
Taxes on foreign income which differ from the United States statutory rate	(0.3)	(0.5)	(0.8)
Foreign losses with no tax benefit	4.3	1.8	-
Benefit of foreign sales corporation	(1.3)	(1.0)	(0.9)
Other	(0.8)	(0.6)	1.2
	\$ 27.5	\$ 87.5	\$ 59.9

The significant components of the net deferred tax assets at December 31, 1998 and 1997 were as follows (in millions):

	1998	1997
Deferred Tax Assets:		
Net operating loss carryforwards	\$ 63.6	\$ 56.7
Sales incentive discounts	15.5	5.4
Inventory valuation reserves	13.1	11.5
Postretirement benefits	7.2	10.3
Other	77.3	47.5
Valuation allowance	(75.0)	(66.4)
Total deferred tax assets	101.7	65.0
Deferred Tax Liabilities:		
Tax over book depreciation	35.9	28.4
Tax over book amortization of goodwill	21.9	7.1
Other	11.8	10.0
Total deferred tax liabilities	69.6	45.5
Net deferred tax assets	32.1	19.5
Less: Current portion of deferred tax liability (asset)	(22.9)	1.6
Noncurrent net deferred tax assets	\$ 9.2	\$ 21.1

At December 31, 1998, the Company has recorded a net deferred tax asset of \$32.1 million. 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 \$75.0 million and \$66.4 million as of December 31, 1998 and 1997, 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.

The Company has net operating loss carryforwards of \$163.5 million as of December 31, 1998, with expiration dates as follows: 1999 - \$12.0 million, 2000 - \$29.7 million, 2001 - \$26.0 million, 2002 - \$14.9 million, 2003 - \$11.7 million, thereafter and unlimited - \$69.2 million. The Company paid income taxes of \$87.8 million, \$42.0 million and \$23.1 million for the years ended December 31, 1998, 1997, and 1996, respectively.

6. LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 1998 and 1997 (in millions):

	1998	1997
Revolving credit facility	\$ 661.2	\$ 460.7
Senior Subordinated Notes	248.3	248.1
Other long-term debt	14.7	18.6
Total long-term debt	\$ 924.2	\$ 727.4

In January 1997, the Company replaced its \$650.0 million unsecured revolving credit facility (the "March 1996 Credit Facility") with a new credit facility (the "January 1997 Credit Facility"), which allowed for borrowings up to \$1.2 billion. In March 1997, the lending commitment for the January 1997 Credit Facility was reduced by \$141.2 million which represented the proceeds to the Company, net of underwriting discounts, from the Company's common stock offering (Note 9). Effective January 1, 1999, the lending commitment under the January 1997 Credit Facility reduced to \$1.0 billion. Aggregate borrowings outstanding under the January 1997 Credit Facility are subject to a borrowing base limitation and may not at any time exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. Interest accrues on borrowings outstanding under the January 1997 Credit Facility primarily at LIBOR plus an applicable margin, as defined. At December 31, 1998, interest rates on the outstanding borrowings ranged from 3.8% to 6.1%, and the weighted average interest rate during 1998 was 6.3%. The January 1997 Credit Facility contains certain covenants, including covenants restricting the incurrence of indebtedness and the making of certain restrictive payments, including dividends. In addition, the Company must maintain certain financial covenants including, among others, a debt to capitalization ratio, a fixed charge coverage ratio and a ratio of debt to cash flow, as defined. At December 31, 1998, \$661.2 million was outstanding under the January 1997 Credit Facility and available borrowings, based on the lending commitment of \$1.0 billion, were \$338.6 million.

In March 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, including covenants restricting the incurrence of indebtedness and the making of certain restrictive payments, including dividends. The net proceeds from the sale of the Notes were used to repay outstanding indebtedness.

At December 31, 1998, the aggregate scheduled maturities of long-term debt are primarily in the year 2002 and thereafter. The scheduled maturities in years 1999 through 2001 are not material. Cash payments for interest were \$79.0 million, \$70.9 million and \$54.1 million for the years ended December 31, 1998, 1997 and 1996, 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, 1998, outstanding letters of credit totaled \$22.2 million, of which \$0.3 million was issued under the January 1997 Credit Facility. At December 31, 1997, outstanding letters of credit totaled \$28.9 million, of which \$1.8 million was issued under the January 1997 Credit Facility.

7. CONVERTIBLE SUBORDINATED DEBENTURES

In June 1995, the Company exchanged all outstanding Convertible Preferred Stock into \$66.8 million of 6.5% Convertible Subordinated Debentures due 2008 (the "Convertible Subordinated Debentures"). The Convertible Subordinated Debentures were convertible at any time at the option of the holder into shares of the Company's common stock at a conversion rate of 157.85 shares of common stock for each \$1,000 principal amount of the debentures. All the remaining outstanding Convertible Subordinated Debentures were converted into common stock during

1996.

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, 1998, 1997 and 1996 are set forth below (in millions):

Pension Benefits			
	1998	1997	1996
Service cost	\$ 8.4	\$ 6.5	\$ 5.2
Interest cost	25.1	24.4	22.3
Expected return on plan assets	(29.7)	(27.2)	(25.5)
Amortization of prior service cost	0.5	0.5	0.5
Special termination benefits	6.7	-	-
Net annual pension costs	\$ 11.0	\$ 4.2	\$ 2.5
Weighted average discount rate	6.1%	7.0%	8.4%
Weighted average expected long-term rate of return on plan assets	7.6%	8.0%	9.5%
Rate of increase in future compensation	4.0%	4.0%	5.0%
Postretirement Benefits			
	1998	1997	1996
Service cost	\$ 0.9	\$ 0.8	\$ 0.9
Interest cost	1.3	1.2	1.3
Amortization of transition and prior service cost	(0.6)	(0.6)	(0.7)
Amortization of unrecognized net gain	(0.8)	(0.7)	(0.4)
Special termination benefits	0.5	-	-
Net annual postretirement costs	\$ 1.3	\$ 0.7	\$ 1.1
Weighted average discount rate	7.0%	7.3%	7.5%

The following tables set forth reconciliations of the changes in benefit obligations, plan assets and funded status as of December 31, 1998 and 1997 (in millions):

Change in benefit obligation	Pension Benefits		Postretirement Benefits	
	1998	1997	1998	1997
Benefit obligation at beginning of year	\$ 364.0	\$ 299.5	\$ 18.9	\$ 18.6
Service cost	8.4	6.5	0.9	0.8
Interest cost	25.1	24.4	1.3	1.3
Plan participant contributions	3.0	2.7	-	-
Actuarial (gain) loss	50.6	46.3	1.3	(1.1)
Acquisitions	-	17.0	-	-
Amendments	-	-	0.5	-
Curtailments	-	-	0.2	-
Special termination benefits	6.7	-	0.5	-
Benefits paid	(18.6)	(19.7)	(1.3)	(0.7)
Foreign currency exchange rate changes	4.2	(12.7)	-	-
Benefit obligation at end of year	\$ 443.4	\$ 364.0	\$ 22.3	\$ 18.9
Change in plan assets	Pension Benefits		Postretirement Benefits	
	1998	1997	1998	1997
Fair value of plan assets at beginning of year	\$ 352.5	\$ 302.3	\$ -	\$ -
Actual return of plan assets	33.3	68.2	-	-
Employer contributions	11.6	9.5	1.3	0.7
Plan participant contributions	3.0	2.7	-	-
Benefits paid	(18.6)	(19.7)	(1.3)	(0.7)
Foreign currency exchange rate changes	2.9	(10.5)	-	-
Fair value of plan assets at end of year	\$ 384.7	\$ 352.5	\$ -	\$ -
Funded status	\$ (58.7)	\$ (11.5)	\$ (22.3)	\$ (18.9)

Unrecognized net obligation	0.9	0.9	0.4	0.4
Unrecognized net loss (gain)	58.0	10.0	(2.8)	(5.2)
Unrecognized prior service cost	2.2	2.6	0.2	(0.8)

Net amount recognized	\$ 2.4	\$ 2.0	\$ (24.5)	\$ (24.5)
=====				
Amounts recognized in Consolidated Balance Sheet:				
Prepaid benefit cost	\$ 20.5	\$ 19.0	\$ -	\$ -
Accrued benefit liability	(19.4)	(17.0)	(24.5)	(24.5)
Intangible asset	1.3	-	-	-

Net amount recognized	\$ 2.4	\$ 2.0	\$ (24.5)	\$ (24.5)
=====				

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 \$433.8 million, \$420.5 million and \$374.3 million, respectively, as of December 31, 1998 and \$48.1 million, \$48.1 million and \$30.7 million, respectively, as of December 31, 1997.

For measuring the expected postretirement benefit obligation, a 9.0% health care cost trend rate was assumed for 1998, decreasing 0.75% per year to 6% and remaining at that level thereafter. For 1997, a 9.75% 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, 1998 (in millions):

	One percentage point increase	One percentage point decrease
Effect on service and interest cost	\$0.3	\$(0.2)
Effect on accumulated benefit obligation	\$2.1	\$(1.8)

The Company maintains a separate defined contribution 401(k) savings plan covering certain salaried employees in the United States. Under the plan, the Company contributes a specified percentage of each eligible employee's compensation. The Company contributed \$1.6 million, \$1.7 million and \$1.6 million for the years ended December 31, 1998, 1997 and 1996, respectively.

9. COMMON STOCK

At December 31, 1998, the Company had 150.0 million authorized shares of common stock with a par value of \$0.01, with 59.5 million shares of common stock outstanding, 1.4 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 2.3 million shares reserved for issuance under the Company's Long-Term Incentive Plan (Note 10).

In December 1997, the Company's Board of Directors authorized the repurchase of up to \$150.0 million of its outstanding common stock. As of December 31, 1998, the Company repurchased approximately 3.5 million shares of its common stock at a cost of approximately \$88.1 million. The purchases are made through open market transactions, and the timing and number of shares purchased depend on various factors, such as price and other market conditions.

In March 1997, the Company completed a public offering of 5.2 million shares of its common stock (the "Offering"). The net proceeds to the Company from the Offering were approximately \$140.4 million, after deduction of underwriting discounts and commissions and other expenses. The Company used the proceeds from the Offering to reduce a portion of the borrowings outstanding under the Company's revolving credit facility.

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.

10. STOCK PLANS

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. At December 31, 1998, 68,500 shares have been contingently awarded to plan participants, 29,500 shares awarded under the Director Plan had been earned and 16,500 shares have vested.

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 are earned in specified increments for each 20% 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 generally carries a five

year vesting period with one-third of each award vesting on the last day of the 36th, 48th and 60th month, respectively, after each award is earned. When the restricted shares are vested, a cash bonus equal to 40% of the value of the vested 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.

At the time the awarded shares are earned, the market value of the stock is 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 \$12.0 million, \$14.8 million and \$25.8 million for the years ended December 31, 1998, 1997 and 1996, respectively, consisting of amortization of the stock award and the related cash bonus. The compensation expense in 1996 included \$5.8 million of accelerated vesting related to executive severance.

Additional information regarding the LTIP for the years ended December 31, 1998, 1997 and 1996 is as follows:

	1998	1997	1996
Shares awarded but not earned at January 1	965,000	1,597,500	-
Shares awarded, net of forfeitures	(37,500)	(270,000)	2,070,000
Shares earned	-	(362,500)	(472,500)
Shares awarded but not earned at December 31	927,500	965,000	1,597,500
Shares available for grant	1,367,500	1,330,000	60,000
Total shares reserved for issuance	2,295,000	2,295,000	1,657,500
Shares vested during year	375,833	194,000	792,500

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 an additional 20% of such options vest ratably over a four-year period and expire not later than ten years from the date of grant. In 1998, the Option Plan was amended to increase the number of shares authorized for issuance by 1,600,000 shares.

Stock option transactions during the three years ended December 31, 1998, 1997 and 1996 were as follows:

	1998	1997	1996
Options outstanding at January 1	797,968	787,250	899,190
Options granted	586,700	193,900	229,720
Options exercised	(50,698)	(164,255)	(312,292)
Options canceled	(95,676)	(18,927)	(29,368)
Options outstanding at December 31	1,238,294	797,968	787,250
Options available for grant at December 31	1,375,481	266,505	441,478
Option price ranges per share:			
Granted	\$8.31-27.00	\$ 31.25	\$ 25.50
Exercised	1.52-27.00	1.52-31.25	1.52-25.50
Canceled	11.75-31.25	14.63-31.25	14.63-25.50
Weighted average option prices per share:			
Granted	\$ 22.08	\$ 31.25	\$ 25.50
Exercised	9.52	10.36	5.58
Canceled	23.78	21.68	18.94
Outstanding at December 31	20.39	18.87	14.14

At December 31, 1998, the outstanding options had a weighted average remaining contractual life of approximately 8.3 years and there were 607,946 options currently exercisable with option prices ranging from \$1.52 to \$31.25 and with a weighted average exercise price of \$16.84.

The Company accounts for the Director Plan, the LTIP, and the Option Plan

under the provisions of Accounting Principles Board No. 25. The following pro forma information is based on estimating the fair value of grants under the above plans based upon the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." For the Option Plan, the fair value of each option granted since 1995 has been estimated as of the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 5.6% for 1998, 6.1% for 1997 and 5.7% for 1996, expected life for the option plan of 7 years, expected dividend yield of 2.0%, and expected volatility of 46% for 1998 and 35.0% for 1997 and 1996. For the Director Plan and LTIP, the fair value of each award granted since 1995 has been estimated using the Black-Scholes option

pricing model with the same assumptions above for the risk free interest rate, expected dividend yield, and expected volatility. Under these assumptions for the Option Plan, the weighted average fair value of options granted in 1998, 1997 and 1996 was \$12.18, \$15.75, and \$12.22, respectively. Under these assumptions for the Director Plan and the LTIP, the weighted average fair value of awards granted in 1998 and 1997 under the Director Plan, including the related cash bonus, was \$43.47 and \$39.96, respectively, and the weighted average fair value of awards granted in 1996 under the LTIP, including the related cash bonus, was \$31.36. There were no awards under the Director Plan in 1996 or under the LTIP in 1998 or 1997. The fair value of the grants and awards would be 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. Accordingly, the Company's pro forma net income and net income per common share, assuming compensation cost was determined under SFAS No. 123, would have been the following (in millions):

Year Ended December 31,	1998	1997	1996
(in millions, except per share data)			
Net income	\$57.4	\$166.5	\$123.9
Net income per common share - diluted	\$0.94	\$ 2.60	\$ 2.16

Because the SFAS No. 123 method of accounting has not been applied to grants and awards prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that expected in future years.

11. COMMITMENTS AND CONTINGENCIES

The Company leases land, buildings, machinery, equipment and furniture under various noncancelable operating lease agreements. At December 31, 1998, future minimum lease payments under non-cancelable operating leases were as follows (in millions):

1999	\$10.6
2000	7.8
2001	5.9
2002	3.8
2003	3.2
Thereafter	12.8
	\$44.1

Total lease expense under noncancelable operating leases was \$15.9 million, \$16.8 million, and \$16.2 million, for the years ended December 31, 1998, 1997 and 1996, respectively.

At December 31, 1998, the Company was obligated under certain circumstances to purchase through the year 2001 up to \$79.1 million of equipment upon expiration of certain operating leases between Agrifund-North America and end users. Purchases to date have been or are expected to be sold to third parties at amounts approximating the purchase price. Management believes that any losses which might be incurred on the resale of this equipment will not be material.

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.

12. SEGMENT REPORTING

The Company has four geographic reportable segments: North America; South America; Europe/Africa/Middle East; and Asia/Pacific. Each segment distributes a full range of agricultural equipment and related replacement parts. The accounting policies of the segments are the same as described in the summary of significant accounting policies. The Company evaluates segment performance based on income from operations. Sales for each segment are based on the location of the third-party customer. All intercompany transactions between segments have been eliminated. The Company's selling, general and administrative expenses and engineering expenses are charged to each segment based on the region where the expenses are incurred. As a result, the components of operating income for one segment may not be comparable to another segment. Segment results for 1998, 1997 and 1996 are as follows (in millions):

	North America	South America	Europe/Africa/ Middle East	Asia/ Pacific	Consolidated
1998					
Net Sales	\$940.9	\$315.3	\$1,597.8	\$ 87.4	\$2,941.4
Income from operations	57.0	13.5	136.2	15.8	222.5
Depreciation and amortization	14.3	8.9	32.9	1.5	57.6
Assets	876.7	260.9	922.5	30.2	2,090.3
Capital expenditures	14.5	6.4	40.1	-	61.0
1997					
Net Sales	\$956.6	\$334.3	\$1,781.4	\$152.1	\$3,224.4
Income from operations	108.3	19.3	192.4	32.1	352.1
Depreciation and amortization	11.1	9.4	27.2	1.7	49.4
Assets	799.9	245.2	926.4	33.6	2,005.1
Capital expenditures	20.4	7.2	44.4	0.1	72.1
1996					
Net Sales	\$862.6	\$100.3	\$1,184.9	\$169.7	\$2,317.5
Income from operations	94.1	(0.3)	125.1	35.3	254.2
Depreciation and amortization	9.3	2.9	15.1	1.9	29.2
Assets	715.8	253.4	614.3	39.7	1,623.2
Capital expenditures	12.2	0.8	32.0	0.2	45.2

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

	1998	1997	1996
Segment income from operations	\$ 222.5	\$ 352.1	\$ 254.2
Restricted stock compensation expense	(12.0)	(14.8)	(20.0)
Nonrecurring expenses	(40.0)	(18.2)	(22.3)
Consolidated income from operations	\$ 170.5	\$ 319.1	\$ 211.9
Segment assets	\$ 2,090.3	\$ 2,005.1	\$ 1,623.2
Cash and cash equivalents	15.9	31.2	41.7
Receivables from affiliates	15.2	18.5	12.5
Investments in affiliates	95.2	87.6	80.5
Other current and noncurrent assets	163.3	139.5	153.0
Intangible assets	370.5	339.0	205.6
Consolidated total assets	\$ 2,750.4	\$ 2,620.9	\$ 2,116.5

Net sales by customer location for the years ended December 31, 1998, 1997 and 1996 were as follows (in millions):

	1998	1997	1996
Net Sales:			
United States	\$ 759.0	\$ 738.5	\$ 690.0
Canada	142.4	182.6	153.8
Germany	449.3	470.5	141.3
France	321.5	347.8	231.2
United Kingdom and Ireland	122.2	179.5	217.1
Other Europe	540.3	614.6	422.4
South America	315.3	334.3	100.3
Middle East	115.8	105.7	92.3
Asia	36.7	87.8	102.7
Australia	50.7	64.3	67.0
Africa	48.7	63.3	80.6
Mexico, Central America and Caribbean	39.5	35.5	18.8
	\$ 2,941.4	\$ 3,224.4	\$ 2,317.5

Net sales by product for the years ended December 31, 1998, 1997 and 1996 were as follows (in millions):

	1998	1997	1996
Net sales:			
Tractors	\$ 1,838.8	\$ 1,990.6	\$ 1,393.0
Combines	293.5	330.5	262.5
Other machinery	318.5	389.7	258.6
Replacement parts	490.6	513.6	403.4
	\$ 2,941.4	\$ 3,224.4	\$ 2,317.5

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, 1998 and 1997 and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1998. 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 generally accepted auditing standards. 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, 1998 and 1997 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

/s/ Arthur Anderson LLP

Atlanta, Georgia
February 3, 1999

EXHIBIT 21.0

SUBSIDIARIES OF THE REGISTRANT

NAME OF SUBSIDIARY	STATE OR JURISDICTION OF INCORPORATION
AGCO Corporation	Delaware
Actium	Germany
AGCO AB	Sweden
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 Farm Finance Corp.	Delaware
AGCO Finance Corporation	Delaware
AGCO France SA	France
AGCO GmbH	Germany
AGCO Holding BV	Netherlands
AGCO Iberia SA	Spain
AGCO International, 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	Germany
AGCO, Ltd.	United Kingdom
Araus SA	Argentina
Blue Corp	Delaware
Deutz SA	Argentina
Dronningborg Industries AS	Denmark
Eikmaskin AS	Norway
Fendt GmbH	Germany
Fendt Italiana GmbH	Italy
Financial Services Insurance Co. of Tennessee	Tennessee
Gleaner-Allis Company, Ltd.	Delaware
Hesston Ventures Corp.	Kansas
Indamo SA	Argentina
Kemptener Maschinenfabrik GmbH	Germany
Manufacturers Leasing Corp.	Delaware
Massey Ferguson SPA	Italy
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 Staff Pension Trust Ltd.	United Kingdom
Massey Ferguson Works Pension Trust Ltd.	United Kingdom
MF Europa BV	Netherlands
Terramec SA	Argentina
The Hesston Company Ltd.	Delaware
Wohungsbau GmbH	Germany

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. 33-63802, File No. 33-83104, File No. 33-91686 and File No. 333-04707).

Arthur Andersen LLP

Atlanta, Georgia
March 29, 1999

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below, hereby constitutes and appoints Robert J. Ratliff, Patrick S. Shannon and Michael F. Swick 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, 1998, 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, 1999

/s/ Henry J. Claycamp

Henry J. Claycamp

Wolfgang Deml

/s/ William H. Fike

William H. Fike

/s/ Gerald B. Johanneson

Gerald B. Johanneson

/s/ Richard P. Johnston

Richard P. Johnston

Anthony D. Loehnis

Alan S. McDowell

/s/ Hamilton Robinson, Jr.

Hamilton Robinson, Jr.

/s/ Robert J. Ratliff

Robert J. Ratliff

/s/ Wolfgang Sauer

Wolfgang Sauer

/s/ John M. Shumejda

John M. Shumejda

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF AGCO CORPORATION FOR THE YEAR ENDED DECEMBER 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

YEAR	DEC-31-1998	JAN-01-1998	DEC-31-1998
			16
	0		
	1,001		
	0		
	672		
	87		418
	0		
	2,750		
761			924
0			
	0		1
	982		
2,750			2,941
	2,941		
			2,404
	2,404		
	56		
	5		
	68		
	74		
	28		
61			
	0		
	0		0
	61		
	1.01		
	0.99		

(EPS-PRIMARY) DENOTES BASIC EPS.