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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

For the quarter ended June 30, 2004

of

AGCO CORPORATION

A Delaware Corporation
IRS Employer Identification No. 58-1960019
SEC File Number 1-12930

4205 River Green Parkway
Duluth, GA 30096
(770) 813-9200

AGCO Corporation (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 and (2) has been subject to such filing requirements for the past 90 days.

As of July 31, 2004, AGCO Corporation had 90,248,592 shares of common stock outstanding. AGCO Corporation is an accelerated filer.

AGCO CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AGCO CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in millions, except share data)

	June 30, 2004	December 31, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 74.3	$ 147.0
Accounts and notes receivable, net	797.6	553.6
Inventories, net	1,077.7	803.6
Other current assets	195.1	180.3
Total current assets	2,144.7	1,684.5
Property, plant and equipment, net	536.6	434.2
Investment in affiliates	104.6	91.6
Deferred tax assets	143.0	147.5
Other assets	72.7	63.8
Intangible assets, net	229.2	86.1
Goodwill	670.7	331.7
Total assets	$3,901.5	$2,839.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 6.8	$ 2.2
Accounts payable	579.0	393.2
Accrued expenses	563.8	490.2
Other current liabilities	38.9	43.5
Total current liabilities	1,188.5	929.1
Long-term debt, less current portion	1,130.1	711.1
Pensions and postretirement health care benefits	216.7	197.5
Other noncurrent liabilities	122.7	95.6
Total liabilities	2,658.0	1,933.3
Stockholders' Equity:		
Common stock; $0.01 par value, 150,000,000 shares authorized, 90,240,892 and 75,409,655 shares issued and outstanding at June 30, 2004 and December 31, 2003, respectively	0.9	0.8
Additional paid-in capital	891.3	590.3
Retained earnings	708.3	635.0
Unearned compensation	(0.3)	(0.5)
Accumulated other comprehensive loss	(356.7)	(319.5)
Total stockholders' equity	1,243.5	906.1
Total liabilities and stockholders' equity	$3,901.5	$2,839.4

See accompanying notes to condensed consolidated financial statements.

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AGCO CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in millions, except per share data)

	Three Months Ended June 30,	
	2004	2003
Net sales	$1,407.0	$902.7
Cost of goods sold	1,153.2	744.7
Gross profit	253.8	158.0
Selling, general and administrative expenses	121.0	78.3
Engineering expenses	24.9	17.4
Restricted stock compensation expense	—	0.1
Restructuring and other infrequent expenses	6.0	19.2
Amortization of intangibles	3.8	0.4
Income from operations	98.1	42.6
Interest expense, net	22.6	15.1
Other expense, net	3.4	7.9
Income before income taxes and equity in net earnings of affiliates	72.1	19.6
Income tax provision	28.8	8.7
Income before equity in net earnings of affiliates	43.3	10.9
Equity in net earnings of affiliates	5.0	4.7
Net income	$ 48.3	$ 15.6
Net income per common share:		
Basic	$ 0.54	$ 0.21
Diluted	$ 0.54	$ 0.21
Weighted average number of common and common equivalent shares outstanding:		
Basic	89.0	75.1
Diluted	89.4	75.6

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in millions, except per share data)

	Six Months Ended June 30,	
	2004	2003
Net sales	$2,522.7	$1,659.9
Cost of goods sold	2,061.2	1,361.9
Gross profit	461.5	298.0
Selling, general and administrative expenses	240.6	157.0
Engineering expenses	51.1	33.3
Restricted stock compensation expense	0.3	0.2
Restructuring and other infrequent (income) expenses	(0.6)	26.2
Amortization of intangibles	7.8	0.8
Income from operations	162.3	80.5
Interest expense, net	45.4	30.1
Other expense, net	8.5	14.6
Income before income taxes and equity in net earnings of affiliates	108.4	35.8
Income tax provision	45.0	16.8
Income before equity in net earnings of affiliates	63.4	19.0
Equity in net earnings of affiliates	9.9	9.1
Net income	$ 73.3	$ 28.1
Net income per common share:		
Basic	$ 0.89	$ 0.37
Diluted	$ 0.89	$ 0.37
Weighted average number of common and common equivalent shares outstanding:		
Basic	82.2	75.1
Diluted	82.6	75.6

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in millions)

	Six Months Ended June 30,	
	2004	2003
Cash flows from operating activities:		
Net income	$ 73.3	$ 28.1
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	41.2	28.9
Deferred debt issuance cost amortization	9.5	1.7
Amortization of intangibles	7.8	0.8
Restricted stock compensation	0.2	0.1
Equity in net earnings of affiliates, net of cash received	(4.7)	(3.9)
Deferred income tax expense (benefit)	1.4	(5.0)
Gain on sale of property, plant and equipment	(7.5)	—
Write-down of property, plant and equipment	7.8	0.5
Changes in operating assets and liabilities, net of effects from purchase of businesses:		
Accounts and notes receivable, net	(100.0)	(89.7)
Inventories, net	(143.5)	(120.7)
Other current and noncurrent assets	(1.6)	(4.7)
Accounts payable	117.8	6.9
Accrued expenses	10.6	(18.6)
Other current and noncurrent liabilities	(21.3)	7.6
Total adjustments	(82.3)	(196.1)
Net cash used in operating activities	(9.0)	(168.0)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(25.0)	(28.1)
Proceeds from sales of property, plant and equipment	36.8	8.7
Purchase of businesses, net of cash acquired	(765.4)	—
Proceeds from sale of unconsolidated affiliate	1.8	0.7
Net cash used in investing activities	(751.8)	(18.7)
Cash flows from financing activities:		
Proceeds from debt obligations, net	409.2	174.8
Payment of debt issuance costs	(21.1)	—
Proceeds from issuance of common stock	301.0	0.3
Net cash provided by financing activities	689.1	175.1
Effect of exchange rate changes on cash and cash equivalents	(1.0)	2.0
Decrease in cash and cash equivalents	(72.7)	(9.6)
Cash and cash equivalents, beginning of period	147.0	34.3
Cash and cash equivalents, end of period	$ 74.3	$ 24.7

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited, in millions, except per share data)

1. BASIS OF PRESENTATION

The condensed consolidated financial statements of AGCO Corporation and subsidiaries (the “Company” or “AGCO”) included herein have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary to present fairly the Company’s financial position, results of operations and cash flows at the dates and for the periods presented. These condensed consolidated financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2003 and our Form 8-K dated June 2, 2004. Certain reclassifications of previously reported financial information were made to conform to the current presentation. Results for interim periods are not necessarily indicative of the results for the year.

2. ACQUISITIONS

On January 5, 2004, the Company acquired the Valtra tractor and diesel engine operations of Kone Corporation, a Finnish company, for €606.1 million, net of approximately €19.8 million cash acquired (approximately $760 million, net). Valtra is a global tractor and off-road engine manufacturer in the Nordic region of Europe and Latin America. The acquisition of Valtra provided the Company with the opportunity to expand its business in significant global markets by utilizing Valtra’s technology and productivity leadership in the agricultural equipment market. The acquired assets and liabilities consisted primarily of inventories, accounts receivable, property, plant and equipment, technology, tradenames, trademarks, customer relationships and patents. The results of operations for the Valtra acquisition have been included in the Company’s Condensed Consolidated Financial Statements from the date of acquisition. The Valtra acquisition was accounted for in accordance with SFAS No. 141, “Business Combinations,” and accordingly, the Company has allocated the purchase price to the assets acquired and the liabilities assumed based on a preliminary estimate of fair values as of the acquisition date. This allocation is subject to adjustment and will be completed in 2004. The Company recorded approximately $358.6 million of goodwill and approximately $156.9 million of other identifiable intangible assets such as tradenames, trademarks, technology and related patents, and customer relationship intangibles as part of the purchase price allocation. The Company completed the initial funding of the cash purchase price of Valtra through the issuance of $201.3 million principal amount of convertible senior subordinated notes in December 2003, funds borrowed under revolving credit and term loan facilities that were entered into January 5, 2004, and $100.0 million borrowed under an interim bridge facility that also closed on January 5, 2004 (Note 5).

The following pro forma data summarizes the results of operations for the three and six months ended June 30, 2003 as if the Valtra acquisition had occurred at January 1, 2003. The unaudited pro forma information has been prepared for comparative purposes only and does not purport to represent what the results of operations of the Company actually would have been had the transaction occurred on the date indicated or what the results of operations may be in any future period. The pro forma information also excludes the impact of equity and debt offerings that were completed by the Company during the second quarter of 2004 (Note 5).

	Three months ended June 30, 2003	Six months ended June 30, 2003
Net sales	$1,172.3	$2,128.2
Net income	20.1	31.3
Net income per common share – basic	$ 0.27	$ 0.42
Net income per common share – diluted	$ 0.27	$ 0.41

3. RESTRUCTURING AND OTHER INFREQUENT (INCOME) EXPENSES

On July 2, 2004, the Company announced and initiated a plan to restructure its European combine manufacturing operations located in Randers, Denmark. The restructuring plan includes the elimination of the facility's component manufacturing operations, as well as the rationalization of the combine model range to be assembled in Randers. In connection with the restructuring plan, the Company recorded approximately $8.0 million of restructuring and other infrequent expenses in the second quarter of 2004. The amount recorded represents the impairment and write-down of certain property, plant and equipment within the component manufacturing operation, which was based upon the estimated fair value of the assets compared to their carrying value. The estimated fair value of the equipment was determined based on current conditions in the market. The portion of the land and buildings and the machinery, equipment and tooling eliminated from production will be disposed of or marketed for sale after the facility's component manufacturing production ceases. The restructuring plan will result in the termination of approximately 300 employees. The Company is currently negotiating the terms of the proposed employee terminations with local authorities and employee representatives. The employee termination costs associated with the restructuring are expected to be approximately $6 million to $8 million and be incurred in 2004. The Company also recorded approximately $3.6 million of inventory write-downs reflected in costs of goods sold, related to inventory that was identified as obsolete as a result of the restructuring plan.

During 2002, the Company announced and initiated a restructuring plan related to the closure of its tractor manufacturing facility in Coventry, England and the relocation of existing production at Coventry to the Company's Beauvais, France and Canoas, Brazil manufacturing facilities. The components of the restructuring expenses are summarized in the following table:

	Write-down of Property, Plant and Equipment	Employee Severance	Employee Retention Payments	Facility Closure Costs	Total
2002 provision	$11.2	$ 8.3	$ 18.3	$ 2.4	$ 40.2
Less: Non-cash expense	11.2	—	—	—	11.2
Cash expense	—	8.3	18.3	2.4	29.0
2002 cash activity	—	(0.1)	(0.3)	(0.3)	(0.7)
Balances as of December 31, 2002	—	8.2	18.0	2.1	28.3
2003 provision	—	—	10.2	1.8	12.0
2003 cash activity	—	(8.9)	(26.7)	(2.5)	(38.1)
Foreign currency translation	—	1.2	0.5	0.2	1.9
Balances as of December 31, 2003	—	0.5	2.0	1.6	4.1
First quarter 2004 provision	—	—	—	—	—
First quarter 2004 cash activity	—	(0.3)	(0.9)	(0.4)	(1.6)
Foreign currency translation	—	—	0.1	—	0.1
Balances as of March 31, 2004	—	0.2	1.2	1.2	2.6
Second quarter 2004 provision reversal	—	—	(0.2)	(0.4)	(0.6)
Second quarter 2004 cash activity	—	(0.2)	(0.5)	(0.3)	(1.0)
Foreign currency translation	—	—	—	0.1	0.1
Balances as of June 30, 2004	$ —	$ —	$ 0.5	$ 0.6	$ 1.1

The write-down of property, plant and equipment represents the impairment of machinery and equipment resulting from the facility closure and was based on the estimated fair value of the assets compared to their carrying value. The estimated fair value of the equipment was determined based on current conditions in the market. The severance costs relate to the termination of 1,051 employees. As of June 30, 2004, 1,041 employees had been terminated. The employee retention payments relate to incentives paid to Coventry

employees who remain employed until certain future termination dates and are accrued over the term of the retention period. The facility closure costs include certain noncancelable operating lease terminations and other facility exit costs. During the fourth quarter of 2003, the Company sold machinery and equipment at auction and as a result of those sales, recognized a net gain of approximately $2.0 million. This gain was reflected in “Restructuring and other infrequent expenses” in the Company’s Consolidated Statements of Operations for the year ended December 31, 2003. On January 30, 2004, the Company sold the land, buildings and improvements of the Coventry facility for approximately $41 million, and as a result of that sale, recognized a net gain of approximately $6.9 million. This gain was reflected in “Restructuring and other infrequent (income) expenses in the Company’s Condensed Consolidated Statements of Operations during the first quarter of 2004. The Company received approximately $34.4 million of the sale proceeds on January 30, 2004, with the remainder to be paid on January 30, 2005. The Company is leasing part of the facility back from the buyers for a period of three years, with the ability to exit the lease within two years from the date of the sale. In the second quarter of 2004, the Company reversed approximately $0.6 million of provisions related to the restructuring that had been previously established. The reversals were necessary to reflect current estimates of remaining obligations related to retention payments, lease termination payouts and other exit costs. In addition, the Company completed the auctions of remaining machinery and equipment during the second quarter of 2004, which resulted in an additional $1.4 million net gain related to such actions. The net gain was reflected in “Restructuring and other infrequent expenses” in the Company’s Consolidated Statements of Operations during the second quarter of 2004. The $1.1 million of restructuring costs accrued at June 30, 2004 are expected to be incurred during 2004.

In October 2002, the Company applied to the High Court in London, England, for clarification of a provision in its U.K. pension plan that governs the value of pension payments payable to an employee who is over 50 years old and who retires from service in certain circumstances prior to his normal retirement date. The primary matter before the High Court was whether pension payments to such employees, including those who take early retirement and those terminated due to the closure of the Company’s Coventry facility, should be reduced to compensate for the fact that the pension payments begin prior to a normal retirement age of 65. In December 2002, the High Court ruled against the Company’s position that reduced pension payments are payable in the context of early retirements or terminations. The Company appealed the High Court’s ruling, and in July 2003, the Court of Appeal ruled that employees terminated as a result of the closure of the Coventry facility do not qualify for full pensions, thereby reversing the earlier High Court ruling for this aspect of the case, but ruled that other employees might qualify. The representatives of the beneficiaries of the pension plan sought the right to appeal to the House of Lords, and on March 26, 2004, the House of Lords denied their request.

As a result of the Court of Appeal’s ruling in that case, certain employees who took early retirement in prior years under voluntary retirement arrangements would be entitled to additional payments, and therefore the Company recorded a charge in the second quarter of 2003, included in “Restructuring and other infrequent expenses,” of approximately £7.5 million ($12.4 million) to reflect its estimate of the additional pension liability associated with previous early retirement programs.

In addition, during 2002 and 2003, the Company initiated several rationalization plans and recorded restructuring and other infrequent expenses in total of approximately $4.6 million. The expenses primarily related to severance costs and certain lease termination and other exit costs associated with the rationalization of the Company’s European engineering and marketing personnel, certain components of the Company’s German manufacturing facilities located in Kempten and Marktoberdorf, Germany, as well as a European combine engineering rationalization that was initiated during 2003. During the six months ended June 30, 2004, the Company recorded $0.2 million of restructuring and other infrequent expenses associated with these European rationalization initiatives, as well as $0.1 million related to the closure and consolidation of Valtra’s U.S. and Canadian sales offices into the Company’s existing U.S. and Canadian sales organizations. A total of $4.0 million of severance costs have been recorded associated with these activities, and relate to the termination of approximately 215 employees in total. At June 30, 2004, a total of approximately $4.2 million of expenses had been incurred and paid. The remaining accrued balance of $0.7 million as of June 30, 2004 is expected to be incurred during 2004.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

The Company's acquired intangible assets are as follows:

	June 30, 2004		December 31, 2003	
	Gross Carrying Amounts	Accumulated Amortization	Gross Carrying Amounts	Accumulated Amortization
Amortized intangible assets:				
Trademarks and tradenames	$ 32.8	$ (3.1)	$31.8	$(2.5)
Customer relationships	72.4	(4.8)	3.5	(1.0)
Patents and technology	46.3	(3.6)	1.1	(0.2)
Total	$151.5	$(11.5)	$36.4	$(3.7)
Unamortized intangible assets:				
Trademarks	$ 89.2		$53.4	

Changes in the carrying amount of goodwill during the six months ended June 30, 2004 are summarized as follows:

	North America	South America	Europe/Africa/ Middle East	Consolidated
Balance as of December 31, 2003	$165.5	$ 42.3	$123.9	$331.7
Acquisition	—	70.9	287.7	358.6
Foreign currency translation	—	(6.9)	(12.7)	(19.6)
Balance as of June 30, 2004	$165.5	$106.3	$398.9	$670.7

Goodwill is tested for impairment in each of the Company's segments on an annual basis and more often if indications of impairment exist as required under Statement of Financial Accounting Standards No. 142 ("SFAS No. 142") "Goodwill and Other Intangible Assets." The results of the Company's analyses conducted on October 1, 2003 indicated no reduction in the carrying amount of goodwill was required in 2003. The Company will perform its next impairment analyses as of October 1, 2004, or on an interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value.

5. LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2004 and December 31, 2003:

	June 30, 2004	December 31, 2003
Credit facility	$ 429.6	$ —
1¾% Convertible senior subordinated notes due 2033	201.3	201.3
9½% Senior notes due 2008	250.0	250.0
6$^{7}/_{8}$% Senior subordinated notes due 2014	243.8	—
8½% Senior subordinated notes due 2006	—	249.3
Other long-term debt	12.2	12.7
	1,136.9	713.3
Less: current portion of long-term debt	(6.8)	(2.2)
Total long-term debt, less current portion	$1,130.1	$711.1

On January 5, 2004, the Company entered into a new credit facility and borrowed $100.0 million under an interim bridge facility to fund the acquisition of Valtra (Note 2).

The Company's new credit facility provides for a $300.0 million multi-currency revolving credit facility, a $300.0 million U.S. dollar denominated term loan and a €120.0 million (or approximately $150.0 million) Euro denominated term loan. The revolving credit facility will mature in March 2008. The maturity date of the revolving credit facility may be extended to December 2008 if the Company's existing 9½% senior notes due 2008 are refinanced on terms specified by the lenders prior to such date. Both term loans will amortize at the rate of one percent per annum until the maturity date. The maturity date for the term loans is March 2008. The maturity date of the term loans may be extended to June 2009 if the senior notes are refinanced on terms specified by the lenders prior to such date. The Company was required to prepay approximately $22.3 million of the U.S. dollar denominated term loan and €9.0 million of the Euro denominated term loan as a result of excess proceeds received from the common stock public offering in April 2004. The revolving credit and term facilities are secured by a majority of the Company's U.S., Canadian, Finnish and U.K. based assets and a pledge of a portion of the stock of the Company's domestic and material foreign subsidiaries. Interest accrues on amounts outstanding under the facility, at the Company's option, at either (1) LIBOR plus a margin ranging between 1.50% and 2.25% based upon the Company's senior debt ratio or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.25% and 1.0% based on the Company's senior debt ratio. The facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends. The Company also must fulfill financial covenants including, among others, a total debt to EBITDA ratio, a senior debt to EBITDA ratio and a fixed charge coverage ratio, as defined in the facility.

The Company borrowed $100.0 million under a bridge financing facility on January 5, 2004 as discussed above. On April 7, 2004, the bridge loan facility was repaid with proceeds from the common stock offering as described below.

On April 23, 2004, the Company completed an offering of €200.0 million of 6⁷/₈% senior subordinated notes due 2014, and received proceeds of approximately $234 million, after offering related fees and expenses. On May 24, 2004, the Company used the net proceeds of the offering and available cash to redeem its $250.0 million principal amount of 8½% senior subordinated notes. The 6⁷/₈% senior subordinated notes are unsecured obligations and are subordinated in right of payment to the Company's 9½% senior notes, and any existing or future senior indebtedness. Interest is payable semi-annually on April 15 and October 15 of each year, beginning October 15, 2004. Beginning April 15, 2009, the Company may redeem the notes, in whole or in part, initially at 103.438% of their principal amount, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, at any time on or after April 15, 2012. In addition, before April 15, 2009, the Company may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount, plus accrued interest plus a make-whole premium. Before April 15, 2007, the Company may also redeem up to 35% of the notes at 106.875% of their principal amount using the proceeds from sales of certain kinds of capital stock. The notes include certain covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

6. COMMON STOCK OFFERING

On April 7, 2004, the Company sold 14,720,000 shares of its common stock in an underwritten public offering, and received net proceeds of approximately $300.1 million. The Company used the net proceeds to repay the $100.0 million interim bridge loan facility, to repay borrowings under its credit facility, and to pay offering related fees and expenses.

7. 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.

Inventories at June 30, 2004 and December 31, 2003 were as follows:

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	June 30, 2004	December 31, 2003
Finished goods	$ 490.1	$285.3
Repair and replacement parts	293.1	270.2
Work in process, production parts and raw materials	294.5	248.1
Inventories, net	$1,077.7	$803.6

8. PRODUCT WARRANTY

The warranty reserve activity for the three months ended June 30, 2004 and 2003 consisted of the following:

	2004	2003
Balance at beginning of quarter	$119.5	$ 87.8
Accruals for warranties issued during the period	29.8	18.2
Settlements made (in cash or in kind) during the period	(25.5)	(16.3)
Foreign currency translation	(2.1)	3.6
Balance at June 30, 2004	$121.7	$ 93.3

The warranty reserve activity for the six months ended June 30, 2004 and 2003 consisted of the following:

	2004	2003
Balance at beginning of year	$ 98.5	$ 83.7
Acquisitions	14.9	—
Accruals for warranties issued during the period	56.0	35.1
Settlements made (in cash or in kind) during the period	(44.9)	(30.3)
Foreign currency translation	(2.8)	4.8
Balance at June 30, 2004	$121.7	$ 93.3

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

9. 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 common share assumes exercise of outstanding stock options and vesting of restricted stock when the effects of such assumptions are dilutive.

A reconciliation of net income and the weighted average number of common shares outstanding used to calculate basic and diluted net income per common share for the three and six months ended June 30, 2004 and 2003 is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Basic Earnings Per Share				
Weighted average number of common shares outstanding	89.0	75.1	82.2	75.1
Net income	$48.3	$15.6	$73.3	$28.1
Net income per common share	$0.54	$0.21	$0.89	$0.37

Notes to Condensed Consolidated Financial Statements—Continued
(unaudited, in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Diluted Earnings Per Share				
Weighted average number of common shares outstanding	89.0	75.1	82.2	75.1
Shares issued upon assumed vesting of restricted stock	0.1	0.1	0.1	0.1
Shares issued upon assumed exercise of outstanding stock options	0.3	0.4	0.3	0.4
Weighted average number of common and common equivalent shares	89.4	75.6	82.6	75.6
Net income	$48.3	$15.6	$73.3	$28.1
Net income per common share	$0.54	$0.21	$0.89	$0.37

There were options to purchase 0.6 million shares for the three and six months ended June 30, 2004, and 0.7 million shares for the three and six months ended June 30, 2003, that were excluded from the calculation of diluted earnings per share because the option exercise prices were higher than the average market price of the Company's common stock during the related period. In addition, the diluted earnings per share calculation for 2004 excludes the potentially dilutive effect of our 1¾% convertible senior subordinated notes due 2033. The conversion criteria under which these notes would be convertible were not met during the quarter.

10. COMPREHENSIVE INCOME

Total comprehensive income for the three and six months ended June 30, 2004 and 2003 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income	$ 48.3	$15.6	$ 73.3	$ 28.1
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(17.0)	41.0	(41.3)	73.2
Unrealized loss on derivatives	—	(0.4)	—	(0.8)
Unrealized gain on derivatives held by affiliates	5.3	1.5	4.1	0.4
Total comprehensive income	$ 36.6	$57.7	$ 36.1	$100.9

11. ACCOUNTS RECEIVABLE SECURITIZATION

At June 30, 2004, the Company had accounts receivable securitization facilities in the United States, Canada, and Europe totaling approximately $484.1 million. During the second quarter 2004, the Company amended certain provisions of its United States and Canada receivable securitization facilities including the expansion of the facilities by an additional $30.0 million and $10.0 million, respectively and to eliminate the ratings triggers in the facilities. At June 30, 2004, these additional amounts had not been utilized. Under the securitization facilities, wholesale accounts receivable are sold on a revolving basis to commercial paper conduits either on a direct basis or through a wholly-owned special purpose U.S. subsidiary. Outstanding funding under these facilities totaled approximately $438.4 million at June 30, 2004 and $448.4 million at December 31, 2003. The funded balance has the effect of reducing accounts receivable and short-term liabilities by the same amount. Losses on sales of receivables primarily from securitization facilities included in other expense, net were $3.8 million and $4.2 million for the three months ended June 30, 2004 and 2003, respectively, and were $7.6 million and $7.1 million for the six months ended June 30, 2004 and 2003, respectively.

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12. STOCK COMPENSATION PLANS

The Company accounts for all stock-based compensation awarded under the Nonemployee Director Stock Incentive Plan ("the Director Plan"), the Long-Term Incentive Plan ("LTIP") and the Stock Option Plan ("the Option Plan") as prescribed under APB No. 25, and also provides the disclosures required under SFAS No. 123 and SFAS No. 148. APB No. 25 requires no recognition of compensation expense for options granted under the Option Plan as long as certain conditions are met. There was no compensation expense recorded under APB No. 25 for the Option Plan. However, APB No. 25 does require recognition of compensation expense under the Director Plan and the LTIP.

The fair value of the grants and awards are amortized over the vesting period for stock options and awards earned under the Director Plan and LTIP and over the performance period for unearned awards under the Director Plan and LTIP. The following table illustrates the effect on net income and earnings per common share if the Company had applied the fair value recognition provisions of SFAS No. 123 and SFAS No. 148:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income, as reported	$48.3	$15.6	$73.3	$28.1
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	0.1	0.1	0.2	0.2
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(2.0)	(1.7)	(3.8)	(3.7)
Pro forma net income	$46.4	$14.0	$69.7	$24.6
Earnings per share:				
Basic – as reported	$0.54	$0.21	$0.89	$0.37
Basic – pro forma	$0.52	$0.18	$0.85	$0.33
Diluted – as reported	$0.54	$0.21	$0.89	$0.37
Diluted – pro forma	$0.52	$0.18	$0.84	$0.33

13. EMPLOYEE BENEFIT PLANS

The Company has defined benefit pension plans covering certain employees principally in the United States, the United Kingdom and Germany. As a result of the Valtra acquisition January 2004, the Company also has defined benefit plans with retirement, disability, death and termination income benefits in Finland, Norway and France. The Company also provides certain postretirement health care and life insurance benefits for certain employees principally in the United States, as well a supplemental executive retirement plan which is an unfunded plan that provides Company executives with retirement income for a period of ten years after retirement.

Net pension and postretirement cost for the plans for the quarter ended June 30, 2004 and 2003 are set forth below:

Notes to Condensed Consolidated Financial Statements—Continued
(unaudited, in millions, except per share data)

Pension benefits	2004	2003
Service cost	$ 1.9	$ 1.8
Interest cost	7.9	8.0
Expected return on plan assets	(6.9)	(7.4)
Amortization of net actuarial loss	3.6	2.5
Special termination benefits	—	12.4
Net quarterly pension cost	$ 6.5	$17.3

Postretirement benefits	2004	2003
Service cost	$ 0.1	$ 0.1
Interest cost	0.5	0.5
Amortization of transition and prior service cost	(0.1)	(0.2)
Amortization of unrecognized net loss	0.3	0.2
Net quarterly postretirement cost	$ 0.8	$ 0.6

Net pension and postretirement cost for the plans for the six months ended June 30, 2004 and 2003 are set forth below:

Pension benefits	2004	2003
Service cost	$ 3.6	$ 3.6
Interest cost	15.7	15.9
Expected return on plan assets	(13.7)	(14.7)
Amortization of net actuarial loss	7.3	5.0
Special termination benefits	—	12.4
Net pension cost	$ 12.9	$ 22.2

Postretirement benefits	2004	2003
Service cost	$ 0.2	$ 0.2
Interest cost	1.0	0.9
Amortization of transition and prior service cost	(0.3)	(0.4)
Amortization of unrecognized net loss	0.6	0.2
Net postretirement cost	$ 1.5	$ 0.9

As of June 30, 2004, approximately $12.8 million of contributions had been made to the Company's defined benefit pension plans. The Company currently estimates its minimum contributions for 2004 to its defined benefit pension plans will aggregate approximately $28.0 million. As of June 30, 2004, the Company had made approximately $1.7 million of contributions to its U.S.-based postretirement health care and life insurance benefit plans.

14. SEGMENT REPORTING

The Company has four reportable segments: North America; South America; Europe/Africa/Middle East and Asia/Pacific. Each regional segment distributes a full range of agricultural equipment and related replacement parts. The Company evaluates segment performance primarily based on income from operations. Sales for each regional segment are based on the location of the third-party customer. During the first quarter of 2004, the Company modified its segment reporting from five reportable segments to four reportable segments. The Company no longer considers the Sprayers division a reportable segment under the requirements of SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information," due to organizational changes and changes in the distribution and servicing of certain Sprayer products which became effective January 1, 2004. Therefore, the results for 2003 have been reclassified to conform to the current presentation. All intercompany transactions between the segments have been eliminated. The Company's selling, general and administrative expenses and engineering expenses are charged to each segment based on

the region and division where the expenses are incurred. As a result, the components of operating income for one segment may not be comparable to another segment. Segment results for the three and six months ended June 30, 2004 and 2003 are as follows:

Three Months Ended June 30,	North America	South America	Europe/Africa /Middle East	Asia/ Pacific	Consolidated
2004					
Net sales	$391.1	$213.2	$759.7	$43.0	$1,407.0
Income from operations	14.5	37.1	57.5	8.2	117.3
Depreciation	5.2	3.5	10.7	0.9	20.3
Capital expenditures	2.6	0.7	5.9	1.9	11.1
2003					
Net sales	$294.0	$100.0	$485.0	$23.7	$ 902.7
Income from operations	15.1	11.7	37.7	3.2	67.7
Depreciation	3.9	1.6	8.9	0.5	14.9
Capital expenditures	5.3	1.9	11.6	—	18.8

Six Months Ended June 30,	North America	South America	Europe/Africa /Middle East	Asia/ Pacific	Consolidated
2004					
Net sales	$684.8	$388.1	$1,361.0	$88.8	$2,522.7
Income from operations	20.7	68.2	82.8	15.1	186.8
Depreciation	10.1	6.0	23.3	1.8	41.2
Capital expenditures	4.7	1.3	14.4	4.6	25.0
2003					
Net sales	$574.1	$168.9	$ 870.0	$46.9	$1,659.9
Income from operations	24.9	20.6	67.0	6.2	118.7
Depreciation	8.7	2.7	16.3	1.2	28.9
Capital expenditures	9.3	3.0	15.8	—	28.1
Assets					
As of June 30, 2004	$711.8	$263.9	$1,355.0	$70.5	$2,401.2
As of December 31, 2003	$685.2	$222.0	$ 836.4	$47.3	$1,790.9

A reconciliation from the segment information to the consolidated balances for income from operations and total assets is set forth below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Segment income from operations	$117.3	$ 67.7	$186.8	$118.7
Corporate expenses	(9.4)	(5.4)	(17.0)	(11.0)
Restricted stock compensation expense	—	(0.1)	(0.3)	(0.2)
Restructuring and other infrequent income (expenses)	(6.0)	(19.2)	0.6	(26.2)
Amortization of intangibles	(3.8)	(0.4)	(7.8)	(0.8)
Consolidated income from operations	$ 98.1	$ 42.6	$162.3	$ 80.5

	As of June 30, 2004	As of December 31, 2003
Segment assets	$2,401.2	$1,790.9
Cash and cash equivalents	74.3	147.0
Receivables from affiliates	10.7	0.5
Investments in affiliates	104.6	91.6
Deferred tax assets	143.0	147.5
Other current and noncurrent assets	267.8	244.1
Intangible assets, net	229.2	86.1
Goodwill	670.7	331.7
Consolidated total assets	$3,901.5	$2,839.4

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Our operations are subject to the cyclical nature of the agricultural industry. Sales of our equipment have been and are expected to continue to be affected by changes in net cash farm income, farm land values, weather conditions, demand for agricultural commodities, commodity prices and general economic conditions. We record sales when we sell equipment and replacement parts to our independent dealers, distributors or other customers. To the extent possible, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on manufacturing operations and to minimize our 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. As a result, our net sales have historically been the lowest in the first quarter and have increased in subsequent quarters.

RESULTS OF OPERATIONS

For the three months ended June 30, 2004, we generated net income of $48.3 million, or $0.54 per share, compared to net income of $15.6 million, or $0.21 per share, for the same period in 2003. For the first six months of 2004, we generated net income of $73.3 million, or $0.89 per share, compared to net income of $28.1 million, or $0.37 per share, for the same period in 2003.

Net sales increased 56% for the second quarter and 52% for the first six months of 2004 primarily due to the acquisition of Valtra in January 2004, sales growth in each of our geographical segments and positive currency translation impacts. Operating income was $98.1 million and $162.3 million for the second quarter and first six months of 2004, respectively, compared operating income of $42.6 million and $80.5 million, respectively, for the same periods in 2003. The improvement in operating income was primarily related to the contribution of Valtra and higher sales volumes. Operating income in our South America operations increased in the quarter and the first six months due to the addition of Valtra as well as increased sales and production volumes resulting in improved margins. In Europe/Africa/Middle East region, operating income increased in the second quarter and the first six months due primarily to the addition of Valtra as well as currency translation benefits. Productivity improvements achieved in our European manufacturing facilities were offset by an unfavorable sales mix in the region. Operating income in North America was lower for the second quarter and the first six months where the impact of higher sales volume was offset by reduced margins due to the impact of the strong Euro on products sourced from European production facilities and higher steel costs. Our Asia/Pacific region achieved increased operating income in 2004 for the second quarter and the first six months primarily resulting from improved market conditions in key markets such as Australia. Our operating income was also negatively impacted by additional non-cash amortization of purchased intangibles resulting from the Valtra acquisition.

Retail Sales

In North America, industry unit retail sales of tractors for the first six months of 2004 increased approximately 11% over the first six months of the prior year with increases in all tractors segments. Industry unit retail sales of combines were approximately 27% higher than the prior year. Our unit retail sales of tractors and combines for the first quarter of 2004 were higher than the prior year, due to stronger market conditions.

In Western Europe, industry unit retail sales of tractors for the first six months of 2004 increased approximately 4% compared to the first six months of the prior year. Retail sales improved in the second quarter in most major markets, offsetting first quarter declines. Including the impact of Valtra sales in both periods, our unit retail sales for the first six months of 2004 also increased when compared to the prior year period.

South American industry unit retail sales of tractors in the first six months of 2004 increased approximately 3% over the prior year. Tractor demand increased moderately in the largest market of Brazil with more significant increases in Argentina and other South American markets. Industry retail unit sales of combines for the first six months of 2004 were 40% higher than the prior year, with significant increases in both Brazil and Argentina. Including the impact of Valtra sales in both periods, our South American unit retail sales of tractors and combines also increased significantly in the first six months of 2004 compared to the same period in 2003.

Outside of North America, Western Europe and South America, net sales for the first six months of 2004, excluding Valtra, were below the prior year due to lower sales in Middle East markets.

STATEMENTS OF OPERATIONS

Net sales for the second quarter of 2004 were $1,407.0 million compared to $902.7 million for the same period in 2003. Net sales for the first six months of 2004 were $2,522.7 million compared to $1,659.9 million for the prior year. The increase in net sales was primarily due to the acquisition of Valtra in January 2004, higher sales in South America, the impact of the consolidation of our GIMA transmission joint venture in France, and positive currency translation impacts. Net sales of Valtra were approximately $280.8 million and $506.0 million in the second quarter and first six months of 2004, respectively. The consolidation of GIMA contributed approximately $18.1 million and $35.8 million of sales during the second quarter and first six months of 2004, respectively. In addition, foreign currency translation positively impacted net sales by $42.8 million and $130.2 million in the second quarter and first six months of 2004, respectively, primarily due to the strengthening of the Euro relative to the U.S. dollar. Excluding the incremental sales impact of the Valtra acquisition, the consolidation of GIMA and foreign currency translation, net sales were approximately 18.1% and 11.5% higher in the second quarter and first six months of 2004, respectively, compared to the same periods in 2003.

Regionally, net sales in North America, excluding currency impacts and the acquisition of Valtra, increased approximately $88.6 million, or 30.1%, and $89.4 million or 15.6%, in the second quarter and first six months of 2004, respectively, compared to the same periods in 2003. The increase was primarily the result of improved industry conditions in 2004. In the Europe/Africa/Middle East region, net sales excluding currency impacts, the acquisition of Valtra and the consolidation of GIMA, increased $10.6 million, or 2.2%, and decreased $13.1 million, or 1.5%, for the second quarter and first six months of 2004, respectively, compared to the same period in 2003. For the second quarter, net sales improved primarily as a result of stronger market conditions in the second quarter in Western Europe and the impact of new product introductions. Net sales for the first six months were higher in Western Europe, but were offset by lower sales in the Middle East region. Net sales excluding currency impacts and the acquisition of Valtra in South America increased $49.4 million, or 49.4%, and $90.7 million, or 53.7%, for the second quarter and first six months of 2004, respectively, compared to the same period in 2003, primarily as a result of stronger market conditions in the region. In the Asia/Pacific region, net sales excluding currency impacts and the acquisition of Valtra, increased $14.0 million, or 59.0%, and $23.8 million, or 50.8%, for the second quarter and first six months of 2004, respectively, compared to the same period in 2003, primarily due to sales increases in Australia and the Far East.

Gross profit was $253.8 million, or 18.0% of net sales, for the second quarter of 2004 compared to $158.0 million, or 17.5% of net sales, for the same period in the prior year. Gross profit was $461.5 million, or 18.3% of net sales, for the first six months of 2004 compared to $298.0 million, or 18.0% of net sales, for the same period in the prior year. Gross margins improved versus the prior year due to increased production volume and improved productivity, but were partially offset by lower margins in North America due to the impact of the strong Euro on products exported from European production facilities and higher steel costs. Gross margins also were impacted by a $3.6 million write-down of inventory associated with the Randers, Denmark restructuring plan.

Selling, general and administrative ("SG&A") expenses for the second quarter of 2004 were $121.0 million, or 8.6% of net sales, compared to $78.3 million, or 8.7% of net sales, for the same period of the prior year. For the first six months of 2004, SG&A expenses were $240.6 million, or 9.5% of net sales, compared to $157.0

million, or 9.5% of net sales, for the same period of the prior year. Engineering expenses for the second quarter and first six months of 2004 were $24.9 million, or 1.8% of net sales, and $51.1 million or 2.0% of net sales, respectively, compared to $17.4 million, or 1.9% of net sales, and $33.3 million, or 2.0% of net sales, for the same periods in the prior year. SG&A and engineering expenses increased primarily as a result of the Valtra acquisition.

We recorded restructuring (income) expenses of $6.0 million and $(0.6) million in the second quarter and first six months of 2004, respectively, compared to $19.2 million and $26.2 million for the same periods in 2003. For the second quarter of 2004, the expenses primarily related to a write-down of property, plant and equipment associated with the restructuring of our Randers, Denmark combine manufacturing operations announced in July 2004, offset by gains related to the sale of machinery and equipment from our closure of the Coventry, England facility, which was closed in 2003, and the reversal of certain Coventry closure reserves. For the six months ended June 30, 2004, the restructuring expenses also included a gain on the sale of our Coventry, England facility, which occurred in January 2004. The results for the second quarter and first six months of 2003 primarily related to the closure of the Coventry, England and DeKalb, Illinois tractor manufacturing facilities. In addition, we recorded a charge of approximately $12.4 million in the second quarter of 2003 associated with litigation regarding our U.K. pension plan. See "Restructuring and Other Infrequent (Income) Expenses."

Income from operations was $98.1 million, or 6.9% of net sales, and $162.3 million, or 6.4% of sales, for the second quarter and first six months of 2004, respectively, compared to $42.6 million, or 4.7%, and $80.5 million, or 4.9% of net sales, for the same periods in the prior year. These increases in operating income in 2004 are primarily due to the contribution of Valtra and increased sales volume due to improved market conditions in most regions, partially offset by the negative impact of additional non-cash amortization of purchase intangibles resulting from the Valtra acquisition. Operating income associated with the Valtra acquisition was $27.1 million and $37.9 million for the second quarter and first six months of 2004, respectively.

Interest expense, net was $22.6 million and $45.4 million for the second quarter and first six months of 2004, respectively, compared to $15.1 million and $30.1 million for the same periods in 2003. The increase in interest expense was due to higher debt levels used to fund the acquisition of Valtra. Interest expense was also impacted in the second quarter by approximately $3.0 million due to costs associated with the repayment of our 8½% senior subordinated debt.

Other expense, net was $3.4 million and $8.5 million for the second quarter and first six months of 2004, respectively, compared to $7.9 million and $14.6 million, respectively, for the same periods in 2003. During the second quarter of 2004, losses on sales of receivables primarily under our securitization facilities were $3.8 million compared to $4.2 million for the same period in 2003. For the first six months of 2004, losses on sales of receivables primarily under our securitization facilities were $7.6 million compared to $7.1 million for the same period in 2003.

We recorded an income tax provision of $28.8 million and $45.0 million for the second quarter and first six months of 2004, respectively, compared to an income tax provision of $8.7 million and $16.8 million for the same periods in 2003. The effective tax rate was 41.5% for the first six months of 2004 compared to 46.9% in the comparable prior year period. In 2004, our effective tax rate was above the statutory rate due primarily to losses in Denmark, where we recorded no tax benefit. In 2003, our effective tax rate was similarly impacted by losses in the United States in which no tax benefit was recorded.

ACQUISITIONS

On January 5, 2004, we acquired the Valtra tractor and diesel engine operations of Kone Corporation, a Finnish company, for €606.1 million, net of approximately €19.8 million cash acquired (approximately $760 million, net). Valtra is a global tractor and off-road engine manufacturer in the Nordic region of Europe and Latin America. The acquisition of Valtra provides us with the opportunity to expand our business in significant

global markets by utilizing Valtra's technology and productivity leadership in the agricultural equipment market. The results of operations for the Valtra acquisition have been included in our Condensed Consolidated Financial Statements from the date of acquisition. The Valtra acquisition was accounted for in accordance with SFAS No. 141, "Business Combinations," and accordingly, the Company has allocated the purchase price to the assets acquired and the liabilities assumed based on a preliminary estimate of fair values as of the acquisition date. This allocation is subject to adjustment and will be completed in 2004. We completed the initial funding of the €606.1 million cash purchase price of Valtra through the issuance of $201.3 million principal amount of convertible senior subordinated notes in December 2003, funds borrowed under our new revolving credit and term loan facilities which were entered into January 5, 2004, and $100.0 million borrowed under an interim bridge facility that also closed on January 5, 2004.

RESTRUCTURING AND OTHER INFREQUENT (INCOME) EXPENSES

On July 2, 2004, we announced a plan to restructure our European combine manufacturing operations located in Randers, Denmark. The restructuring plan will reduce the cost and complexity of the Randers manufacturing operation, by simplifying the model range and eliminating the facility's component manufacturing operations. We will outsource manufacturing of the majority of parts and components to suppliers and retain critical key assembly operations at the Randers facility. By retaining only the facility assembly operations, we plan to reduce the Randers workforce by approximately 300 employees and permanently eliminate 70% of the square footage utilized. Our plans also include a rationalization of the combine model range to be assembled in Randers, retaining the production of the high specification, high value combines. As a result of the restructuring plan, we estimate that it will generate annual savings of approximately $7 million to $8 million. Cash restructuring costs are estimated to be approximately $6 million to $8 million and are expected to be expensed in 2004. In the second quarter, we recorded an $8.0 million write-down of property, plant and equipment related to the restructuring as described in Note 3 to our Condensed Consolidated Financial Statements. The Company also recorded approximately $3.6 million of inventory write-downs reflected in costs of goods sold, related to inventory that was identified as obsolete as a result of the restructuring plan.

During 2002, we announced and initiated a restructuring plan related to the closure of our tractor manufacturing facility in Coventry, England and the relocation of existing production at Coventry to our Beauvais, France and Canoas, Brazil manufacturing facilities. The closure of this facility is consistent with our strategy to reduce excess manufacturing capacity. In 2003, we completed the transfer of production to our Beauvais facility, although we experienced cost inefficiencies and production delays primarily due to supplier delivery issues. Those inefficiencies have been largely eliminated in 2004. For the six months ended June 30, 2004, we recorded a first quarter gain of $6.9 million on the sale of our Coventry, England facility and a second quarter $2.0 million gain on the sale of machinery and equipment and closure reserve reductions related to the Coventry closure. The components of the restructuring expenses (income) incurred during 2003 and 2004 are summarized in Note 3 to our Condensed Consolidated Financial Statements.

In addition, during 2002 through 2004, we initiated several rationalization plans and recorded restructuring and other infrequent expenses in total of approximately $4.9 million. The expenses primarily related to severance costs and certain lease termination and other exit costs associated with the rationalization of our European engineering and marketing personnel, certain components of our German manufacturing facilities located in Kempten and Marktoberdorf, Germany, our European combine engineering rationalization and the closure and consolidation of Valtra's U.S. and Canadian sales organizations. These rationalizations were completed to improve our ongoing cost structure and to reduce cost of goods sold, as well as engineering and SG&A expenses. These expenses are discussed more fully in Note 3 to our Condensed Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

Our 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

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our revolving credit facility and accounts receivable securitization facilities.

As a result of the Valtra acquisition, we completed a number of debt and equity capital transactions which provided funding for the Valtra acquisition and refinanced the majority of our outstanding debt facilities. Our current financing and funding sources are $201.3 million principal amount 1¾% convertible senior subordinated notes due 2033, €200.0 million principal amount 6$^{7}/_{8}$% senior subordinated notes due 2014, $250.0 million principal amount 9½% senior notes due 2008, approximately $484.1 million of accounts receivable securitization facilities, a $300.0 million revolving credit facility, a $277.0 million term loan facility and a €110.7 million term loan facility.

On December 23, 2003, we issued $201.3 million of 1¾% convertible senior subordinated notes due 2033 under a private placement offering. The convertible senior subordinated notes are unsecured obligations and are convertible into shares of our common stock upon satisfaction of certain conditions, as discussed below. Interest is payable on the notes at 1¾% per annum, payable semi-annually in arrears in cash on June 30 and December 31 of each year, beginning June 30, 2004.

The convertible senior subordinated notes are convertible into shares of our common stock at an effective price of $22.36 per share, subject to adjustment. Holders of the notes may convert the notes prior to the close of business on December 31, 2033, only under the following circumstances: (1) during any fiscal quarter, if the closing sales price of our common stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; (2) during the five business day period after a five consecutive trading day period in which the trading price per note for each day of that period was less than 98% of the product of the closing sale price of our common stock and the conversion rate; (3) if the notes have been called for redemption; or (4) upon the occurrence of certain corporate transactions. Beginning January 1, 2011, we may redeem any of the notes at a redemption price of 100% of their principal amount, plus accrued interest. Holders of the notes may require us to repurchase the notes at a repurchase price of 100% of their principal amount, plus accrued interest, on December 31, 2010, 2013, 2018, 2023 and 2028.

On January 5, 2004, we entered into a new credit facility that provides for a $300.0 million multi-currency revolving credit facility, a $300.0 million U.S. dollar denominated term loan and a €120.0 million Euro denominated term loan. This facility replaced our $350.0 million multi-currency revolving credit facility. The revolving credit facility will mature in March 2008. The maturity date of the revolving credit facility may be extended to December 2008 if the Company's existing 9½% senior notes due 2008 are refinanced on terms specified by the lenders prior to March 2008. Both term loans will amortize at the rate of one percent per annum until the maturity date. The Company was required to prepay approximately $22.3 million of the U.S. dollar denominated term loan and €9.0 million of the Euro denominated term loan as a result of excess proceeds received from the common stock public offering in April 2004. Beginning on March 31, 2005, and each year thereafter, we may be required to prepay a portion of the term loans depending on the amount of cash flow generated in the prior year. The maturity date for the term loans is March 2008. The maturity date of the term loans may be extended to June 2009 if the senior notes are refinanced on terms specified by the lenders prior to March 2008. The revolving credit and term facilities are secured by a majority of our U.S., Canadian, Finnish and U.K. based assets and a pledge of a portion of the stock of our domestic and material foreign subsidiaries. Interest accrues on amounts outstanding under the facility, at our option, at either (1) LIBOR plus a margin ranging between 1.50% and 2.25% based upon our senior debt ratio or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.25% and 1.0% based on our senior debt ratio. The facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends. We must also fulfill financial covenants including, among others, a total debt to EBITDA ratio, a senior debt to EBITDA ratio and a fixed charge coverage ratio, as defined in the facility. As of June 30, 2004, we had total borrowings of $429.6 million under the credit facility, which included $17.7 million outstanding under the multi-currency revolving facility, $277.0 million under the U.S. dollar denominated term loan facility and €110.7 million ($134.9 million) under the Euro denominated term loan facility. As of June 30, 2004, we had availability to borrow $273.5 million under the revolving credit facility.

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On April 7, 2004, we sold 14,720,000 shares of our common stock in an underwritten public offering, and received net proceeds of approximately $300.1 million. We used the net proceeds to repay a $100.0 million interim bridge loan facility that we used in part to acquire Valtra, to repay borrowings under our credit facility, and to pay offering related fees and expenses.

On April 23, 2004, we sold €200.0 million of 6$^{7}/_{8}$% senior subordinated notes due 2014, and received proceeds of approximately $234 million, after offering related fees and expenses. The 6$^{7}/_{8}$% senior subordinated notes are unsecured obligations and are subordinated in right of payment to the Company's 9½% senior notes, and any existing or future senior indebtedness. Interest is payable on the notes semi-annually on April 15 and October 15 of each year, beginning October 15, 2004. Beginning April 15, 2009, we may redeem the notes, in whole or in part, initially at 103.438% of their principal amount, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, at any time on or after April 15, 2012. In addition, before April 15, 2009, we may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount, plus accrued interest plus a make-whole premium. Before April 15, 2007, we also may redeem up to 35% of the notes at 106.875% of their principal amount using the proceeds from sales of certain kinds of capital stock. The notes include covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

We used the net proceeds received from the issuance of the 6$^{7}/_{8}$% senior subordinated notes, as well as available cash, to redeem our $250.0 million principal amount of 8½% senior subordinated notes on May 24, 2004.

The 9½% senior notes are unsecured obligations and are redeemable at our option, in whole or in part, commencing May 1, 2005 initially at 104.75% of their principal amount, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, on May 1, 2007. The indenture governing the senior notes requires us to offer to repurchase the senior notes at 101% of their principal amount, plus accrued interest to the date of the repurchase, in the event of a change in control. The senior notes include covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

Our business is subject to substantial cyclical variations, which generally are difficult to forecast. Our results of operations may also vary from time to time resulting from costs associated with rationalization plans and acquisitions. As a result, we have had to request relief from our lenders on occasion with respect to financial covenant compliance. While we do not currently anticipate asking for any relief, it is possible that we would require relief in the future. Based upon our historical working relationship with our lenders, we currently do not anticipate any difficulty in obtaining that relief.

Under our securitization facilities, we sell accounts receivable in the United States, Canada and Europe on a revolving basis to commercial paper conduits either on a direct basis or through a wholly-owned special purpose entity. At June 30, 2004, the aggregate amount of these facilities was $484.1 million. During the second quarter 2004, the Company amended certain provisions of its United States and Canada receivable securitization facilities, primarily to increase the facilities by $30.0 million and $10.0 million, respectively, and to eliminate default triggers associated with our credit ratings. The outstanding funded balance of $438.4 million as of June 30, 2004 has the effect of reducing accounts receivable and short-term liabilities by the same amount. Our risk of loss under the securitization facilities is limited to a portion of the unfunded balance of receivables sold, which is approximately 15% of the funded amount. We maintain reserves for doubtful accounts associated with this risk. If the facilities were terminated, we would not be required to repurchase previously sold receivables but would be prevented from selling additional receivables to the commercial paper conduit. The European facility agreement provides that the agent, Rabobank, has the right to terminate the securitization facilities if our senior unsecured debt rating moves below B+ by Standard & Poor's or B1 by Moody's Investor Services. Based on our current ratings, a downgrade of two levels by Standard & Poor's and two levels by Moody's would need to occur. We are currently in discussions with the conduit purchaser to have the ratings triggers eliminated from the agreement.

The U.S. and Canadian securitization facilities expire in April 2009 and the European facility in April 2006 but are subject to annual renewals. These facilities allow us to sell accounts receivables through financing conduits which obtain funding from commercial paper markets. Future funding under securitization facilities depends upon the adequacy of receivables, a sufficient demand for the underlying commercial paper and the maintenance of certain covenants concerning the quality of the receivables and our financial condition. In the event commercial paper demand is not adequate, our securitization facilities provide for liquidity backing from various financial institutions including Rabobank. These liquidity commitments would provide us with interim funding to allow us to find alternative sources of working capital financing, if necessary.

Our working capital requirements are seasonal, with investments in working capital typically building in the first half of the year and then reducing in the second half of the year. We had $956.2 million in working capital at June 30, 2004, as compared with $755.4 million at December 31, 2003 and $875.4 million at June 30, 2003. Accounts receivable and inventories, combined, were $518.1 million higher than at December 31, 2003. The increase includes approximately $336.9 million of receivables and inventories related to the Valtra acquisition. The remaining increase in inventories and receivables is due primarily to seasonal inventory requirements and foreign currency translation.

Cash flow used in operating activities was $9.0 million for the first six months ended June 30, 2004, compared to $168.0 million for the same period in 2003. The use of cash in both periods was primarily due to seasonal increases in working capital. The improvement in operating cash flow in 2004 compared to 2003 was due to improved profitability and lower seasonal working capital requirements.

Capital expenditures for the first six months of 2004 were $25.0 million compared to $28.1 million for the same period in 2003. We anticipate that capital expenditures for the full year of 2004 will range from approximately $90 million to $100 million and will primarily be used to support the development and enhancement of new and existing products as well as facility, equipment and systems improvements.

Our debt to capitalization ratio, which is total long-term debt divided by the sum of total long-term debt and stockholders' equity, was 47.8% at June 30, 2004 compared to 44.0% at December 31, 2003. The increase is primarily attributable to higher debt incurred to fund the Valtra acquisition. Our debt to capitalization ratio decreased during the second quarter of 2004 as a result of our equity offering, which was completed in April 2004.

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

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

CONTRACTUAL COMMITMENTS

The future payments required under our significant contractual obligations, excluding foreign currency forward contracts, as of June 30, 2004 are as follows (in millions):

		Payments Due By Period			
	Total	2004 to 2005	2005 to 2007	2007 to 2009	2009 and Beyond
Long-term debt	$1,136.9	$ 6.8	$12.8	$668.5	$448.8
Capital lease obligations	1.6	1.5	0.1	—	—
Operating lease obligations.	88.1	24.6	29.1	13.0	21.4
Unconditional purchase obligations (1)	22.7	12.2	5.6	2.6	2.3
Other short-term and long-term obligations (2)	282.0	41.5	41.1	36.3	163.1
Total contractual cash obligations	$1,531.3	$86.6	$88.7	$720.4	$635.6

		Amount of Commitment Expiration Per Period			
	Total	2004 to 2005	2005 to 2007	2007 to 2009	2009 and Beyond
Standby letters of credit and similar instruments	$ 8.9	$ 8.9	$ —	$ —	$ —
Guarantees	69.2	44.9	20.4	2.9	1.0
Total commercial commitments and lines of credit	$78.1	$53.8	$20.4	$2.9	$1.0

(1) Unconditional purchase obligations exclude routine purchase orders entered into in the normal course of business.

(2) Other long-term obligations include estimates of future minimum contribution requirements under our U.S. and U.K. defined benefit pension plans. These estimates are based on current legislation and are subject to change.

Guarantees

At June 30, 2004, we were obligated under certain circumstances to purchase, through the year 2009, up to $14.8 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada Ltd., our retail finance joint ventures in North America, and end users. We also maintain a remarketing agreement with these joint ventures whereby we are obligated to repurchase repossessed inventory at market values. On December 31, 2003, we entered into an agreement with AGCO Finance LLC which limits our purchase obligations under this arrangement to $6.0 million in the aggregate per calendar year. We believe that any losses, which might be incurred on the resale of this equipment, will not materially impact our financial position or results of operations.

At June 30, 2004, we guaranteed indebtedness owed to third parties of approximately $54.4 million, primarily related to dealer and end-user financing of equipment. We believe the credit risk associated with these guarantees is not material to our financial position.

Other

At June 30, 2004, we had foreign currency forward contracts to buy an aggregate of approximately $58.5 million United States dollar equivalents and foreign currency forward contracts to sell an aggregate of

approximately $368.9 million United States dollar equivalents. All contracts have a maturity of less than one year. See "Foreign Currency Risk Management" for further information.

OUTLOOK

AGCO's net income for the full year of 2004 is expected above 2003 as a result of sales growth and margin improvements. Our net sales are projected to increase for the full year of 2004 compared to 2003 primarily as a result of the Valtra acquisition, positive foreign currency impacts and the expectation that worldwide industry conditions remain above prior year levels. North American industry demand in 2004 is expected to continue benefit from relatively high commodity prices and tax incentives to farmers. In South America, industry demand in 2004 is expected to remain strong in Brazil due to high farm income and continued availability of subsidized financing. In addition, continued recovery of industry demand is anticipated in Argentina and other markets outside of Brazil. In Western Europe, industry demand in 2004 is expected to be level with or modestly above 2003, which was negatively impacted by drought conditions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, management evaluates estimates, including those related to reserves, intangible assets, income taxes, pension and other postretirement benefit obligations, derivative financial instruments and contingencies. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. A description of critical accounting policies and related judgment and estimates that affect the preparation of the consolidated financial statements is set forth in the Annual Report on Form 10-K for the year ended December 31, 2003 and Form 8-K dated June 2, 2004.

ACCOUNTING CHANGES

In January 2003, the Financial Accounting Standards Board, or FASB, issued FASB Interpretation No. 46 "Consolidation of Variable Interest Entities and Interpretation of ARB No. 51," or FIN 46, as revised in December 2003, which addresses the consolidation by business enterprises of variable interest entities, to which the usual condition of consolidating a controlling financial interest does not apply. FIN 46 requires an entity to assess its equity investments to determine if they are variable interest entities. As defined in FIN 46, variable interests are contractual, ownership or other interests in an entity that change with changes in the entity's net asset value. Variable interests in an entity may arise from financial instruments, service contracts, guarantees, leases or other arrangements with the variable interest entity. An entity that will absorb a majority of the variable interest entity's expected losses or expected residual returns, as defined in FIN 46, is considered the primary beneficiary of the variable interest entity. The primary beneficiary must include the variable interest entity's assets, liabilities and results of operations in its consolidated financial statements. FIN 46 is immediately effective for all variable interest entities created after January 31, 2003. For variable interest entities created prior to this date, the provisions of FIN 46 must be applied no later than the first interim period ending after March 15, 2004; however, all public companies were required to apply the unmodified provisions of FIN 46 to entities considered "special purpose entities" by the end of the first reporting period ending after December 15, 2003. We analyzed the provisions of FIN 46 as they relate to our current securitization facilities and special purpose entity related to these facilities, and concluded that we do not believe they are impacted by this interpretation. In addition, we analyzed the provisions of FIN 46 as they relate to the accounting for our investments in joint ventures and determined that we are the primary beneficiary of one of our joint ventures, GIMA. GIMA was established in 1994 between AGCO and Renault Agriculture S.A. ("Renault") to cooperate in the field of purchasing, design and manufacturing of components for agricultural tractors. Each party has a 50% ownership in the joint venture. On July 1, 2003, we began consolidating the accounts of GIMA. Historically, we accounted for our investment in GIMA under the

equity method. The consolidation of GIMA did not have a material impact on our results of operations or financial position.

In December 2003, the FASB issued SFAS No. 132 (Revised 2003), "Employers' Disclosures about Pensions and Other Postretirement benefits-an amendment of FASB Statements No. 87, 88 and 106." This statement requires disclosures in addition to those required by the original SFAS No. 132 related to the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. These additional disclosures were required for the Company's year ended December 31, 2003 and first quarter ending March 31, 2004.

FORWARD LOOKING STATEMENTS

Certain statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this quarterly report on Form 10-Q are forward looking, including certain statements set forth under the headings "Results of Operations," "Liquidity and Capital Resources" and "Outlook." Forward looking statements reflect assumptions, expectations, projections, intentions or beliefs about future events. These statements, which may relate to such matters as our expectations with respect to the Valtra acquisition, industry conditions, net sales and income, restructuring and other infrequent expenses, impairment charges, future capital expenditures, fulfillment of working capital needs, the impact of war and political unrest and future acquisition plans, are "forward-looking statements" within the meaning of the federal securities laws. These statements do not relate strictly to historical or current facts, and you can identify certain of these statements, but not necessarily all, by the use of the words "anticipate," "assumed," "indicate," "estimate," "believe," "predict," "forecast," "rely," "expect," "continue," "grow" and other words of similar meaning. Although we believe that the expectations and assumptions reflected in these statements are reasonable in view of the information currently available to us, there can be no assurance that these expectations will prove to be correct. These forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in or implied by the forward-looking statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements:

- general economic and capital market conditions;
- the worldwide demand for agricultural products;
- grain stock levels and the levels of new and used field inventories;
- government policies and subsidies;
- weather conditions;
- interest and foreign currency exchange rates;
- pricing and product actions taken by competitors;
- commodity prices, acreage planted and crop yields;
- farm income, land values, debt levels and access to credit;
- pervasive livestock diseases;
- production disruptions;
- supply and capacity constraints;

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- our cost reduction and control initiatives;
- our research and development efforts;
- dealer and distributor actions;
- technological difficulties; and
- political and economic uncertainty in various areas of the world.

Any forward-looking statement should be considered in light of such important factors.

New factors that could cause actual results to differ materially from those described above emerge from time to time, and it is not possible for us to predict all of such factors or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and we disclaim any obligation to update the information contained in such statement to reflect subsequent developments or information except as required by law.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

FOREIGN CURRENCY RISK MANAGEMENT

We have significant manufacturing operations in France, Germany, Brazil, Finland and Denmark, and we purchase a portion of our tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. We also sell products in over 140 countries throughout the world. The majority of our revenue outside the United States is denominated in the currency of the customer location with the exception of sales in the Middle East, Africa and Asia, where revenue is primarily denominated in British pounds, Euros or United States dollars (See “Segment Reporting” in the Note 15 in the Notes to our Consolidated Financial Statements for the year ended December 31, 2003 for sales by customer location). Our most significant transactional foreign currency exposures are the Euro, Brazilian real and the Canadian dollar in relation to the United States dollar. Fluctuations in the value of foreign currencies create exposures, which can adversely affect our results of operations.

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

The following is a summary of foreign currency forward contracts used to hedge currency exposures. All contracts have a maturity of less than one year. The net notional amounts and fair value gains or losses as of June 30, 2004 stated in United States dollars are as follows (in millions, except average contract rate):

	Net Notional Amount Buy/(Sell)	Average Contract Rate*	Fair Value Gain/(Loss)
Australian dollar	$ (18.4)	1.44	$ —
British pound	37.7	0.57	1.2
Canadian dollar	(31.6)	1.35	(0.4)
Danish krone	1.5	6.08	—
Euro dollar	(256.7)	0.83	(2.3)
Japanese yen	18.8	109.79	0.2
Mexican peso	(23.8)	11.52	0.1
New Zealand dollar	0.5	1.57	—
Norwegian krone	(28.9)	6.79	0.5
South African rand	(0.5)	6.64	—
Swedish krona	(9.0)	7.47	0.1
			$(0.6)

* 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.

Interest Rates

We manage interest rate risk through the use of fixed rate debt and may in the future utilize interest rate swap contracts. We have fixed rate debt from our $1^{3}/_{4}$% convertible senior subordinated notes, $6^{7}/_{8}$% senior subordinated notes and our $9^{1}/_{2}$% senior notes. Our floating rate exposure is related to our credit facilities and our securitization facilities, which are tied to changes in United States and European LIBOR rates. Assuming a 10% increase in interest rates, interest expense, net for the six months ended June 30, 2004, would have increased by approximately $0.4 million.

We had no interest rate swap contracts outstanding in the six months ended June 30, 2004.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of June 30, 2004, have concluded that, as of such date, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting identified in connection with the evaluation described above that occurred during the quarter ended June 30, 2004, that has materially affected or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As a result of the SEC inquiry which we have previously disclosed, six complaints were filed against the Company and two of its officers. A seventh complaint was filed as a derivative action and named our directors as defendants as well. All seven complaints have been dismissed without any payment by any of the defendants.

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

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

The Company's annual meeting of Stockholders was held on April 22, 2004. The following matters were voted upon and the results of the voting were as follows:

(1) To elect four directors to serve as Class III directors until the annual meeting in 2007 or until their successors have been duly elected and qualified. The nominees, Messrs. Booker, Johanneson, Moll and Ratliff were elected to the Company's board of directors. The results follow:

Nominee	Affirmative Votes	Withheld Votes
W. Wayne Booker	63,028,381	1,747,603
Gerald B. Johanneson	63,823,428	952,556
Curtis E. Moll	63,722,553	1,053,431
Robert J. Ratliff	64,023,990	751,994

(2) To approve a stockholder proposal that was presented at the annual meeting of stockholders.

There were 19,625,502 votes in favor, 31,549,284 votes opposed, 3,349,670 votes abstained, and 10,251,528 broker non-votes.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit Number	Description of Exhibit	The filings referenced for incorporation by reference are AGCO Corporation
10.1	Employment Agreement of Martin Richenhagen *	Filed herewith
31.1	Certification of Martin Richenhagen	Filed herewith
31.2	Certification of Andrew H. Beck	Filed herewith
32.0	Certification of Martin Richenhagen and Andrew H. Beck	Furnished herewith

(*) Management contract or compensation plan required to be filed as an exhibit.

(b) Reports on Form 8-K

April 5, 2004	We reported information under Item 7.
April 15, 2004	We reported information under Item 7.
April 23, 2004	We reported information under Items 7 and 12.
April 28, 2004	We reported information under Items 7 and 12.
June 2, 2004	We reported information under Item 5.

SIGNATURES

Pursuant to the requirements 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
Registrant

Date: August 6, 2004

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 10.1

EMPLOYMENT AND SEVERANCE AGREEMENT

This Employment and Severance Agreement (the "Agreement") is entered into this 21st day of July, 2004, by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Martin Richenhagen (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, upon the terms and conditions set forth in this Agreement.

(b) The employment term shall commence on July 21, 2004 and shall continue in effect for an initial three (3) year term. This Agreement shall automatically be extended for additional one (1) year terms unless: (i) the Company notifies the Executive at least 60 days prior to the expiration of the current term that this Agreement shall not be renewed, or (ii) the Agreement is terminated pursuant to the provisions of Section 5.

2. POSITION AND DUTIES.

The Executive shall serve as President and Chief Executive 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 Seven Hundred Fifty Thousand Dollars ($750,000 USD), payable in equal semi-monthly installments throughout the term of such employment subject to Section 5 hereof (except that the first and last semi-monthly installments may be prorated, if necessary) 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 the

Management Incentive Compensation Plan and the Long-Term Incentive Plan that is implemented by the Company.

(c) SUPPLEMENTAL EMPLOYEE RETIREMENT PROGRAM. During the term of this Agreement, the Executive shall be entitled to participate in the AGCO Corporation Supplemental Executive Retirement Plan ("SERP"), and the SERP shall be amended to provide for the following:

(1) For the purpose of determining years of credited service, the Executive shall be guaranteed the first five (5) years of service. Benefits shall be vested and portable if the Executive's employment is terminated by the Company without Cause, by the Executive for Good Reason or by the Company by not renewing this Agreement, even if the Executive's actual employment is less than five years.

(2) In the event the Executive elects to terminate employment with the Company for reasons other than Good Reason, the benefits of the SERP shall not be portable.

(d) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the 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.

(e) FRINGE BENEFITS. The Company shall pay or reimburse the Executive for all reasonable and necessary expenses incurred by him in connection with his duties hereunder, upon submission by the Executive to the Company of such written evidence of such expenses as the Company may require. Throughout the term of this Agreement, the Company will provide the 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 the Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder, subject to the terms of the Company's vacation policy.

4. RESTRICTIVE COVENANTS

(a) ACKNOWLEDGMENTS. The Executive acknowledges that as an Executive Officer 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.

(i) "Business of Company" means designing, manufacturing, marketing, and distributing agricultural equipment.

(ii) "Material Contact" as used in the non-solicitation provision below means personal contact or the supervision of the efforts of those who have personal contact with an existing or potential Customer or Vendor in an effort to further or create a business relationship between the Company and such existing or potential Customer or Vendor.

(iii) "Confidential Information" means information about the Company, its Executives, and Customers which is not generally known outside of the Company, which the Executive learns of in connection with the Executive's employment with the Company, and which would be useful to competitors of the Company or potentially harmful to the Company's reputation. Confidential Information includes, but is not limited to: (1) business and employment policies, marketing methods and the targets of those methods, finances, business plans, promotional materials and price lists; (2) the terms upon which the Company hires employees and provides services to its Customers; (3) the nature, origin, composition and development of the Company's products and services; and (4) the manner in which the Company provides products and services to its Customers.

(iv) "Trade Secrets" means Confidential Information which meets the additional requirements of the Georgia Trade Secrets Act.

(v) "Territory" means those countries and areas as more particularly set forth on Exhibit A attached hereto.

(c) COVENANT OF CONFIDENTIALITY. During the term of this Agreement, the Executive agrees only to use and disclose Confidential Information in connection with his duties hereunder and to otherwise maintain the secrecy of the same. The Executive agrees that for a period of five years following the cessation of his employment for any reason, he shall not directly or indirectly divulge or make use of any Confidential Information or Trade Secrets of the Company without prior written consent of the Company. The Executive further agrees that if he is questioned about information subject to this Agreement by anyone not

authorized to receive such information, he will promptly notify the Chairman of the Board. This Agreement does not limit the remedies available under common or statutory law, which may impose longer duties of non-disclosure. The Executive will immediately notify the Chairman of the Board if he receives any subpoenas which could require the disclosure of Confidential Information, so that the Company may take whatever actions it deems necessary to protect its interests.

(d) COVENANT OF NON-COMPETITION. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not compete with the Business of Company by performing services of the same or similar type as those he performed for the Company as an employee, contractor, consultant, officer, director or agent for any person or entity engaged in the Business of Company. Likewise, the Executive will not perform activities of the type which in the ordinary course of business would involve the utilization of Confidential Information or Trade Secrets protected from disclosure by Section 4 (c) of this Agreement. This paragraph restricts competition only within the Territory.

(e) COVENANT OF NON-SOLICITATION. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any business in competition with the Business of Company from any of the Customers with whom the Executive had Material Contact within the last 18 months of his employment with the Company. The Executive further agrees that for a period of twenty-four (24) months following the cessation of his employment, he will not directly or indirectly solicit or attempt to solicit any Vendors of the Company with whom he had Material Contact during the last 18 months of his employment with the Company to provide services to any person or entity which competes with the Business of Company.

(f) COVENANT OF NON-RECRUITMENT. The Executive agrees that while employed by the Company and for a period of twenty-four (24) months following the cessation of his employment for any reason, he will not directly or indirectly solicit or attempt to solicit any other employee of the Company for the purpose of encouraging, enticing, or causing said employee to voluntarily terminate employment with the Company.

(g) COVENANT TO RETURN PROPERTY AND INFORMATION. The Executive agrees to return all of the Company's property within seven (7) days following the cessation of his employment for any reason. Such property includes, but is not limited to, the original and any copy (regardless of the manner in which it is recorded) of all information provided by the Company to the Executive, or which the Executive has developed or collected in the scope of his employment with the Company, as well as all Company-issued equipment, supplies, accessories, vehicles, keys, instruments, tools, devices, computers, cell phones, pagers, materials, documents, plans, records, notebooks, drawings, or papers.

(h) ASSIGNMENT OF WORK PRODUCT AND INVENTIONS. The Executive hereby assigns and grants to the Company (and will upon request take any actions

needed to formally assign and grant to the Company and/or obtain patents, trademark registrations or copyrights belonging to the Company) the sole and exclusive ownership of any and all inventions, information, reports, computer software or programs, writings, technical information or work product collected or developed by the Executive, alone or with others, during the term of the Executive's employment. This duty applies whether or not the forgoing inventions or information are made or prepared in the course of employment with the Company, so long as such inventions or information relate to the Business of Company and have been developed in whole or in part during the term of the Executive's employment. The Executive agrees to advise the Company in writing of each invention that Executive, alone or with others, makes or conceives during the term of Executive's employment. Inventions which the Executive developed before the Executive came to work for the Company, if any, are as follows:

____.

(i) REMEDIES FOR VIOLATION OF RESTRICTIVE COVENANTS. The Executive acknowledges that the Company would suffer irreparable harm if the Executive fails to comply with the foregoing, and that the Company would be entitled to any appropriate relief, including money damages, injunctive and other equitable relief and attorneys' fees. The Executive agrees that the pendency of any claim whatsoever against the Company shall not constitute a defense to the enforcement of this Noncompetition Agreement by the Company.

(j) SEVERABILITY. In the event that any one or more of the provisions of these restrictive covenants shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Moreover, if any one or more of the provisions contained in these restrictive covenants shall be held to be excessively broad as to duration, activity or subject, the parties authorize the Court in which such action is pending to modify said covenants and enforce them to the extent that the Court deems reasonable.

5. TERMINATION.

(a) DEATH. This Agreement shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of Base Salary to the Executive, 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) DISABILITY. Executive's employment and all obligations of the Company hereunder shall terminate upon a finding that the Executive is disabled under the Company's group long term disability plan.

(c) CAUSE. The Company may terminate the Executive's employment hereunder for Cause by giving written Notice of Termination to the Executive. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon: (i) the conviction of Executive of, or the entry of a plea of guilty, first offender probation before judgment, or nolo contendere by Executive to, any felony; (ii) fraud, misappropriation or embezzlement by Executive; (iii) Executive's willful failure or gross

negligence in the performance of his assigned duties for the Company, which failure or negligence continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such willful failure or gross negligence; (iv) Executive's failure to follow reasonable and lawful directives of the Board or his breach of his fiduciary duty to the Company, which failure is not remedied within thirty (30) calendar days following Executive's receipt of written notice of such failure; (v) any act or omission of Executive that has a demonstrated and material adverse impact on the Company's business or reputation for honesty and fair dealing, other than an act or failure to act by Executive in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's business or reputation for honesty and fair dealing; or (vi) the breach by Executive of any material term of this Agreement, which breach continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such breach.

(d) WITHOUT CAUSE; GOOD REASON.

(i) The Company may terminate the Executive's employment hereunder without Cause, by giving written Notice of Termination (as defined in Section 5(e)) to the Executive.

(ii) The Executive may terminate his employment hereunder, by giving written Notice of Termination to the Company. For the purposes of this Agreement, the Executive shall have "Good Reason" to terminate his employment hereunder upon (a) a substantial reduction in the Executive's aggregate Base Salary and annual incentive compensation taken as a whole, excluding any reductions caused by the performance of the Company or the Executive, including but not limited to, the failure by the Executive to achieve performance targets established from time to time by the Board and/or under the Long Term Incentive Plan or from below budget performance by the Company, or (b) the Company's failure to make payments of Base Pay and incentive compensation, but only upon notice of such failure given by the Executive and the subsequent failure of the Company to cure the non-payment within thirty (30) days of such notice.

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

(f) OBLIGATION TO PAY. Except upon termination for Cause and voluntary termination by the Executive without Good Reason, and further subject to Section 6 below, the Company shall pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f), continue life insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f), and pay Executive 18 months of COBRA premiums to continue group health coverage. 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, including 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 disability as determined under the Company's long term disability plan, 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 disability, and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment shall be terminated for Cause, the Company shall pay the Executive his Base Salary through the date of termination specified in the Notice of Termination and the Company shall have no further obligations to the Executive under this Agreement. If the Executive's employment shall be terminated by the Company without Cause, by the Executive for Good Reason or by the Company by not renewing the Agreement following the initial term or any subsequent term, the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of two (2) years beginning as of the date of such termination (such two (2) year period being referred to hereinafter as the "Severance Period") at such intervals as the same would have been paid had the Executive remained in the active service of the Company, and (y) pay the Executive a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, which incentive compensation shall be payable at the time incentive compensation is payable generally under the applicable incentive plans; provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments upon and after reaching age 65 . The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of the employee benefit plans or programs of the Company or under applicable law.

6. CONDITIONS APPLICABLE TO SEVERANCE PERIOD; MITIGATION OF DAMAGES

(a) If during the Severance Period, the Executive breaches his obligations under Section 4 above, the Company may, upon written notice to the Executive, terminate the Severance Period and cease to make any further payments or provide any benefits described in Subsection 5(f).

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

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

in the case of the Company to:

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

in the case of the Executive to:

Martin Richenhagen
AGCO Corporation
4205 River Green Parkway
Duluth, GA 30096

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

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

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

Executive initials: /s/ M.R. ___________ Company initials: /s/ R.J.R.

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

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

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

12. SURVIVAL. The provisions of Section 4 hereof shall survive the termination of Executive's employment and shall be binding upon the Executive's personal or legal representative, executors, administrators, successors, heirs, distributees, devisees and legatees and the provisions of Section 5 hereof relating to payments and termination of the Executive's employment hereunder shall survive such termination and shall be binding upon the Company.

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

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

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

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

AGCO CORPORATION

By: /s/ R.J. Ratliff

Name: R.J. Ratliff

Title: Chairman

EXECUTIVE

/s/ Martin Richenhagen

EXHIBIT A

DEFINITION OF "TERRITORY"
PURSUANT TO SECTION 4(b)(v)

CODE	COUNTRY	AGCO RECOGNISED DISTRIBUTION/REPRESENTATIVE
AF	AFGHANISTAN	Y
AL	ALBANIA	Y
DZ	ALGERIA	Y
AO	ANGOLA	Y
AG	ANTIGUA AND BARBUDA	Y
AR	ARGENTINA	Y
AU	AUSTRALIA	Y
AT	AUSTRIA	Y
AY	AZORES	Y
BH	BAHRAIN	Y
BD	BANGLADESH	Y
BB	BARBADOS, WEST INDIES	Y
BE	BELGIUM	Y
BJ	BENIN	Y
BO	BOLIVIA	Y
BA	BOSNIA	Y
BR	BRAZIL	Y
BG	BULGARIA	Y
BI	BURUNDI	Y
CM	CAMEROON	Y
CA	CANADA	Y
CF	CENTRAL AFRICAN REPUBLIC	Y
CL	CHILE	Y
CN	CHINA	Y
CO	COLOMBIA	Y
CG	CONGO	Y
CD	CONGO, DEM REP	Y
CR	COSTA RICA	Y
HR	CROATIA	Y
CY	CYPRUS	Y
CZ	CZECH REPUBLIC	Y
DK	DENMARK	Y
DJ	DJIBOUTI	Y
EC	ECUADOR	Y
EG	EGYPT	Y
SV	EL SALVADOR	Y
EE	ESTONIA	Y
ET	ETHIOPIA	Y
FJ	FIJI	Y

CODE	COUNTRY	AGCO RECOGNISED DISTRIBUTION/REPRESENTATIVE
FI	FINLAND	Y
FR	FRANCE	Y
GF	FRENCH GUIANA	Y
PF	FRENCH POLYNESIA	Y
GA	GABON	Y
GM	GAMBIA	Y
GE	GEORGIA	Y
DE	GERMANY	Y
GH	GHANA	Y
GR	GREECE	Y
GP	GUADELOUPE	Y
GT	GUATEMALA	Y
GY	GUYANA	Y
HT	HAITI	Y
HN	HONDURAS	Y
HK	HONG KONG	Y
HU	HUNGARY	Y
IR	I.R.O. IRAN	Y
IS	ICELAND	Y
IN	INDIA	Y
ID	INDONESIA	Y
IQ	IRAQ	Y
IE	IRELAND	Y
IL	ISRAEL	Y
IT	ITALY	Y
CI	IVORY COAST	Y
JM	JAMAICA, WEST INDIES	Y
JP	JAPAN	Y
JO	JORDAN	Y
KZ	KAZAKHSTAN	Y
KE	KENYA	Y
KW	KUWAIT	Y
LV	LATVIA	Y
LB	LEBANON	Y
LY	LIBYA	Y
LT	LITHUANIA	Y
LU	LUXEMBOURG	Y
MK	MACEDONIA	Y
MK	MACEDONIA	Y
MG	MADAGASCAR	Y
MW	MALAWI	Y
MY	MALAYSIA	Y
ML	MALI	Y
MQ	MARTINIQUE	Y
MU	MAURITIUS	Y

CODE	COUNTRY	AGCO RECOGNISED DISTRIBUTION/REPRESENTATIVE
MX	MEXICO	Y
MA	MOROCCO	Y
MZ	MOZAMBIQUE	Y
MM	MYANMAR	Y
NP	NEPAL	Y
NL	NETHERLANDS	Y
NC	NEW CALEDONIA	Y
NZ	NEW ZEALAND	Y
NG	NIGERIA	Y
NO	NORWAY	Y
OM	OMAN	Y
PK	PAKISTAN	Y
PS	PALESTINE	Y
PG	PAPUA NEW GUINEA	Y
PE	PERU	Y
PH	PHILIPPINES	Y
PL	POLAND	Y
PT	PORTUGAL	Y
PR	PUERTO RICO	Y
QA	QATAR	Y
PA	REP. OF PANAMA	Y
ZM	REP. OF ZAMBIA	Y
RO	ROMANIA	Y
RU	RUSSIA	Y
RW	RWANDA	Y
WS	SAMOA	Y
SA	SAUDI ARABIA	Y
SN	SENEGAL	Y
CS	SERBIA AND MONTENEGRO	Y
SC	SEYCHELLES	Y
SG	SINGAPORE	Y
SK	SLOVAKIA	Y
SI	SLOVENIA	Y
SB	SOLOMON ISLANDS	Y
ZA	SOUTH AFRICA	Y
KR	SOUTH KOREA	Y
ES	SPAIN	Y
LK	SRI LANKA	Y
SD	SUDAN	Y
SR	SURINAME	Y
SE	SWEDEN	Y
CH	SWITZERLAND	Y
SY	SYRIA	Y
TW	TAIWAN	Y
TZ	TANZANIA	Y

CODE	COUNTRY	AGCO RECOGNISED DISTRIBUTION/REPRESENTATIVE
TH	THAILAND	Y
CD	THE DEM. REP. OF THE CONGO	Y
TG	TOGO	Y
TO	TONGA	Y
TT	TRINIDAD AND TOBAGO	Y
TN	TUNISIA	Y
TR	TURKEY	Y
UG	UGANDA	Y
UA	UKRAINE	Y
AE	UNITED ARAB EMIRATES	Y
GB	UNITED KINGDOM	Y
US	UNITED STATES	Y
UY	URUGUAY	Y
VN	VIETNAM	Y
ZW	ZIMBABWE	Y
TOTAL		144

Contract-Richenhagen

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Martin Richenhagen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluations; and

    (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2004

/s/ Martin Richenhagen

Martin Richenhagen

President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew H. Beck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluations; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2004

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer

[AGCO LOGO] AGCO Corporation
Exhibit 32.0
4205 River Green Parkway Duluth, GA USA 30096-2584

Telephone 770/813-9200 Fax 770/813-6118

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of AGCO Corporation (the "Company") on Form 10-Q for the period ended June 30, 2004 (the "Report"), I, Martin Richenhagen, President and Chief Executive Officer of the Company and I, Andrew H. Beck, Senior Vice President and Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) to my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martin Richenhagen

Martin Richenhagen
President and Chief Executive Officer
August 6, 2004

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer
August 6, 2004