



# Fourth Quarter 2011 Financial and Operational Results

**February 7, 2012**



# Forward Looking Statements



Statements that are not historical facts, including the projections of earnings per share, sales, market conditions, margin and productivity improvements, commodity prices, farmer income, harvests, weather, market share, industry demand, the impacts of currency translation, new product development and improvements, plant expansion investments, production volumes and localization, free cash flow, depreciation and amortization, emission requirements, distribution and productivity initiatives, efficiency improvements, general economic conditions, government financing programs, sovereign debt levels, pricing benefits, engineering expenses, capital expenditures, and the impact of the GSI acquisition, are forward-looking and subject to risks that could cause actual results to differ materially from those suggested by the statements. Further information concerning these and other factors is included in AGCO's filings with the Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2010. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

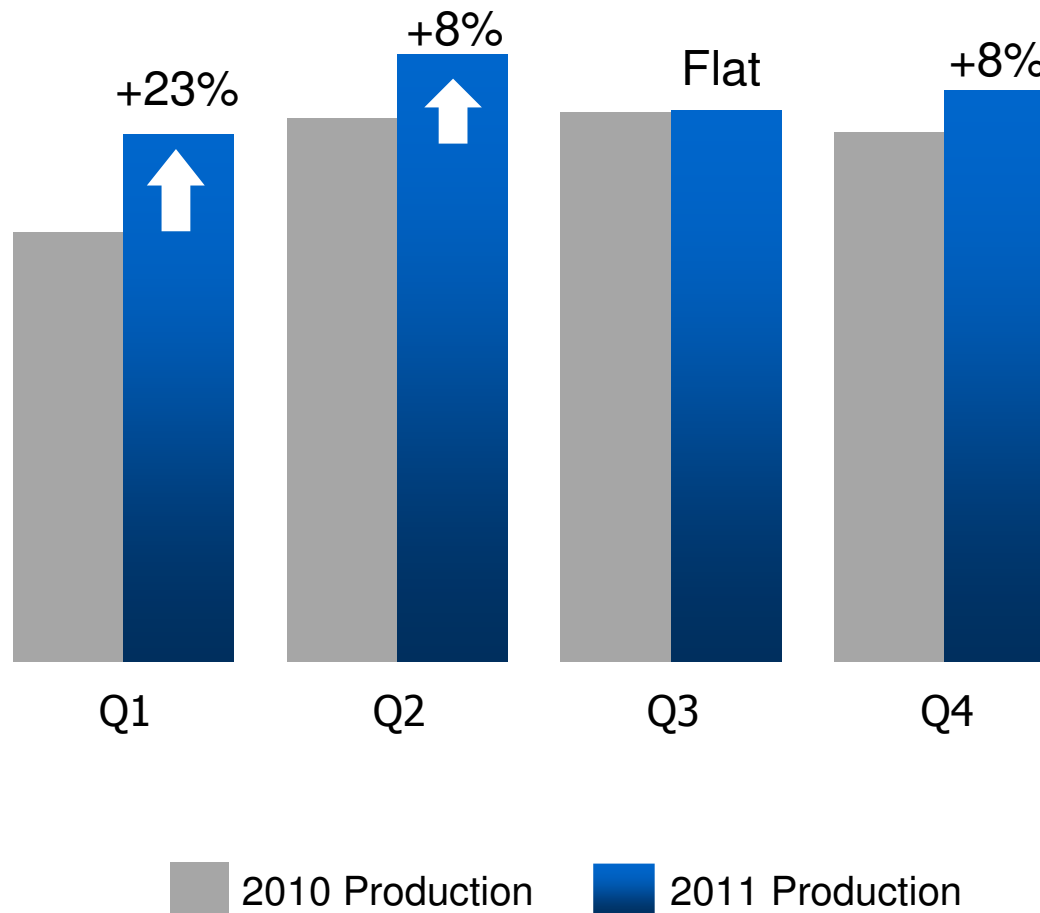
# Financial Summary



	Q4 11	Q4 11 vs Q4 10	YTD 2011	YTD11 vs YTD10
<b>Net Sales</b>	<b>2,517.8</b>	<b>+16.1%</b>	<b>8,773.2</b>	<b>+27.2%</b>
<b>Gross margin</b>	<b>20.8%</b>	<b>+194 bps</b>	<b>20.2%</b>	<b>+199 bps</b>
<b>Adj. op. income*</b>	<b>191.5</b>	<b>+33.4%</b>	<b>615.4</b>	<b>+87.3%</b>
<b>Adj. op. margin*</b>	<b>7.6%</b>	<b>+99 bps</b>	<b>7.0%</b>	<b>+225 bps</b>
<b>Adj. diluted EPS*</b>	<b>\$1.44</b>	<b>+\$0.56</b>	<b>\$4.48</b>	<b>+\$2.16</b>

\* Reflects adjusted results, which exclude restructuring and GSI acquisition-related items. Please see the reconciliations to GAAP metrics provided in the appendix to this presentation.










## Production Units



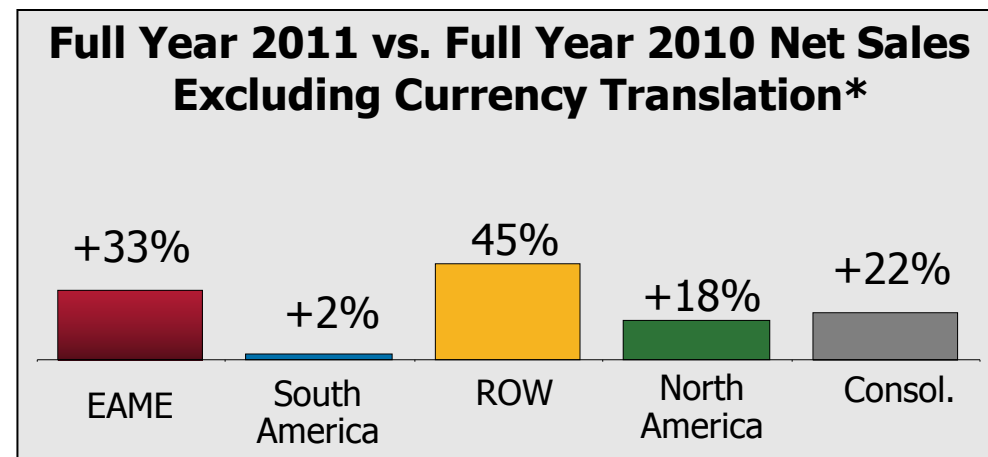
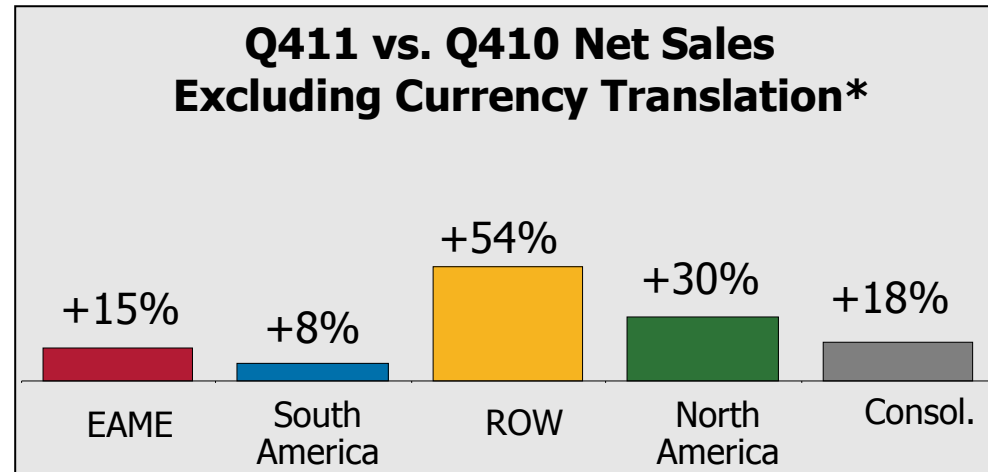
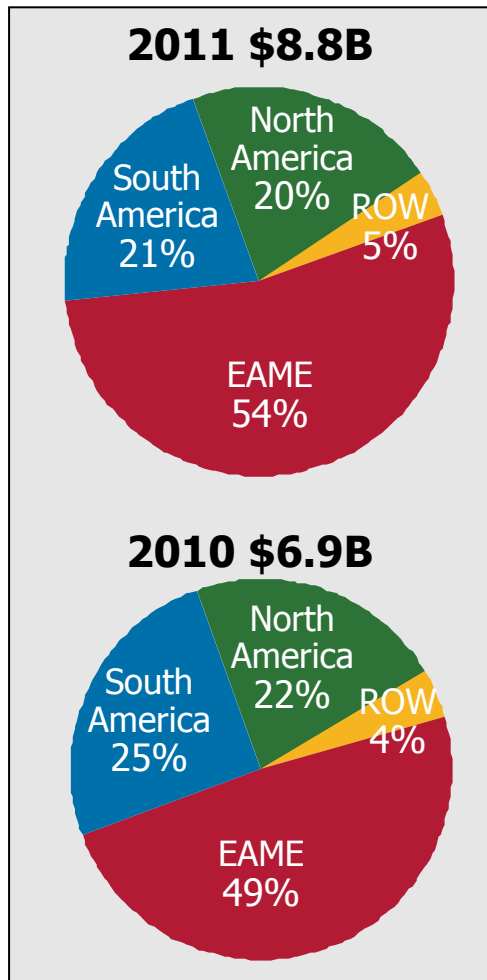
- Full year production up 9% in 2011 vs. 2010
- Q4 increases in EAME and NA partially offset by decrease in SA
- Full year 2012 production projected to increase ~5% vs. 2011

# Industry Overview

## December 2011 Full Year Retail Units

North America		2011 vs. 2010	
	 Tractors	• Industry	+2%
	 Combines	• Industry	(4%)
Western Europe		2011 vs. 2010	
	 Tractors	• Industry	+12%
	 Combines	• Industry	+35%
South America		2011 vs. 2010	
	 Tractors	• Industry	(3%)
	 Combines	• Industry	+20%

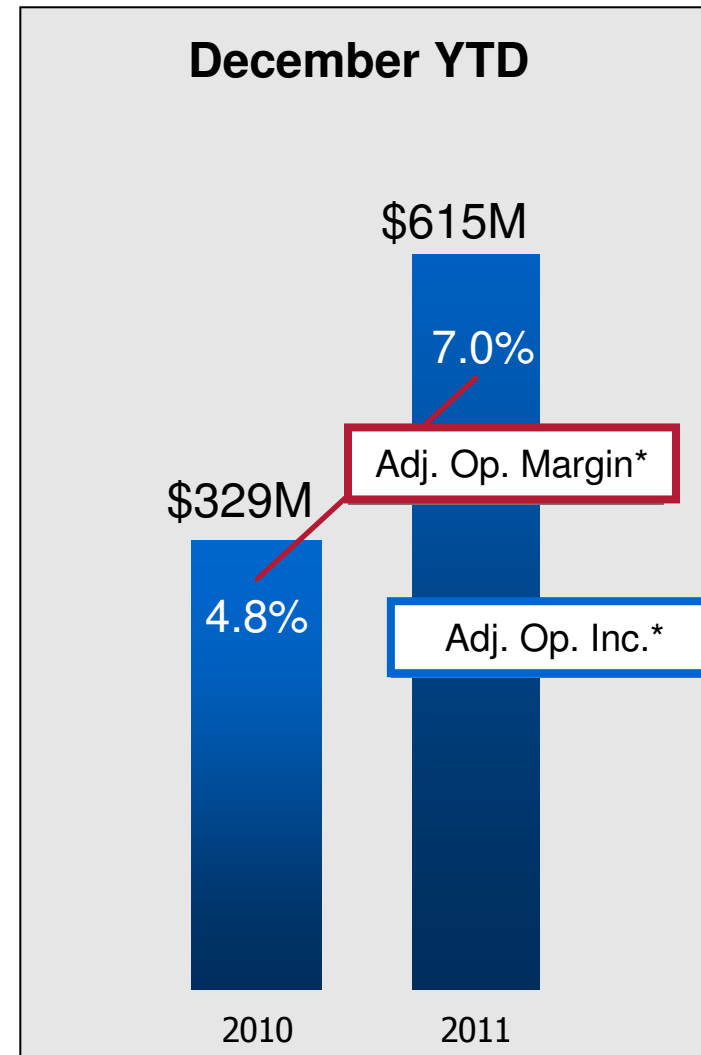
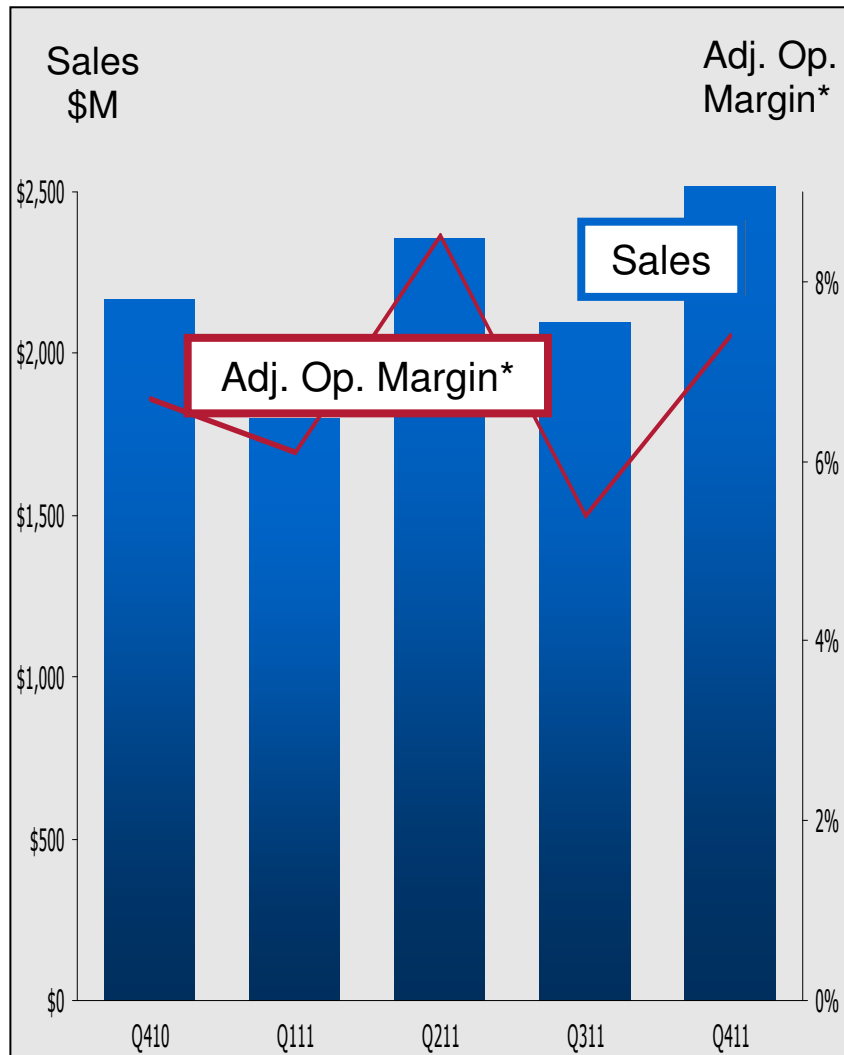
# Regional Net Sales Results



EAME – Europe/Africa/Middle East    ROW – Rest of World

\*Please see the reconciliation to GAAP metrics in the appendix to this presentation.

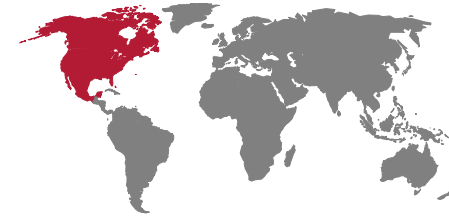
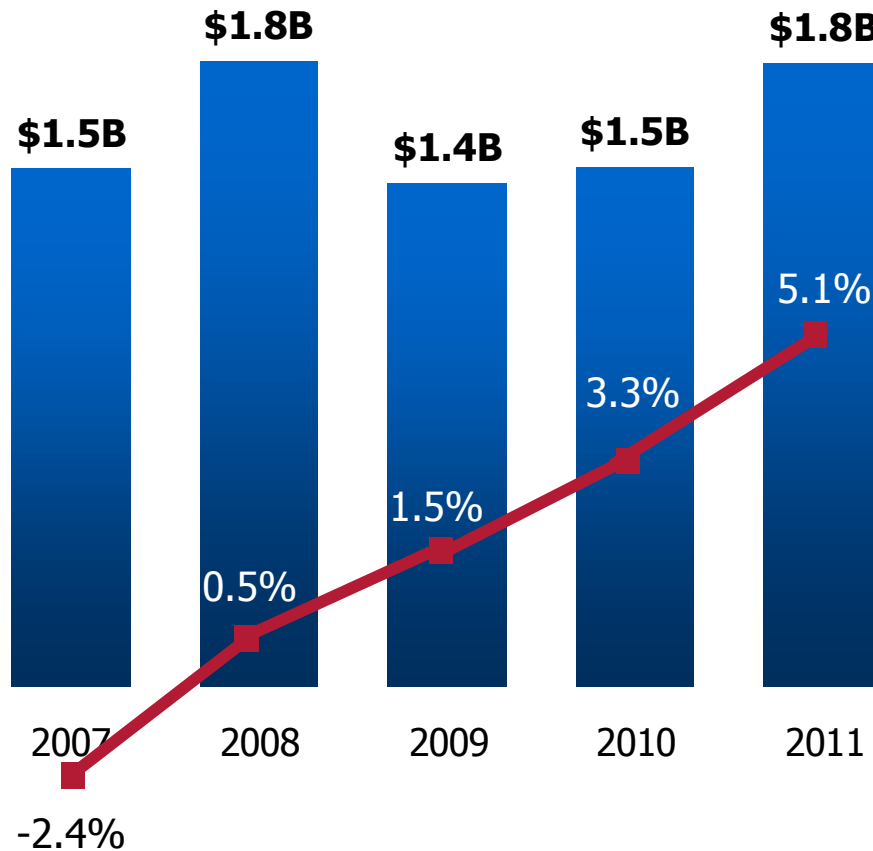
# Net Sales and Operating Margins



\* Reflects adjusted results, which exclude restructuring and GSI acquisition-related items. Please see the reconciliations to GAAP metrics in the appendix.

# Improved North American Profitability

## North American Sales and Margins



- Significant progress over last 5 years
- Consistent margin improvement despite volatile sales
- Progress driven by:
  - new products
  - stronger dealer network
  - factory productivity
  - logistics savings
  - pricing initiatives

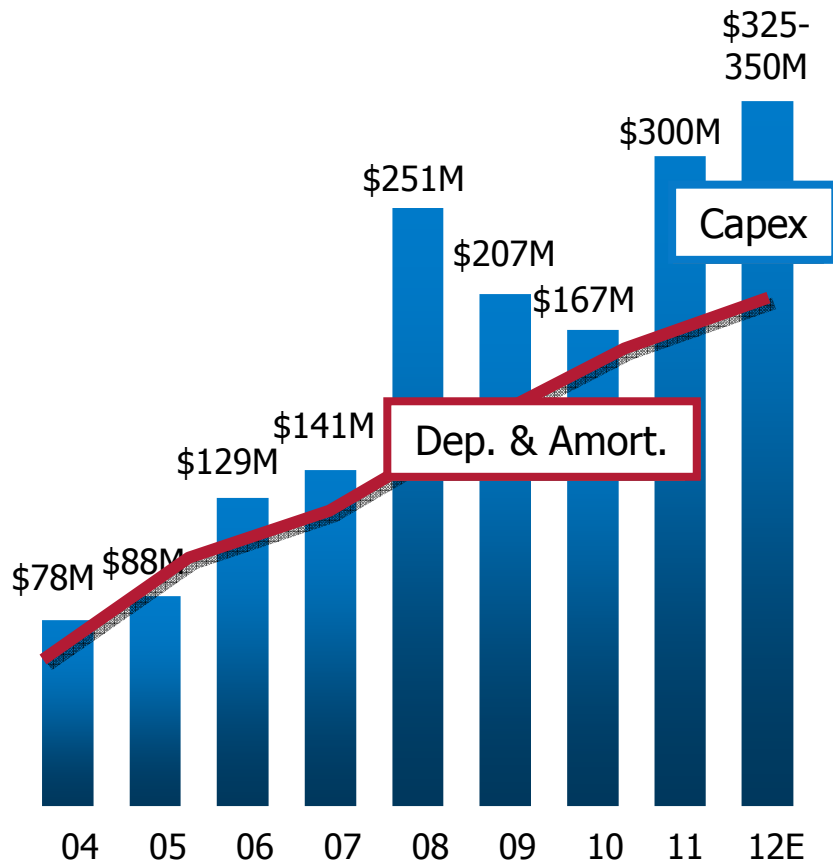




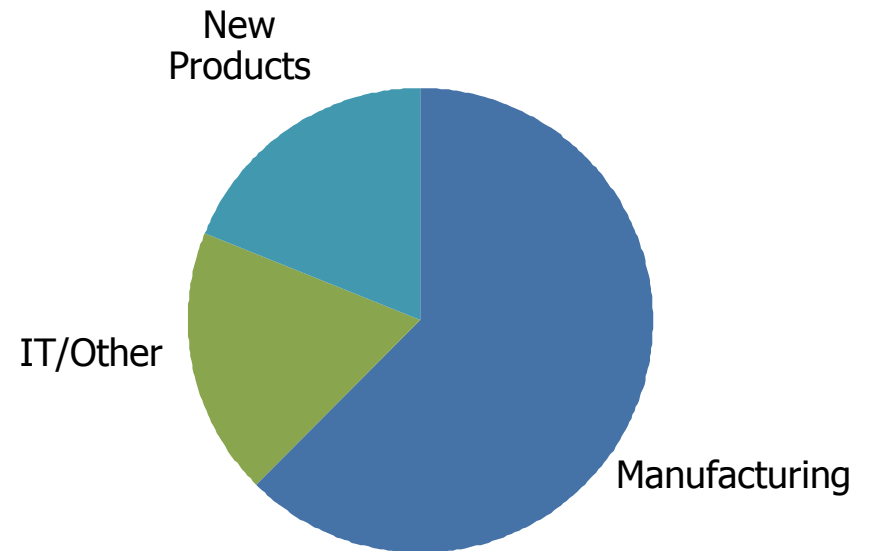
# Capital Expenditures – Investing for Growth



## Continuing to Invest

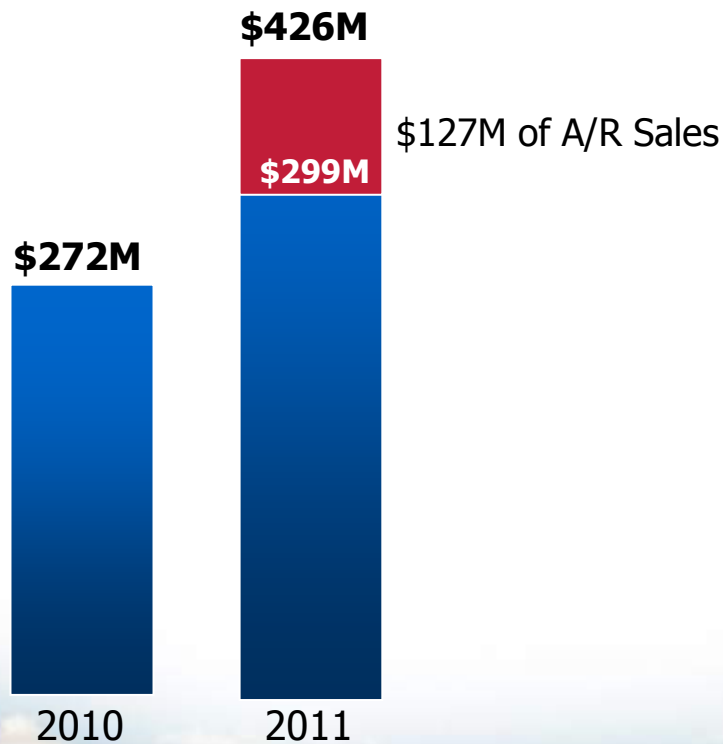


## 2012 Capex Components



# Free Cash Flow\*

## Free Cash Flow (Year Ended Dec. 31 )



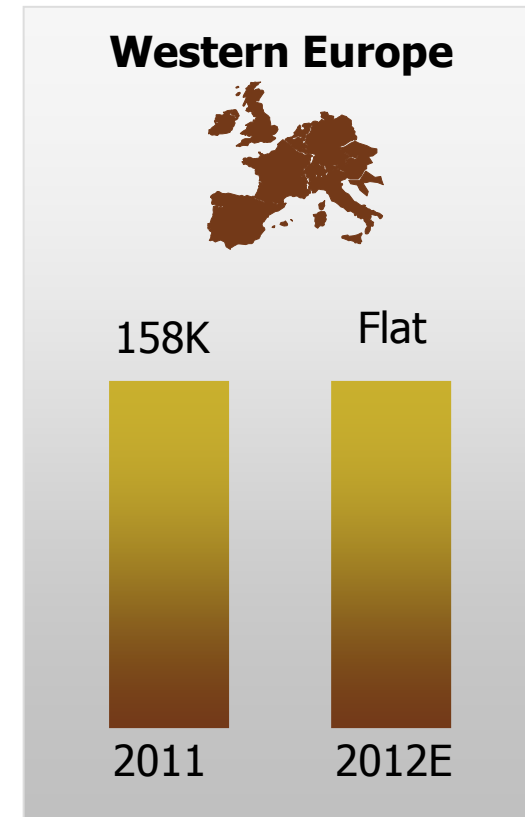
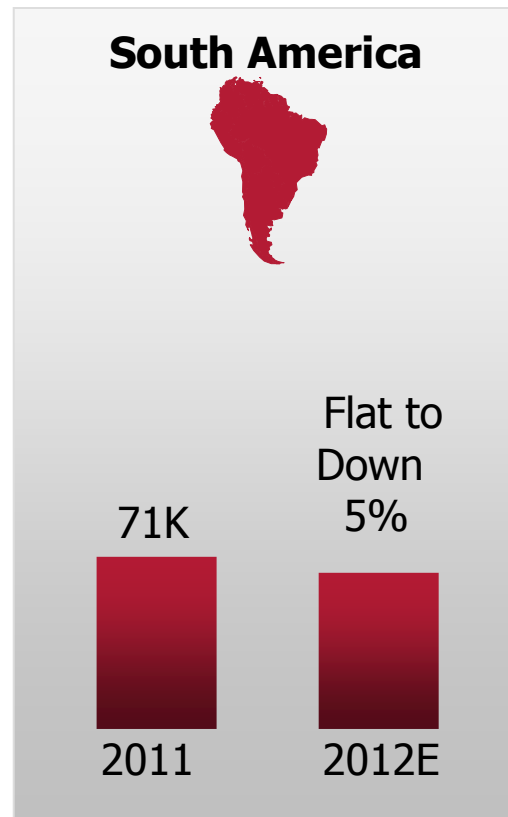
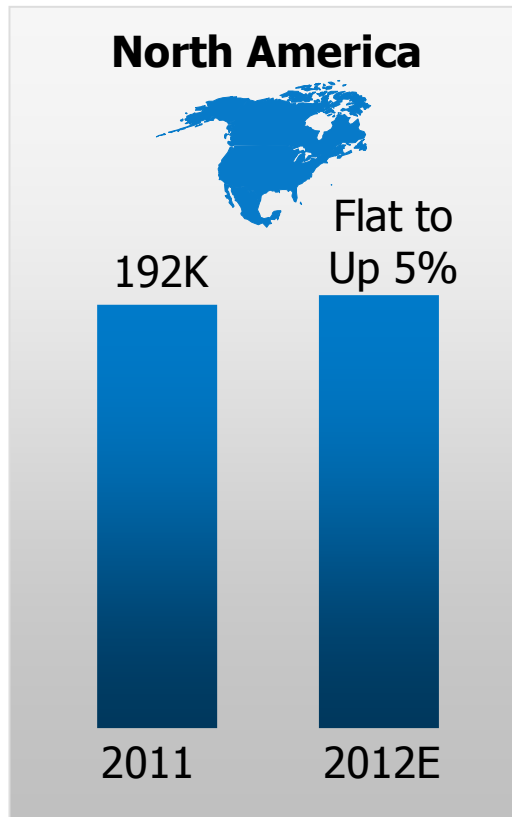
- Strong fourth quarter produced robust full year free cash flow
- Targeting FCF for 2012 of \$200M+ after increased CAPEX

Note: Free cash flow is defined as net cash provided by operating activities less capital expenditures.

\* Please see reconciliations to GAAP metrics provided in the appendix to this presentation.



## Regional Market Outlook – Industry Unit Retail Tractor Sales (Volume in Units)



# 2012 Forecast Assumptions – Summary

- Sales growth from pricing, GSI acquisition and market share gains partially offset by negative impact of currency
  - ~+3.5% pricing
  - ~ (7.0%) negative impact of currency translation
- 10-15% increase in engineering expense for new product development and tier 4 emission requirements
- Gross margin improvement
- ~\$20 million of expense associated with new Fendt assembly facility
- ~\$20-25 million of start-up expense associated with China operations
- GSI EPS impact of ~\$0.45
- Negative EPS impact of currency (\$0.35 to \$0.40)



# 2012 Outlook

	2012 Estimates
<b>Sales</b>	\$10.0B+
<b>Operating margin</b>	+50-75 bps
<b>EPS</b>	~\$5.00
<b>CAPEX</b>	\$325-\$350 Million
<b>Free Cash Flow*</b>	\$200 Million+

\* Free cash flow is defined as cash provided by operating activities less capital expenditures. Please see the reconciliations to GAAP metrics in the appendix.



# Non-GAAP To GAAP Reconciliation



## Free Cash Flow

\$M

	Year ended December 31, 2011	Year ended December 31, 2010
Net cash provided by operating activities	\$ 725.9	\$ 438.7
Less:		
Capital expenditures	(300.4)	(167.1)
Free cash flow	<u>\$ 425.5</u>	<u>\$ 271.6</u>

Note: Free cash flow is defined as net cash provided by operating activities less capital expenditures.

# Non-GAAP To GAAP Reconciliation



\$M  
(except per share amts)

	Three months ended December 31,					
	2011			2010		
	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>
As adjusted	\$ 191.5	\$ 141.7	\$ 1.44	\$ 143.5	\$ 85.9	\$ 0.88
Restructuring and other infrequent expenses	—	—	—	1.1	0.7	0.01
GSI acquisition	5.8	(143.5)	(1.46)	—	—	—
As reported	<u>\$ 185.7</u>	<u>\$ 285.2</u>	<u>\$ 2.90</u>	<u>\$ 142.4</u>	<u>\$ 85.2</u>	<u>\$ 0.87</u>

(1) After tax.

See accompanying notes in the Company's press release.

# Non-GAAP To GAAP Reconciliation



\$M  
(except per share amts)

	Years ended December 31,					
	2011			2010		
	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>
As adjusted	\$ 615.4	\$ 439.3	\$ 4.48	\$ 328.6	\$ 223.6	\$ 2.32
Restructuring and other infrequent (income) expenses	(0.7)	(0.5)	—	4.4	3.1	0.03
GSI acquisition	5.8	(143.5)	(1.47)	—	—	—
As reported	<u>\$ 610.3</u>	<u>\$ 583.3</u>	<u>\$ 5.95</u>	<u>\$ 324.2</u>	<u>\$ 220.5</u>	<u>\$ 2.29</u>

(1) After tax.

See accompanying notes in the Company's press release.



# Non-GAAP To GAAP Reconciliation



## *AGCO Regional Net Sales (in millions)*

	Net sales	% change from 2010	% change from 2010 due to currency translation <sup>(1)</sup>
<b>Three months ended December 31, 2011</b>			
North America	\$ 598.7	29.3%	(0.8%)
South America	448.5	1.9%	(6.1%)
Europe/Africa/Middle East	1,347.3	13.6%	(1.4%)
Rest of World	123.3	55.1%	1.1%
<b>Total</b>	<u><u>\$2,517.8</u></u>	16.1%	(2.1%)
<b>Year ended December 31, 2011</b>			
North America	\$ 1,770.6	18.9%	0.9%
South America	1,871.5	6.7%	4.7%
Europe/Africa/Middle East	4,681.7	39.2%	6.5%
Rest of World	449.4	55.2%	10.4%
<b>Total</b>	<u><u>\$8,773.2</u></u>	27.2%	5.0%

(1) See disclosure of constant currency calculation on slides 18 and 19 of this presentation. See accompanying notes in the Company's press release.

# Non-GAAP To GAAP Reconciliation



## Net Sales \$M

	Three Months Ended December 31,		% change from 2010 due to currency translation
	2011 at Actual Exchange Rates	2011 at Adjusted Exchange Rates <sup>(1)</sup>	
North America	\$598.7	\$602.3	(0.8)%
South America	448.5	475.4	(6.1)%
Europe/Africa/Middle East	1,347.3	1,363.9	(1.4)%
Rest of World	123.3	122.4	1.1 %
<b>Total</b>	<b>\$2,517.8</b>	<b>\$2,564.0</b>	<b>(2.1)%</b>

<sup>(1)</sup> Adjusted exchange rates are 2010 exchange rates.

# Non-GAAP To GAAP Reconciliation



## Net Sales

\$M

	Year Ended December 31,		% change from 2010 due to currency translation
	2011 at Actual Exchange Rates	2011 at Adjusted Exchange Rates <sup>(1)</sup>	
North America	\$1,770.6	\$1,757.9	0.9%
South America	1,871.5	1,789.8	4.7%
Europe/Africa/Middle East	4,681.7	4,462.5	6.5%
Rest of World	449.4	419.2	10.4%
<b>Total</b>	<b>\$8,773.2</b>	<b>\$8,429.4</b>	<b>5.0%</b>

<sup>(1)</sup> Adjusted exchange rates are 2010 exchange rates.