UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

For the quarter ended March 31, 2004

of

AGCO CORPORATION

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

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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 April 30, 2004, AGCO Corporation had 90,168,142 shares of common stock outstanding. AGCO Corporation is an accelerated filer (as defined in Rule 12b-2 of the Act).

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AGCO CORPORATION AND SUBSIDIARIES

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

	March 31, 2004	December 31, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 50.3	$ 147.0
Accounts and notes receivable, net	742.1	553.6
Inventories, net	1,133.4	803.6
Other current assets	186.4	180.3
Total current assets	2,112.2	1,684.5
Property, plant and equipment, net	563.9	434.2
Investment in affiliates	94.9	91.6
Deferred tax assets	149.5	147.5
Other assets	74.8	63.8
Intangible assets, net	236.3	86.1
Goodwill	674.4	331.7
Total assets	$3,906.0	$2,839.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 6.8	$ 2.2
Accounts payable	572.3	393.2
Accrued expenses	533.3	490.2
Other current liabilities	42.5	43.5
Total current liabilities	1,154.9	929.1
Long-term debt, less current portion	1,496.5	711.1
Pensions and postretirement health care benefits	220.6	197.5
Other noncurrent liabilities	127.7	95.6
Total liabilities	2,999.7	1,933.3
Stockholders' Equity:		
Common stock; $0.01 par value, 150,000,000 shares authorized, 75,488,142 and 75,409,655 shares issued and outstanding at March 31, 2004 and December 31, 2003, respectively	0.8	0.8
Additional paid-in capital	590.9	590.3
Retained earnings	660.0	635.0
Unearned compensation	(0.4)	(0.5)
Accumulated other comprehensive loss	(345.0)	(319.5)
Total stockholders' equity	906.3	906.1
Total liabilities and stockholders' equity	$3,906.0	$2,839.4

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)

	Three Months Ended March 31,	
	2004	**2003**
Net sales	$1,115.7	$757.2
Cost of goods sold	908.0	617.2
Gross profit	207.7	140.0
Selling, general and administrative expenses	119.6	78.7
Engineering expenses	26.2	15.9
Restricted stock compensation expense	0.3	0.1
Restructuring and other infrequent (income) expenses	(6.6)	7.0
Amortization of intangibles	4.0	0.4
Income from operations	64.2	37.9
Interest expense, net	22.8	15.0
Other expense, net	5.1	6.7
Income before income taxes and equity in net earnings of affiliates	36.3	16.2
Income tax provision	16.2	8.1
Income before equity in net earnings of affiliates	20.1	8.1
Equity in net earnings of affiliates	4.9	4.4
Net income	$ 25.0	$ 12.5
Net income per common share:		
Basic	$ 0.33	$ 0.17
Diluted	$ 0.33	$ 0.17
Weighted average number of common and common equivalent shares outstanding:		
Basic	75.3	75.1
Diluted	75.8	75.6

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES

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

	Three Months Ended March 31,	
	2004	2003
Cash flows from operating activities:		
Net income	$ 25.0	$ 12.5
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	20.9	14.0
Deferred debt issuance cost amortization	2.9	0.8
Amortization of intangibles	4.0	0.4
Restricted stock compensation	0.1	0.1
Equity in net earnings of affiliates, net of cash received	(2.4)	(1.8)
Deferred income tax expense	3.0	0.6
Gain on sale of property, plant and equipment	(7.0)	—
Changes in operating assets and liabilities net of effects from purchase of businesses:		
Accounts and notes receivable, net	(26.8)	(84.9)
Inventories, net	(180.0)	(90.6)
Other current and noncurrent assets	(1.4)	(0.5)
Accounts payable	98.8	8.4
Accrued expenses	(36.8)	(54.9)
Other current and noncurrent liabilities	(22.3)	1.3
Total adjustments	(147.0)	(207.1)
Net cash used in operating activities	(122.0)	(194.6)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(13.9)	(9.3)
Proceeds from sales of property, plant and equipment	34.7	7.1
(Purchase)/sale of businesses, net of cash acquired	(760.9)	0.2
Net cash used for investing activities	(740.1)	(2.0)
Cash flows from financing activities:		
Proceeds from debt obligations, net	780.7	182.2
Payment of debt issuance costs	(16.2)	—
Proceeds from issuance of common stock	0.4	0.1
Net cash provided by financing activities	764.9	182.3
Effect of exchange rate changes on cash and cash equivalents	0.5	1.0
Decrease in cash and cash equivalents	(96.7)	(13.3)
Cash and cash equivalents, beginning of period	147.0	34.3
Cash and cash equivalents, end of period	$ 50.3	$ 21.0

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 accounting principles generally accepted in the United States of America 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. 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 €600.6 million, net of approximately €21.4 million cash acquired (approximately $755.9 million, net). Acquisition costs of approximately $9.7 million resulted in a total purchase price of approximately $765.6 million. The purchase price is subject to resolution of certain open issues with Kone. Valtra is a global tractor and off-road engine manufacturer in the Nordic region of Europe and Latin America. The acquisition of Valtra provides 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 consist 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 $353.9 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 €600.6 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 the Company's 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 (Note 5).

The following pro forma data summarizes the results of operations for the quarter ended March 31, 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 would actually 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 the equity and debt offerings which were completed by the Company in April 2004 (Note 5).

(unaudited, in millions, except per share data)

	Three Months ended March 31, 2003
Net sales	$955.9
Net income	11.2
Net income per common share – basic	$ 0.15
Net income per common share – diluted	$ 0.15

3. RESTRUCTURING AND OTHER INFREQUENT (INCOME) EXPENSES

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

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 March 31, 2004, 1,030 employees have 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 Statement 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 has been reflected in "Restructuring and other infrequent (income) expenses in the Company's Condensed Consolidated Statement of Operations for the quarter ended March 31, 2004. The Company will lease 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. 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 $2.6 million of restructuring costs accrued at March 31, 2004 are expected to be incurred during 2004.

(unaudited, in millions, except per share data)

In addition to the expenses described above, the Company recorded a charge in the second quarter of 2003, included in “Restructuring and other infrequent expenses,” of approximately $12.4 million to reflect its estimate of an additional pension liability associated with a court’s interpretation of the treatment of previous early retirement programs at the Coventry facility.

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 first quarter ended March 31, 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 $3.9 million of severance costs have been recorded associated with these activities, and relate to the termination of approximately 200 employees in total. At March 31, 2004, a total of approximately $4.0 million of expenses had been incurred and paid. The remaining accrued balance of $0.9 million as of March 31, 2004 is expected to be incurred during 2004.

In March 2003, the Company announced the closure of its Challenger track tractor facility located in DeKalb, Illinois and the relocation of production to our facility in Jackson, Minnesota. Production at the DeKalb facility ceased in May 2003 and was relocated and resumed in the Minnesota facility in June 2003. In connection with the restructuring plan, the Company recorded approximately $0.3 million of restructuring and other infrequent expenses during the three months ended March 31, 2003. All employees were terminated and the rationalization plan was complete as of December 31, 2003.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

The Company’s acquired intangible assets are as follows:

	March 31, 2004		December 31, 2003	
	Gross Carrying Amounts	Accumulated Amortization	Gross Carrying Amounts	Accumulated Amortization
Amortized intangible assets:				
Trademarks and tradenames	$ 32.8	$(2.8)	$31.8	$(2.5)
Customer relationships	74.9	(3.0)	3.5	(1.0)
Patents and technology	46.8	(1.9)	1.1	(0.2)
Total	$154.5	$(7.7)	$36.4	$(3.7)
Unamortized intangible assets:				
Trademarks	$ 89.5		$53.4	

Changes in the carrying amount of goodwill during the three months ended March 31, 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	—	69.6	284.3	353.9
Foreign currency translation	—	(1.8)	(9.4)	(11.2)
Balance as of March 31, 2004	$165.5	$110.1	$398.8	$674.4

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.

(unaudited, in millions, except per share data)

5. LONG-TERM DEBT

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

	March 31, 2004	December 31, 2003
Credit facility	$ 689.8	$ —
9½% Senior notes due 2008	250.0	250.0
8½% Senior subordinated notes due 2006	249.4	249.3
1¾% Convertible senior subordinated notes due 2033	201.3	201.3
Bridge loan facility	100.0	—
Other long-term debt	12.8	12.7
	1,503.3	713.3
Less: current portion of long-term debt	6.8	2.2
Total long-term debt, less current portion	$1,496.5	$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 original maturity date under the revolving credit facility was January 2006. The maturity date of the revolving credit facility will be extended to March 2008 when the Company redeems its existing 8½% senior subordinated notes due 2006 on May 24, 2004 (see discussion below). The maturity date can be further 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 original maturity date for the term loans was January 2006. The maturity date of the term loans will be extended to March 2008 when the Company redeems its senior subordinated notes on May 24, 2004 (see discussion below), and can be further extended to June 2009 if the senior notes are refinanced on terms specified by the lenders prior to such date. 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 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.

The Company borrowed $100.0 million under a bridge financing facility on January 5, 2004 as discussed above. The loans under the bridge facility constituted unsecured senior subordinated obligations. The bridge loan facility would have matured on January 5, 2005, and interest accrued on borrowings at an increasing rate of interest, subject to a maximum rate. On April 7, 2004, the bridge loan facility was repaid with proceeds from a common stock offering as described below.

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 from the offering. 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.

On April 23, 2004, the Company sold €200.0 million of 6⅞% senior subordinated notes due 2014, and received proceeds of approximately $234 million, after offering related fees and expenses. The Company intends to use the net proceeds and available cash to redeem its $250.0 million principal amount of 8½% senior subordinated notes on May 24, 2004. The 6⅞% 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 at 6⅞% per annum, 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 covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

(unaudited, in millions, except per share data)

6. 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 March 31, 2004 and December 31, 2003 were as follows:

	March 31, 2004	December 31, 2003
Finished goods	$ 517.4	$285.3
Repair and replacement parts	297.1	270.2
Work in process, production parts and raw materials	318.9	248.1
Inventories, net	$1,133.4	$803.6

7. PRODUCT WARRANTY

The warranty reserve activity for the three months ended March 31, 2004 and 2003 consisted of the following:

	March 31, 2004	March 31, 2003
Balance at beginning of period	$ 98.5	$ 83.7
Acquisitions	14.9	—
Accruals for warranties issued during the period	26.2	16.9
Settlements made (in cash or in kind) during the period	(19.4)	(14.0)
Foreign currency translation	(0.7)	1.2
Balance at end of period	$119.5	$ 87.8

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

8. 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 months ended March 31, 2004 and 2003 is as follows:

(unaudited, in millions, except per share data)

	Three Months Ended March 31,	
	2004	2003
Basic Earnings Per Share		
Weighted average number of common shares outstanding	75.3	75.1
Net income	$25.0	$12.5
Net income per common share	$0.33	$0.17

	Three Months Ended March 31,	
	2004	2003
Diluted Earnings Per Share		
Weighted average number of common shares outstanding	75.3	75.1
Shares issued upon assumed vesting of restricted stock	0.1	0.1
Shares issued upon assumed exercise of outstanding stock options	0.4	0.4
Weighted average number of common and common equivalent shares	75.8	75.6
Net income	$25.0	$12.5
Net income per common share	$0.33	$0.17

There were options to purchase 0.6 million and 0.7 million shares for the three months ended March 31, 2004 and 2003, respectively, 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.

9. COMPREHENSIVE (LOSS) INCOME

Total comprehensive (loss) income for the three months ended March 31, 2004 and 2003 was as follows:

	Three Months Ended March 31,	
	2004	2003
Net income	$ 25.0	$12.5
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustments	(24.3)	32.2
Unrealized loss on derivatives	—	(0.4)
Unrealized loss on derivatives held by affiliates	(1.2)	(1.1)
Total comprehensive (loss) income	$ (0.5)	$43.2

10. ACCOUNTS RECEIVABLE SECURITIZATION

At March 31, 2004, the Company had accounts receivable securitization facilities in the United States, Canada, and Europe totaling approximately $445.5 million. Under these facilities, wholesale accounts receivable are sold on a revolving basis to commercial paper conduits either on a direct basis or through a wholly-owned special purpose U.S. subsidiary. Outstanding funding under these facilities totaled approximately $445.3 million at March 31, 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 for the three months ended March 31, 2004 and 2003 were $3.8 million and $2.9 million, respectively.

(unaudited, in millions, except per share data)

11. 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 March 31,	
	2004	2003
Net income, as reported	$25.0	$12.5
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	0.1	0.1
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(1.8)	(1.8)
Pro forma net income	$23.3	$10.8
Earnings per share:		
Basic – as reported	$0.33	$0.17
Basic – pro forma	$0.31	$0.14
Diluted – as reported	$0.33	$0.17
Diluted – pro forma	$0.31	$0.14

12. 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 quarterly pension and postretirement cost for the plans for the quarters ended March 31, 2004 and 2003 are set forth below:

(unaudited, in millions, except per share data)

Pension benefits	2004	2003
Service cost	$ 1.7	$ 1.8
Interest cost	7.8	7.9
Expected return on plan assets	(6.8)	(7.3)
Amortization of net actuarial loss	3.7	2.5
Net quarterly pension cost	$ 6.4	$ 4.9

Postretirement benefits	2004	2003
Service cost	$ 0.1	$ 0.1
Interest cost	0.5	0.4
Amortization of transition and prior service cost	(0.2)	(0.2)
Amortization of unrecognized net loss	0.3	—
Net quarterly postretirement cost	$ 0.7	$ 0.3

As of March 31, 2004, $5.4 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 $28.2 million. As of March 31, 2004, the Company had made approximately $0.7 million of contributions to its U.S.-based postretirement health care and life insurance benefit plans.

13. 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 months ended March 31, 2004 and 2003 are as follows:

Three Months Ended March 31,	North America	South America	Europe/Africa /Middle East	Asia/ Pacific	Consolidated
2004					
Net sales	$293.7	$174.9	$ 601.3	$45.8	$1,115.7
Income from operations	6.2	31.1	25.3	6.9	69.5
Depreciation	4.9	2.5	12.6	0.9	20.9
Capital expenditures	2.1	0.6	8.5	2.7	13.9
2003					
Net sales	$280.1	$ 68.9	$ 385.0	$23.2	$ 757.2
Income from operations	9.8	8.9	29.3	3.0	51.0
Depreciation	4.8	1.1	7.4	0.7	14.0
Capital expenditures	4.0	1.1	4.2	—	9.3
Assets					
As of March 31, 2004	$805.3	$278.8	$1,277.1	$70.1	$2,431.3
As of December 31, 2003	685.2	222.0	836.4	47.3	1,790.9

(unaudited, in millions, except per share data)

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

	Three Months Ended March 31,	
	2004	2003
Segment income from operations	$ 69.5	$ 51.0
Corporate expenses	(7.6)	(5.6)
Restricted stock compensation expense	(0.3)	(0.1)
Restructuring and other infrequent income (expenses)	6.6	(7.0)
Amortization of intangibles	(4.0)	(0.4)
Consolidated income from operations	$ 64.2	$ 37.9

	As of March 31, 2004	As of December 31, 2003
Segment assets	$2,431.3	$1,790.9
Cash and cash equivalents	50.3	147.0
Receivables from affiliates	8.1	0.5
Investments in affiliates	94.9	91.6
Deferred tax assets	149.5	147.5
Other current and noncurrent assets	261.2	244.1
Intangible assets, net	236.3	86.1
Goodwill	674.4	331.7
Consolidated total assets	$3,906.0	$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 March 31, 2004, we recorded net income of $25.0 million, or $0.33 per share, compared to net income of $12.5 million, or $0.17 per share, for the same period in 2003.

The results for the first quarter of 2004 included restructuring and other infrequent (income) expenses ("restructuring expenses") of $(6.6) million, or $(0.06) per share, primarily related to the gain on the sale of the Company's Coventry, England facility, which occurred in January 2004. The land, buildings and improvements were sold for approximately $41 million, of which $34.4 million was received in the first quarter of 2004, with the balance to be received in the first quarter of 2005. The results of the first quarter of 2003 included restructuring expenses of $7.0 million, or $0.06 per share, primarily related to the closure of the Coventry facility.

Sales during the first quarter of 2004 were 47.3% higher than the first quarter of 2003 primarily due to the acquisition of Valtra in January 2004, higher sales in South America and positive currency translation impacts. First quarter operating income was $64.2 million in 2004 compared to $37.9 million in 2003. Income from operations during 2004 included restructuring (income) expense of $(6.6) million, whereas income from operations during 2003 included restructuring expense of $7.0 million. The improvement in operating income before these charges (income) in 2004 is primarily due to the contribution of Valtra and increases in South America. Operating income in our South American operations increased as a result of the addition of Valtra as well as sales growth and margin improvements aided by stronger market conditions in the region. In the Europe/Africa/Middle East region, operating income was lower than the prior year due to weaker first quarter market conditions and unfavorable sales mix which negatively impacted margins. Operating income in North America also decreased in 2004 resulting from the timing of wholesale deliveries to dealers compared to 2003 and the unfavorable margin impact of the strong Euro on products sourced from our European production facilities. Our Asia/Pacific region reported higher operating income in 2004 resulting from improved market conditions in key markets such as Australia. 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 quarter of 2004 increased approximately 19% over the first quarter of the prior year with increases in all tractors segments. Industry unit retail sales of combines were approximately 6% 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 quarter of 2004 decreased approximately 5% compared to the first quarter of the prior year. Results were unfavorable with moderate increases in the United Kingdom, offset by declines in Germany, France, Scandinavia, Spain and Italy. Including the impact of Valtra sales in both periods, our unit retail sales for the first quarter of 2004 increased slightly when compared to the prior year period.

South American industry unit retail sales of tractors in the first quarter of 2004 increased approximately 25% over the first quarter of the prior year. Tractor demand increased moderately in the large market of Brazil with more significant increases in Argentina and other South American markets. Industry retail unit sales of combines for the first quarter of 2004 were 62% 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 quarter of 2004 compared to the same period in 2003.

Outside of North America, Western Europe and South America, net sales for the first quarter of 2004 were lower than the prior year primarily due to lower sales in the Middle East.

STATEMENTS OF OPERATIONS

Net sales for the first quarter of 2004 were $1,115.7 million compared to $757.2 million for the same period in 2003. 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 transaction joint venture in France, and positive currency translation impacts. Net sales of Valtra were approximately $225.2 million in the first quarter of 2004. The consolidation of GIMA contributed approximately $17.7 million of sales during the first quarter of 2004. In addition, foreign currency translation positively impacted net sales by $87.5 million in the first quarter of 2004 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 3.7% higher in the first quarter of 2004 compared to the same period in 2003.

Regionally, net sales in North America, excluding currency impact and the acquisition of Valtra, increased approximately $0.8 million, or 0.3%, in the first quarter of 2004 compared to the same period in 2003. In the Europe/Africa/Middle East region, net sales excluding currency impact, the acquisition of Valtra and the consolidation of GIMA, decreased $23.8 million, or 6.2%, for the first quarter of 2004 compared to the same period in 2003, primarily as a result of weaker market conditions in Western Europe. Net sales excluding currency impact and the acquisition of Valtra in South America increased $41.3 million, or 60.0% for the first quarter of 2004 compared to the same period in 2003, primarily as a result of stronger market conditions in the region, particularly in the Argentine and other South American markets. In the Asia/Pacific region, net sales excluding currency impact and the acquisition of Valtra, increased $9.8 million, or 42.3% for the first quarter of 2004 compared to the same period in 2003, primarily due to sales increases in Australia and the Far East.

Gross profit was $207.7 million, or 18.6%, for the first quarter of 2004 compared to $140.0 million, or 18.5% of net sales, for the same period in the prior year. Gross margins remained relatively flat between periods resulting from improved margins in South America, offset by unfavorable sales mix in Western Europe as a result of weak market conditions in key markets and the impact in North America of the strong Euro on products sourced from European production facilities.

Selling, general and administrative ("SG&A") expenses for the first quarter of 2004 were $119.6 million, or 10.7% of net sales, compared to $78.7 million, or 10.4% of net sales, for the same period of the prior year. Engineering expenses were $26.2 million, or 2.3% of net sales, for the first quarter of 2004 compared to $15.9 million, or 2.1% of net sales, for the first quarter of 2003. SG&A and engineering expenses increased primarily as a result of the Valtra acquisition.

We recorded restructuring and other infrequent (income) expenses of $(6.6) million in the first quarter of 2004 compared to $7.0 million in the first quarter of 2003. The restructuring (income) expenses recorded during 2004 primarily related to the gain on the sale of our Coventry, England facility, which occurred in January 2004. See "Restructuring and Other Infrequent (Income) Expenses." The restructuring expenses recorded in 2003 were associated with the closure of the Coventry facility as well as other rationalization plans.

Income from operations was $64.2 million, or 5.8% of net sales for the first quarter of 2004, compared to $37.9 million, or 5.0% of net sales for the same period in the prior year. Income from operations during 2004 includes restructuring (income) expenses of $(6.6) million. Income from operations during 2003 includes restructuring expenses of $7.0 million. The increase in operating income before these charges (income) in 2004 is primarily due to the contribution of Valtra and increases in South America, offset by the negative impact of additional non-cash amortization of purchase intangibles resulting from the Valtra acquisition.

Interest expense, net was $22.8 million for the first quarter of 2004 compared to $15.0 million for the first quarter of 2003. The increase in interest expense was due to higher debt levels used to fund the acquisition of Valtra.

Other expense, net was $5.1 million for the first quarter of 2004 compared to $6.7 million in the first quarter of 2003. During the first quarter of 2004, losses on sales of receivables primarily under our securitization facilities were $3.8 million compared to $2.9 million for the same period in 2003.

We recorded an income tax provision of $16.2 million for the first quarter of 2004 compared to $8.1 million for the first quarter of 2003. The effective tax rate was 44.6% for the first quarter of 2004 compared to 50.0% in the comparable prior period. In 2003 and 2004, we did not record a tax benefit related to losses in the United States which has the effect of increasing the overall effective tax rate.

ACQUISITIONS

On January 5, 2004, we acquired the Valtra tractor and diesel engine operations of Kone Corporation, a Finnish company, for €600.6 million, net of approximately €21.4 million cash acquired (approximately $755.9 million, net). Acquisition costs of approximately $9.7 million resulted in a total purchase price of approximately $765.6 million. The purchase price is subject to resolution of certain open issues with Kone. 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. This allocation is subject to adjustment and will be completed in 2004. We completed the initial funding of the €600.6 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

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. The facility manufactured transaxles and assembled tractors in the range of 50-110 horsepower. The trend to higher horsepower tractors resulting from the consolidation of farms had caused this product segment of the industry to decline over recent years, which negatively impacted the facility's utilization. In 2003, we completed the transfer of production and experienced cost inefficiencies and production delays at our Beauvais facility primarily due to supplier delivery issues. Those inefficiencies have been largely eliminated in the first quarter of 2004. The components of the restructuring expenses incurred during 2002 and 2003 are summarized in Note 3 to our Condensed Consolidated Financial Statements for the quarter ended March 31, 2004.

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 for the quarter ended March 31, 2004.

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 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 as well as refinanced the majority of our outstanding debt facilities. Our primary 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 $445.5 million of accounts receivable securitization facilities, a multi-currency revolving credit facility of $300.0 million, a $300.0 million United States Dollar denominated term loan facility and a €120.0 million Euro denominated 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 into shares of our common stock at a conversion rate of 44.7193 shares per $1,000 principal amount of notes, subject to adjustment, before close of business on December 31, 2033, only under the following circumstances: (1) during any fiscal quarter commencing after March 31, 2004, 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, as defined. 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 original maturity date under the new credit facility was January 2006. The maturity date of the new credit facility will be extended to March 2008 when we redeem our existing 8½% senior subordinated notes due 2006 on May 24, 2004 (see discussion below). The maturity date of the new revolving credit facility may be further extended to December 2008 if our existing 9½% senior notes due 2008 are refinanced on terms specified by the lenders prior to such date. The maturity date of the term loans may be further extended to June 2009 if the senior notes 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 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 March 31, 2004, we had total borrowings of $689.8 million under the credit facility, which included $242.0 million outstanding under the multi-currency revolving facility, and $447.8 million under the term loan facilities. We had availability to borrow $50.5 million under the revolving credit facility.

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 from the offering. We used the net proceeds to repay the $100.0 million interim bridge loan facility, to repay borrowings under our credit facility, and to pay offering related fees and expenses. The bridge loan facility would have matured on January 5, 2005, and interest accrued on borrowings at an increasing rate of interest, subject to a maximum rate. The weighted average interest rate on these borrowings during the first quarter ended March 31, 2004 was approximately 8.0%.

On April 23, 2004, we completed our offering of €200.0 million of 6⅞% senior subordinated notes due 2014, and received proceeds of approximately $234 million, after offering related fees and expenses. The 6⅞% 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 at 6⅞% per annum, payable 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 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 covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

We intend to use the net proceeds received from the issuance of the 6⅞% 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 cost of the redemption is expected to be approximately $3.5 million, and will be reflected as interest expense during the three months ended June 30, 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 March 31, 2004, the aggregate amount of these facilities was $445.5 million. The outstanding funded balance of $445.3 million as of March 31, 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 facility agreements were amended in April 2004 to eliminate the ratings triggers in each facility.

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 $957.3 million in working capital at March 31, 2004 (as compared with $755.4 million at December 31, 2003 and $835.0 million at March 31, 2003). Accounts receivable and inventories, combined, were $518.3 million higher than at December 31, 2003. The increase includes approximately $305.7 million of receivables and inventories related to the Valtra acquisition. The remaining increase in inventories and receivables is due primarily to seasonal inventory requirements, primarily in North America.

Cash flow used in operating activities was $122.0 million for the first quarter ended March 31, 2004, compared to $194.6 million for the same period in 2003. The use of cash in both periods was primarily due to seasonal increases in working capital.

Capital expenditures for the first quarter of 2004 were $13.9 million compared to $9.3 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 62.4% at March 31, 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 will decrease to a more consistent level in 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 March 31, 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	$1,503.3	$ 6.8	$1,038.7	$252.5	$205.3
Capital lease obligations	2.1	1.0	1.1	—	—
Operating lease obligations.	91.7	28.1	28.0	11.9	23.7
Unconditional purchase obligations (1)	26.2	15.7	5.7	2.6	2.2
Other short-term and long-term obligations (2)	292.3	51.6	41.3	36.3	163.1
Total contractual cash obligations	$1,915.6	$103.2	$1,114.8	$303.3	$394.3

		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	$ 7.5	$ 7.5	$ —	$ —	$ —
Guarantees	54.7	30.4	20.9	2.9	0.5
Total commercial commitments and lines of credit	$ 62.2	$ 37.9	$ 20.9	$ 2.9	$ 0.5

(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 March 31, 2004, we were obligated under certain circumstances to purchase, through the year 2009, up to $14.0 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 March 31, 2004, we guaranteed indebtedness owed to third parties of approximately $40.7 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 March 31, 2004, we had foreign currency forward contracts to buy an aggregate of approximately $24.6 million United States dollar equivalents and foreign currency forward contracts to sell an aggregate of approximately $400.0 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 results for the full year are expected to be improved over 2003. Our net sales are projected to increase for the full year of 2004 primarily as a result of the Valtra acquisition, sales growth in South America and North America and positive foreign currency impacts. North American industry demand in 2004 is expected to benefit from relatively high commodity prices and improving farm income. 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 is expected to continue to be negatively impacted by the effect of unfavorable weather conditions in 2003 during the first half of 2004, but improve relative to 2003 in the second half of 2004.

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 accounting principles generally accepted in the United States. 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.

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 annual report on Form 10-K 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;
- 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.

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 March 31, 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	$ (8.4)	1.36	$(0.3)
British pound	(1.7)	0.54	—
Canadian dollar	(20.5)	1.32	(0.2)
Danish krone	7.2	6.03	—
Euro dollar	(352.7)	0.81	1.2
Japanese yen	7.9	109.84	0.4
Mexican peso	(16.2)	11.02	0.2
New Zealand dollar	0.7	1.49	—
Norwegian krone	3.3	6.94	—
South African rand	(0.5)	6.32	—
Swedish krona	5.5	7.48	—
			$ 1.3

* 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 $201.3 million convertible senior subordinated notes, $250.0 million senior subordinated notes and our $250.0 million 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 first three months ended March 31, 2004, would have increased by approximately $0.3 million.

We had no interest rate swap contracts outstanding in the three months ended March 31, 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 March 31, 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 March 31, 2004, that has materially affected or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

During the second quarter of 2002, we announced and initiated a restructuring plan related to the closure of our tractor manufacturing facility in Coventry, England. The terms of the plan included the termination of approximately 1,100 employees following completion of production in the Coventry facility.

In October 2002, we applied to the High Court in London, England for clarification of a provision in our United Kingdom 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 our Coventry facility, should be reduced to compensate for the fact that the pension payments begin prior to normal retirement age of 65. In December 2002, the High Court ruled against our position that reduced pension payments are payable in the context of early retirements or terminations. We 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'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 we recorded a charge in the second quarter of 2003, included in restructuring expenses, of approximately $12.4 million to reflect our current estimate of the additional pension liability associated with previous early retirement programs. The timing of our obligation to fund cash into the pension plan with respect to this increased liability, as well as our existing liabilities, depends on many factors, including the overall funded status of the plan and the investment returns of the plan's assets and is the subject of ongoing negotiations with representatives of the beneficiaries of the pension plan.

As a result of the SEC inquiry which we have previously disclosed, on February 6, 2004, Sekuk Global Enterprises filed a putative class action complaint in the U.S. District Court for the Northern District of Illinois (Civil Action No. 04-CV-961) on behalf of all persons who purchased or otherwise acquired AGCO securities between February 6, 2003 and February 4, 2004, inclusive (the "Class Period"). Subsequently, three additional similar complaints were filed in the U.S. District Court for the Northern District of Georgia by the City of Dania Beach Police & Firefighters' Retirement System (Civil Action No. 1:04-CV-0535), Ann Vogel (Civil Action No. 1:04-CV-0617), and Detectives Endowment Association Annuity Fund (Civil Action No. 1:04-CV-0666) and two additional similar complaints were filed in the U.S. District Court for the Northern District of Illinois by George Villanueva (Civil Action No. 04-C-2196) and Freedman (Civil Action No. 04-C-2479). Two of the complaints – Vogel and City of Dania Beach Police & Firefighters' Retirement System – have been voluntarily dismissed by the plaintiffs. In general, the complaints allege that AGCO, and our chief executive officer and chief financial officer violated securities laws and regulations by issuing materially false and misleading statements regarding our financial results during the Class Period that had the effect of artificially inflating the market price of our securities and request monetary damages and attorneys' fees. A seventh complaint was filed in the U.S. District Court for the Northern District of Georgia by Sachin Joshi (Civil Action No. 1:04-CV-0669). This complaint is a derivative action and names our directors as defendants as well. In general, this complaint alleges that the directors breached their fiduciary duties to shareholders by permitting or participating in the activities alleged in the other complaints. We do not believe these cases have any merit and intend to defend against them.

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, excluding a potential adverse outcome with respect to the pension case discussed above.

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
4.1	Amended Rights Agreement	April 23, 2004, Form 8-K, Exhibit 4.1
10.1	Amended Employment Arrangement with Robert J. Ratliff *	Filed herewith
10.2	Amended Receivables Purchase Agreement	Filed herewith
10.3	Amended Canadian Receivables Purchase Agreement	Filed herewith
10.4	Amendment to Credit Agreement	Filed herewith
31.1	Certification of Robert J. Ratliff	Filed herewith
31.2	Certification of Andrew H. Beck	Filed herewith
32.0	Certification of Robert J. Ratliff and Andrew H. Beck	Furnished herewith
99.1	Reclassified Segment Information	Filed herewith

(b) Reports on Form 8-K

Current Report on Form 8-K dated January 7, 2004, which included as exhibits our Indenture for 1¾% Convertible Senior Subordinated Notes due 2033, our Credit Agreement dated as of December 22, 2003 and Bridge Loan Agreement dated as of January 5, 2004. In the Form 8-K, we reported information under Item 7.

Current Report on Form 8-K dated January 8, 2004, which announced the completion of our previously announced acquisition of Valtra from Kone Corporation. In the Form 8-K, we reported information under Items 7 and 12.

Current Report on Form 8-K dated February 5, 2004, which included a press release reporting our financial results for the fourth quarter and year ended December 31, 2003. In the Form 8-K, we reported information under Items 7 and 12.

Current Report on Form 8-K dated March 24, 2004, which included as exhibits financial statements of Valtra Group and proforma information related to the acquisition. In the Form 8-K, we reported information under Items 7 and 12.

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: May 10, 2004

/s/ Andrew H. Beck

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

EXHIBIT 10.1

[AGCO LOGO] AGCO Corporation
4205 River Green Parkway Duluth, GA USA 30096-2584
www.agcocorp.com
Telephone 770.813.9200

April 21, 2004

Dear Bob,

This letter will confirm certain amendments to the contractual employment arrangements between the Company and yourself.

1. APPOINTMENT:

Upon the appointment of a new President and Chief Executive Officer (and his receipt of the necessary Visa), you will no longer hold the positions of Executive Chairman, President, and Chief Operating Officer. You will continue to hold the title of Chairman of the Board. No change will be made in your compensation and fringe benefits between the appointment date of the new CEO and January 1, 2005, with the exception of your incentive compensation as detailed below. Your status and compensation as Chairman of the Board will be reviewed annually. However, it is to be expected that your time spent on insuring the success of the new CEO will decline rapidly and your compensation will be commensurate with competitive companies and company policy.

2. BENEFITS

Your current compensation, fringe and other benefits shall continue unchanged until December 31, 2004, except that your bonus (IC Plan) shall be calculated pro-rata on the period from January 1, 2004, to the date of your appointment as Chairman. If earned, your bonus shall be paid as normal in early 2005.

3. SPECIAL BONUS

In order to promote a successful transition of duties and responsibilities to the new President and Chief Executive Officer, you will be entitled to a Special Bonus of $500,000 (five hundred thousand dollars) upon a successful completion of the transition by December 31, 2004. Payment will be made no later than January 31, 2005.

4. LTIP

Your membership of the LTIP IV Plan will continue through the end of 2004 and will then cease.

5. RETIREMENT BENEFITS

The Commencement Date for the Retirement Benefits to which you are contractually entitled (such as, for example, AGCO Supplemental Executive Retirement Plan, restructured Split dollar Program and S.401K benefits) will be January 1, 2005

6. This letter constitutes termination of the arrangements set out in the contract amendment letter of July 23, 2003 effective December 31, 2004.

7. GOVERNING LAW

The validity, construction and enforcement of this agreement shall be governed by the laws of the State of Georgia.

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter.

/s/ CSD Lupton	/s/ R.J. Ratliff
(for) Board of Directors AGCO Corporation	Robert J. Ratliff

EXHIBIT 10.2

AMENDMENT NO. 2

Dated as of April 14, 2004

to

RECEIVABLES PURCHASE AGREEMENT

Dated as of January 27, 2000

THIS AMENDMENT NO. 2, dated as of April 14, 2004 (this "Amendment"), is entered into by and among AGCO FUNDING CORPORATION, as seller (the "Seller"), AGCO CORPORATION ("AGCO"), as servicer (in such capacity, the "Servicer"), NIEUW AMSTERDAM RECEIVABLES CORPORATION ("Nieuw Amsterdam"), GOTHAM FUNDING CORPORATION ("Gotham"), as a Committed Purchaser, BANK OF TOKYO-MITSUBISHI TRUST COMPANY ("BTMT"), as an Administrator, and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK INTERNATIONAL", NEW YORK BRANCH ("Rabobank International"), as a Committed Purchaser, as an Administrator and as the Agent.

PRELIMINARY STATEMENTS

A. The Seller, the Servicer, Nieuw Amsterdam, Gotham, BTMT and Rabobank International (as a Committed Purchaser, as an Administrator and as the Agent) are parties to that certain Receivables Purchase Agreement, dated as of January 27, 2000 (as amended prior to the date hereof, the "Receivables Purchase Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Receivables Purchase Agreement.

B. The parties hereto have agreed to amend the Receivables Purchase Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments. Subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Receivables Purchase Agreement is hereby amended as follows:

1.01. The definition "Credit Enhancement" in Section 1.01 is hereby amended to read in its entirety as follows:

> "Credit Enhancement" means, as of any date of determination, the product of (a) the Net Eligible Receivables Balance, times (b) the greater of (i) the Dynamic Reserve Percentage and (ii) the percentage set forth

below opposite the long-term senior unsecured debt rating of AGCO as of such date (determined based on the lower of the ratings assigned by Moody' or S&P).

Moody's	S&P	Percentage
Ba3 or higher	BB- or higher	14%
B1	B+	17%
B2	B	25%
B3 or lower or rating withdrawn	B- or lower or rating withdrawn	35%

Notwithstanding anything contained herein to the contrary, if the average of the Payment Rates for the six most recently ended calendar months shall be less than 10.5% and the long-term senior unsecured debt rating of AGCO as of such date (determined based on the lower of the ratings assigned by Moody' or S&P) is Ba3 or higher by Moody's and BB- or higher by S&P, the percentage determined by clause (ii) above shall be deemed to be 15%.

1.02. Paragraphs (k) and (l) of the definition "Eligible Receivable" in Section 1.01 are hereby amended to read in their entirety as follows:

(k) such Dealer Receivable is required to be paid in full within twenty-four (24) months of the date such Dealer Receivable arises,

(l) the Dealer Agreement under which such Dealer Receivable arises provides for interest to accrue on the Outstanding Balance of such Dealer Receivables prior to its final due date at a rate per annum equal to or greater than the rate of interest published in the New York edition of The Wall Street Journal as the prime rate (or, if such rate is not so published, the rate of interest publicly announced by the Agent as its prime or reference rate) plus 2%; provided, that Dealer Receivables which satisfy all criteria in this definition other than this paragraph (l) may be treated as Eligible Receivables hereunder so long as the aggregate outstanding Balance of such Dealer Receivables does not exceed 20% of the aggregate Outstanding Balance of all Dealer Receivables;

1.03. The definition "Eligible Receivable" is hereby amended by deleting the word "and" at the end of paragraph (r), relettering paragraph (s) as paragraph (t) and inserting a new paragraph (s) as follows:

(s) the Obligor of such Receivable does not have Defaulted Receivables that in the aggregate exceed 35% of the Outstanding Balance of all Receivables due from such Obligor, and

1.04. The definition "Maximum Program Amount" is hereby amended to read in its entirety as follows:

"Maximum Program Amount" means $280,000,000.

1.05. The definition "Termination Date" in Section 1.01 is hereby amended by deleting the date "January 27, 2005" contained therein and substituting in replacement thereof the date "April 8, 2009".

1.06. Section 6.02 is hereby amended by inserting "; and" immediately after the words "Section 8.05" contained therein.

1.07. Clause (ii) of the first sentence of Section 8.05 is hereby amended by inserting the words "if the long-term senior unsecured debt rating of AGCO is lower than Ba3 or withdrawn by Moody's or lower than BB- or withdrawn by S&P," immediately prior to the words "on Tuesday" contained therein.

1.08. Paragraph (g) of Section 8.07 is hereby amended in its entirety to read as follows:

(g) [Intentionally Omitted];

1.09. Paragraph (h) of Section 9.01 is hereby amended by deleting the percentage "4.0%" in clause (x) thereof and substituting in replacement thereof the percentage "5.0%".

SECTION 2. Condition Precedent. This Amendment shall become effective as of the date (the "Effective Date") on which (i) the Agent and the Administrators shall have received a copy of this Amendment duly executed by each of the parties hereto and (ii) payment has been made of all fees required to be paid pursuant to any fee letters entered into in connection with the transactions contemplated by this Amendment.

SECTION 3. Covenants, Representations and Warranties of the Seller.

3.01. Upon the effectiveness of this Amendment, (i) each of the Seller and the Servicer hereby reaffirms all covenants, representations and warranties made by it in the Receivables Purchase Agreement, as further amended by this Amendment, and agrees that all such covenants, representations and warranties shall be deemed to have been remade as of the Effective Date and (ii) AGCO hereby reaffirms all covenants, representations and warranties made by it in the Originator Sale Agreement and agrees that all such covenants, representations and warranties shall be deemed to have been remade as of the Effective Date.

3.02. Each of the Seller and the Servicer hereby represents and warrants that (i) this Amendment constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (ii) upon the effectiveness of this Amendment, no event or circumstance has occurred and is continuing which constitutes an Early Amortization Event or which, with the giving of notice of the lapse of time, or both, would constitute an Early Amortization Event.

SECTION 4. Reference to and Effect on the Receivables Purchase Agreement.

4.01. Upon the effectiveness of this Amendment, (i) the Commitment of Gotham under the Receivables Purchase Agreement will be equal to $140,000,000 and (ii) the Commitment of Rabobank International under the Receivables Purchase Agreement will be equal to $140,000,000. The parties hereto agree that the signature pages to the Receivables Purchase Agreement will be deemed amended to reflect the arrangement described in this Section 4.01.

4.02. Upon the effectiveness of this Amendment, each reference in the Receivables Purchase Agreement to "this Agreement," "hereunder," "hereof," "herein," "hereby" or words of like import shall mean and be a reference to the Receivables Purchase Agreement as amended hereby, and each reference to the Receivables Purchase Agreement in any other document, instrument and agreement executed and/or delivered in connection with the Receivables Purchase Agreement shall mean and be a reference to the Receivables Purchase Agreement as amended hereby.

4.03. Except as specifically amended hereby, the Receivables Purchase Agreement, the other Transaction Documents and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

4.04. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Purchaser, any Administrator or the Agent under the Receivables Purchase Agreement, the Transaction Documents or any other document, instrument, or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein.

SECTION 5. Costs and Expenses. The Seller shall pay to the Agent, each Administrator and each Purchaser on demand all reasonable costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Amendment, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, (i) rating agency fees incurred by any Administrator or any Conduit Purchaser in connection with the transactions contemplated hereby, and (ii) reasonable fees and out-of-pocket expenses of legal counsel for the Agent, each Administrator and each Purchaser with respect thereto.

SECTION 6. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK.

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile shall be deemed as effective as delivery of an original executed signature page hereto.

SECTION 8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first written above.

AGCO FUNDING CORPORATION

By: -s- David K Williams

Name: DAVID K WILLIAMS
Title: VP-TREASURER

AGCO CORPORATION

By: -s- David K Williams

Name: DAVID K WILLIAMS
Title: VP-TREASURER

BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as an Administrator

By: -s- Masaru Kuroda

Name: Masaru Kuroda
Title: Authorized Signatory

GOTHAM FUNDING CORPORATION, as a Conduit Purchaser and as a Committed Purchaser

By: -s- Dimitris Spiliakos

Name: Dimitris Spiliakos
Title: Secretary

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK INTERNATIONAL", NEW YORK BRANCH, as a Committed Purchaser, as an Administrator and as the Agent

By: -s- James Han

Name: James Han
Title: Vice President

By: -s- Brett Delfino

Name: Brett Delfino
Title: Executive Director

NIEUW AMSTERDAM RECEIVABLES
CORPORATION, as a Conduit Purchaser

By: -s- Tony Wong

Name: Tony Wong
Title: Vice President

EXHIBIT 10.3

AMENDMENT NO. 1

Dated as of April 14, 2004

to

RECEIVABLES PURCHASE AGREEMENT

Dated as of June 26, 2001

THIS AMENDMENT NO. 1, dated as of April 14, 2004 (this "Amendment"), is entered into by and among AGCO CANADA, LTD., as seller (the "Seller"), AGCO CORPORATION ("AGCO"), as servicer (in such capacity, the "Servicer"), NIEUW AMSTERDAM RECEIVABLES CORPORATION ("Nieuw Amsterdam") and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK INTERNATIONAL", NEW YORK BRANCH ("Rabobank International"), as an Administrator and as the Agent and Custodian.

PRELIMINARY STATEMENTS

A. The Seller, the Servicer, Nieuw Amsterdam and Rabobank International (as an Administrator and as the Agent and Custodian) are parties to that certain Receivables Purchase Agreement, dated as of June 26, 2001 (as amended prior to the date hereof, the "Receivables Purchase Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Receivables Purchase Agreement.

B. The parties hereto have agreed to amend the Receivables Purchase Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises set forth above, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Amendments. Subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Receivables Purchase Agreement is hereby amended as follows:

1.01. Section 1.01 is hereby amended by adding the following defined terms in their proper alphabetical sequence:

> "Asset Report" means a Monthly Report or a Weekly Report.
>
> "Weekly Report" means a report, in substantially the form of Exhibit I hereto, furnished by the Servicer to the Agent pursuant to Section 9.05.

1.02. The definition "Carrying Cost Reserve Percentage" in Section 1.01 is hereby amended to read in its entirety as follows:

"Carrying Cost Reserve Percentage" means, at any time, a percentage equal to:

1.5 * (3 Month LIBOR - Average Interest Yield + 3.0%) * DSO/365

where

3 Month LIBOR = LIBOR for an assumed Settlement Period of three months commencing on the immediately preceding Payment Date.

Average Interest Yield = The lesser of (a) 2.5% and (b) the average Interest Yield for the three calendar month period then most recently ended. As used herein, "Interest Yield" means, with respect to any calendar month, the annualized percentage equivalent of a fraction, the numerator of which is the aggregate amount of Collections of interest received by the Servicer in respect of the Dealer Receivables during such calendar month, and the denominator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables as of the last day of the immediately preceding calendar month.

DSO = The product of (i) 270, times (ii) a fraction, the numerator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables as of the last day of the calendar month most recently ended on or prior to the date of determination, and the denominator of which is equal to the aggregate Outstanding Balance of all Dealer Receivables arising during the nine calendar month period then most recently ended on or prior to such date.

1.03. The definition "Credit Enhancement" in Section 1.01 is hereby amended to read in its entirety as follows:

"Credit Enhancement" means, as of any date of determination, the product of (a) the Net Eligible Receivables Balance, times (b) the greater of (i) the Dynamic Reserve Percentage and (ii) the percentage set forth below opposite the long-term senior unsecured debt rating of AGCO as of such date (determined based on the lower of the ratings assigned by Moody' or S&P).

Moody's	S&P	Percentage
Ba3 or higher	BB- or higher	17%
B1	B+	19%
B2	B	27%
B3 or lower or rating withdrawn	B- or lower or rating withdrawn	37%

1.04. Paragraphs (k) and (l) of the definition "Eligible Receivable" in Section 1.01 are hereby amended to read in their entirety as follows:

(k) such Dealer Receivable is required to be paid in full within twenty-four (24) months of the date such Dealer Receivable arises,

(l) the Dealer Agreement under which such Dealer Receivable arises provides for interest to accrue on the Outstanding Balance of such Dealer Receivables prior to its final due date at a rate per annum equal to or greater than the rate of interest published in the New York edition of The Wall Street Journal as the prime rate (or, if such rate is not so published, the rate of interest publicly announced by the Agent as its prime or reference rate) plus 2%; provided, that Dealer Receivables which satisfy all criteria in this definition other than this paragraph (l) may be treated as Eligible Receivables hereunder so long as the aggregate outstanding Balance of such Dealer Receivables does not exceed 20% of the aggregate Outstanding Balance of all Dealer Receivables;

1.05. The definition "Eligible Receivable" is hereby amended by deleting the word "and" at the end of paragraph (r), relettering paragraph (s) as paragraph (t) and inserting a new paragraph (s) as follows:

(s) the Obligor of such Receivable does not have Delinquent Receivables that in the aggregate exceed 35% of the Outstanding Balance of all Receivables due from such Obligor, and

1.06. The definition "Maximum Program Amount" is hereby amended to read in its entirety as follows:

"Maximum Program Amount" means $70,000,000.

1.07. The definition "Termination Date" in Section 1.01 is hereby amended by deleting the date "June 25, 2006" contained therein and substituting in replacement thereof the date "April 8, 2009".

1.08. Clause (a) of Section 7.02 is hereby amended by deleting the words "Monthly Reports" contained therein and substituting in replacement thereof the words "Asset Reports".

1.09. The first sentence of Section 9.05 is hereby amended in its entirety to read as follows:

> The Servicer shall prepare and forward to each Administrator (i) on each Reporting Date and at such times as any Administrator shall reasonably request, a duly completed Monthly Report containing information accurate as of the last day of the calendar month then most recently ended and (ii) if the long-term senior unsecured debt rating of AGCO is lower than Ba3 by Moody's or lower than BB- by S&P, on Tuesday (or, if such day is not a Business Day, the next succeeding Business Day) of each calendar week a duly completed Weekly Report containing information accurate as of the last day of the calendar week then most recently ended.

1.10. Clause (g) of Section 9.07 is hereby amended in its entirety to read as follows:

> (g) [Intentionally Omitted];

1.11. A new Exhibit I in the form of Annex 1 is hereby added to the Receivables Purchase Agreement and the Table of Contents is hereby amended by adding the following to the end of the EXHIBITS:

> Exhibit I Form of Weekly Report

SECTION 2. Condition Precedent. This Amendment shall become effective as of the date (the "Effective Date") on which (i) Rabobank International shall have received a copy of this Amendment duly executed by each of the parties hereto and (ii) payment has been made of all fees required to be paid pursuant to any fee letters entered into in connection with the transactions contemplated by this Amendment.

SECTION 3. Covenants, Representations and Warranties of the Seller.

3.01. Upon the effectiveness of this Amendment, each of the Seller and the Servicer hereby reaffirms all covenants, representations and warranties made by it in the Receivables Purchase Agreement, as further amended by this Amendment, and agrees that all such covenants, representations and warranties shall be deemed to have been remade as of the Effective Date.

3.02. Each of the Seller and the Servicer hereby represents and warrants that (i) this Amendment constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and (ii) upon the effectiveness of this Amendment, no event or circumstance has occurred and is continuing which constitutes an Early Amortization Event or which, with the giving of notice of the lapse of time, or both, would constitute an Early Amortization Event.

SECTION 4. Reference to and Effect on the Receivables Purchase Agreement.

4.01. Upon the effectiveness of this Amendment, each reference in the Receivables Purchase Agreement to "this Agreement," "hereunder," "hereof," "herein," "hereby" or words of like import shall mean and be a reference to the Receivables Purchase Agreement as amended hereby, and each reference to the Receivables Purchase Agreement in any other document, instrument and agreement executed and/or delivered in connection with the Receivables Purchase Agreement shall mean and be a reference to the Receivables Purchase Agreement as amended hereby.

4.02. Except as specifically amended hereby, the Receivables Purchase Agreement, the other Transaction Documents and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

4.03. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Purchaser, the Administrator or the Agent under the Receivables Purchase Agreement, the Transaction Documents or any other document, instrument, or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein.

SECTION 5. Costs and Expenses. The Seller shall pay to the Agent, the Administrator and the Purchaser on demand all reasonable costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Amendment, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, (i) rating agency fees incurred by the Administrator or the Conduit Purchaser in connection with the transactions contemplated hereby, and (ii) reasonable fees and out-of-pocket expenses of legal counsel for the Agent, the Administrator and the Purchaser with respect thereto.

SECTION 6. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE PROVINCE OF ONTARIO, CANADA.

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile shall be deemed as effective as delivery of an original executed signature page hereto.

SECTION 8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first written above.

AGCO CANADA, LTD

By: -s- DAVID K WILLIAMS

Name: DAVID K WILLIAMS
Title: VP-TREASURER

AGCO CORPORATION

By: -s- DAVID K WILLIAMS

Name: DAVID K. WILLIAMS
Title: VP-TREASURER

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK INTERNATIONAL", NEW YORK BRANCH, as an Administrator and as the Agent and Custodian

By: -s- James Han

Name: James Han
Title: Vice President

By: -s- Brett Delfino

Name: Brett Delfino
Title: Executive Director

NIEUW AMSTERDAM RECEIVABLES CORPORATION, as a Purchaser

By: -s- Tony Wong

Name: Tony Wong
Title: Vice President

EXHIBIT 10.4

FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT

This FIRST AMENDMENT TO CREDIT AGREEMENT AND CONSENT (this "Amendment") dated as of April 12, 2004, by and among AGCO CORPORATION, a Delaware corporation ("AGCO"), AGCO CANADA, LTD., a Saskatchewan corporation ("Canadian Subsidiary"), AGCO LIMITED, an English corporation ("English Subsidiary One"), AGCO INTERNATIONAL LIMITED, an English corporation ("English Subsidiary Two"), AGCO HOLDING B.V., a Netherlands corporation ("Netherlands Subsidiary"), AGCO DEUTSCHLAND HOLDING LIMITED & CO. KG, a German limited partnership ("German Subsidiary"), and VALTRA HOLDING OY, a Finnish limited liability company ("Finnish Subsidiary"; AGCO, Canadian Subsidiary, English Subsidiary One, English Subsidiary Two, Netherlands Subsidiary, German Subsidiary and Finnish Subsidiary are referred to herein collectively as the "Borrowers" and individually as a "Borrower"); the lenders (the "Lenders") signatory hereto; COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", CANADIAN BRANCH, as Canadian administrative agent for the Canadian Lenders (together with any successor, in such capacity, the "Canadian Administrative Agent"); and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH, as administrative agent for the Lenders (together with any successor, in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Borrowers, the Administrative Agent, the Canadian Administrative Agent, the Lenders, the Issuing Banks (as defined in the Credit Agreement), SunTrust Bank and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, and CoBank, ACB and The Bank of Tokyo-Mitsubishi, Ltd., NY Branch, as Co-Documentation Agents, are parties to that certain Credit Agreement dated as of December 22, 2003 (as amended, restated, supplemented or modified from time to time, the "Credit Agreement"); and

WHEREAS, the Borrowers have requested that certain terms and conditions of the Credit Agreement be amended, and the Lenders, the Canadian Administrative Agent and the Administrative Agent have agreed to the requested amendments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree that all capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Credit Agreement, and further agree as follows:

SECTION 1. Amendment to Section 2.5. Section 2.5 of the Credit Agreement, Prepayments and Deposits, is hereby amended and modified by deleting subsection 2.5(b)(i) in its entirety and by substituting the following in lieu thereof:

"(i) If, at any time after the Initial Funding Date, any Borrower shall (A) incur any Funded Debt (other than (1) the Obligations, (2) Indebtedness under the Bridge Facility, and (3) Indebtedness permitted under clauses (b), (d), (e), and (g) through (j) of Section 7.1) or (B) issue any Stock (other than (1) the issuance of Stock to AGCO or any Restricted Subsidiary, (2) the issuance of Stock of AGCO to any employee, executive, director or officer under an incentive compensation program, (3) the issuance of any Stock of a Restricted Subsidiary to directors of such Restricted Subsidiaries to the extent the issuance thereof is required by applicable law, and (4) the issuance of Stock of AGCO to the extent that the Net Cash Proceeds thereof are used substantially concurrently to purchase equity securities of AGCO from management, directors or key employees of AGCO or any of its Subsidiaries), then one hundred percent (100%) of the Net Cash Proceeds received by such Borrower pursuant to clause (A) and seventy-five percent (75%) of the Net Cash Proceeds received by such Borrower pursuant to clause (B) shall be paid within seven (7) Business Days of receipt thereof by such Borrower to the Administrative Agent as a prepayment of the Loans (in either case to be applied as set forth in Section 2.5(b)(xii) below). Notwithstanding the foregoing, AGCO shall be permitted to retain the Net Cash Proceeds from a Stock issuance or an incurrence of Funded Debt (x) received at any time after the Initial Funding Date by AGCO to the extent such Net Cash Proceeds are concurrently used to repay the Bridge Facility, and after the repayment in full of the Bridge Facility, are used to repay any of the Existing 2006 Notes or the Existing 2008 Notes, and (y) received by AGCO within one (1) year from the Initial Funding Date in an aggregate amount of up to U.S. $150,000,000; provided the Bridge Facility has been repaid in full or is not outstanding and AGCO has satisfied the requirements of Section 5.21 as of such date. In the event AGCO elects to apply Net Cash Proceeds pursuant to any of clauses (x) and (y) above and such Net Cash Proceeds are from the issuance of Stock and incurrence of Funded Debt simultaneously or in a related transaction or series of related transactions, the Net Cash Proceeds from the Stock issuance shall be deemed to be applied first to the uses in clauses (x) and/or (y) above and the Net Cash Proceeds from the Funded Debt incurrence shall be deemed to be applied thereafter to the uses in clauses (x) and/or (y) above. Nothing in this Section shall authorize any Borrower to issue any Stock or incur any Funded Debt except as expressly permitted by this Agreement."

SECTION 2. Consent. The Lenders hereby acknowledge and consent that, so long as the Borrowers give the required notice of redemption of the Existing 2006 Notes to the trustee within one (1) Business Day of their receipt of net proceeds from the New Senior Subordinated Notes, the Borrowers may (a) use the net proceeds from the New Senior Subordinated Notes (and any remaining net proceeds received on April 7, 2004 from the issuance of common stock) to repay the Revolving Loans, and (b) reborrow the amount of such net proceeds as Revolving Loans to redeem the Existing 2006 Notes, provided that the Borrowers repay the Existing 2006 Notes in full no later than June 7, 2004.

SECTION 3. Representations and Warranties. Each of AGCO and the other Borrowers represents and warrants as follows:

(a) The execution, delivery and performance by each Borrower of this Amendment and the other transactions contemplated hereby, are within such Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene such Borrower's charter or bylaws; (ii) violate any Applicable Law (including, without limitation, to the extent applicable, the Securities Exchange Act of 1934, the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970 and any similar statute); (iii) conflict with or result in the breach of, or constitute a default under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting any Borrower, any of its Subsidiaries or any of their properties (including any of the Applicable Capital Market Transaction Documents); or (iv) except for the Liens created under the Security Documents, result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Borrower or any of its Subsidiaries;

(b) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party is required for the due execution, delivery or performance by any Borrower of this Amendment and each other Loan Document contemplated hereby to which it is or is to be a party, or for the consummation of the transactions contemplated hereby;

(c) This Amendment and each other document required to be delivered by a Borrower hereunder has been duly executed and delivered by each Borrower thereto, and constitutes the legal, valid and binding obligation of each Borrower thereto, enforceable against such Borrower in accordance with its terms;

(d) The representations and warranties contained in Article 4 of the Credit Agreement, and in each of the other Loan Documents, are true and correct on and as of the date hereof as though made on and as of such date, other than any such representations and warranties that, by their terms, expressly refer to an earlier date; and

(e) After giving effect hereto, no event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

SECTION 4. Conditions Precedent to Effectiveness of this Amendment. This Amendment shall be effective as of the date first set forth above when the Administrative Agent shall have received, in form and substance satisfactory to it, each of the following:

(a) this Amendment, duly executed by the Borrowers, the Canadian Administrative Agent and the Administrative Agent and Lender Addenda, in the form attached hereto, duly executed by the Required Lenders; and

(b) the delivery of such other documents, instruments, and information, as the Administrative Agent may reasonably request.

SECTION 5. Reference to and Effect on the Credit Agreement. Upon the effectiveness of this Amendment as set forth in Section 4 hereof, on and after the date hereof, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended hereby, and each reference in the Notes and the other Loan Documents to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

SECTION 6. Costs, Expenses and Taxes. The Borrowers agree, jointly and severally, to pay on demand all costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the fees and expenses of counsel for the Administrative Agent with respect thereto).

SECTION 7. No Other Amendments. Except as otherwise expressed herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agents or the Lenders under the Credit Agreement, or any of the other Loan Documents, nor constitute a waiver of any provision of the Credit Agreement or any of the other Loan Documents. Except for the amendment set forth above, the text of the Credit Agreement and all other Loan Documents shall remain unchanged and in full force and effect and the Borrowers hereby ratify and confirm their respective obligations thereunder. This Amendment shall not constitute a modification of the Credit Agreement or a course of dealing with the Administrative Agent at variance with the Credit Agreement such as to require further notice by the Administrative Agent to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future, except as expressly set forth herein. The Borrowers acknowledge and expressly agree that the Agents and the Lenders reserve the right to, and do in fact, require strict compliance with all terms and provisions of the Credit Agreement and the other Loan Documents (in each case as amended hereby).

SECTION 8. Execution in Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile transmission or via email transmission of an Adobe portable document format file (also known as a "PDF File") shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 9. Delivery of Lender Addenda. Each Lender executing this Amendment shall do so by delivering to the Administrative Agent a Lender Addendum, substantially in the form of Annex I attached hereto, duly executed by such Lender.

SECTION 10. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws (without giving effect to the conflicts of laws principles thereof) of the State of New York.

SECTION 11. Final Agreement. This Amendment represents the final agreement between the Borrowers, the Administrative Agent, the Canadian Administrative Agent and the Lenders as to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. The Amendment shall constitute a Loan Document for all purposes.

[The remainder of the page is intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BORROWERS:

AGCO CORPORATION

By: -s- DAVID K WILLIAMS

Title: VP- TREASURER

AGCO CANADA, LTD.

By: -s- DAVID K WILLIAMS

Title: VP- TREASURER

AGCO LIMITED

By: -s- CSD LUPTON R.N. BATKIN

Title: ______________________________

AGCO INTERNATIONAL LIMITED

By: -s- CSD LUPTON R.N. BATKIN

Title: ______________________________

AGCO HOLDING B.V.

By: -s- CSD LUPTON

Title: ______________________________

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

AGCO DEUTSCHLAND HOLDING
LIMITED & CO. KG

By: -s- DAVID K WILLIAMS

Title: VP- TREASURER

VALTRA HOLDING OY

By: -s- DAVID K WILLIAMS

Title: VP- TREASURER

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

AGCO DEUTSCHLAND HOLDING
LIMITED & CO. KG

By: -s- R. N. Batkin

Title:_______________________________

VALTRA HOLDING OY

By: -s- R. N. Batkin

Title: ______________________________

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

AGENTS, ISSUING BANKS AND SWING LINE BANK:

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND," NEW YORK BRANCH, as Administrative Agent and Multi-Currency Issuing Bank

By: -s- Kimberly D. English

Title: Kimberly D. English
Vice President

By: -s- Brett Delfino

Title: Brett Delfino
Executive Director

COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND," CANADIAN BRANCH, as Canadian Administrative Agent and Canadian Issuing Bank

By: -s- DAVID L. STREETER

Title: DAVID L. STREETER
VICE PRESIDENT

By: -s- Craig Squires

Title: Craig Squires
Vice President

LENDERS: See each Lender Addendum attached hereto

EXECUTED LENDER ADDENDA
ON FILE WITH THE ADMINISTRATIVE AGENT

ANNEX 1

LENDER ADDENDUM

Reference is made to the Credit Agreement dated as of December 22, 2003 (as amended, restated, renewed, supplemented or otherwise modified from time to time, the "Credit Agreement") among AGCO Corporation, AGCO Canada Ltd., AGCO Limited, AGCO International Limited, AGCO Holding B.V., AGCO Deutschland Holding Limited & Co. KG and Valtra Holding Oy (collectively, the "Borrowers"), the lenders signatory thereto (together with any other financial institution that subsequently becomes a Lender thereunder, the "Lenders"), the Issuing Banks (as defined in the Credit Agreement), Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", Canadian Branch, as Canadian Administrative Agent, SunTrust Bank and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, CoBank, ACB and The Bank of Tokyo-Mitsubishi, Ltd., NY Branch, as Co-Documentation Agents, and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch, as the Administrative Agent (the "Administrative Agent"). Capitalized terms used herein without definition shall have the respective meanings ascribed to those terms in the Credit Agreement.

Upon execution and delivery of this Lender Addendum by the undersigned Lender, the undersigned Lender hereby consents to and agrees with all of the terms and conditions contained in, and shall become a party to, the First Amendment to Credit Agreement and Consent dated as of April 12, 2004.

THIS LENDER ADDENDUM SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

This Lender Addendum may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page hereof by facsimile transmission or via email transmission of an Adobe portable document file (also known as a "PDF File") shall be effective as delivery of a manually executed counterpart hereof.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Lender Addendum to be duly executed and delivered by their proper and duly authorized officers effective as of the date set forth herein.

[NAME OF LENDER]

By:_________________________________
Name:_______________________________
Title:______________________________

EXHIBIT 31.1

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

I, Robert J. Ratliff, 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: May 10, 2004

/s/ Robert J. Ratliff

Robert J. Ratliff

Chairman, President and CEO

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: May 10, 2004

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer

[AGCO LOGO] AGCO Corporation
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 March 31, 2004 (the "Report"), I, Robert J. Ratliff, Chairman, 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/ Robert J. Ratliff

Robert J. Ratliff
Chairman, President and Chief Executive Officer
May 10, 2004

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer
May 10, 2004

Exhibit 99.1

Reclassification of Segment Information

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 each of the fiscal quarters ending March 31, June 30, September 30 and December 31, 2003 and the year ended December 31, 2002 have been reclassified to conform to the current presentation.

	North America	South America	Europe/Africa /Middle East	Asia/ Pacific	Total
2003					
Net sales					
First Quarter	$ 280.1	$ 68.9	$ 385.0	$ 23.2	$ 757.2
Second Quarter	294.0	100.0	485.0	23.7	902.7
Third Quarter	264.3	121.7	368.0	46.3	800.3
Fourth Quarter	337.8	125.7	520.8	50.8	1,035.1
Total	$ 1,176.2	$ 416.3	$ 1,758.8	$ 144.0	$3,495.3
Income from operations					
First Quarter	$ 9.8	$ 8.9	$ 29.3	$ 3.0	$ 51.0
Second Quarter	15.1	11.7	37.7	3.2	67.7
Third Quarter	7.2	18.8	13.3	8.6	47.9
Fourth Quarter	7.3	21.1	33.4	8.4	70.2
Total	$ 39.4	$ 60.5	$ 113.7	$ 23.2	$ 236.8
Depreciation					
First Quarter	$ 4.8	$ 1.1	$ 7.4	$ 0.7	$ 14.0
Second Quarter	3.9	1.6	8.9	0.5	14.9
Third Quarter	4.2	1.5	7.6	1.1	14.4
Fourth Quarter	4.1	1.7	8.9	0.8	15.5
Total	$ 17.0	$ 5.9	$ 32.8	$ 3.1	$ 58.8
Capital expenditures					
First Quarter	$ 4.0	$ 1.1	$ 4.2	$ --	$ 9.3
Second Quarter	5.3	1.9	11.6	--	18.8
Third Quarter	2.5	3.1	14.3	--	19.9
Fourth Quarter	3.9	7.9	16.4	2.5	30.7
Total	$ 15.7	$ 14.0	$ 46.4	$ 2.5	$ 78.7
Assets as of December 31, 2003	$ 685.2	$ 222.0	$ 836.4	$ 47.3	$1,790.9

A reconciliation from the segment information to consolidated income from operations is set forth below:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Segment income from operations	$ 51.0	$ 67.7	$ 47.9	$ 70.2	$ 236.8
Corporate expenses	(5.6)	(5.4)	(6.0)	(6.4)	(23.4)
Restricted stock compensation expense	(0.1)	(0.1)	(0.3)	(0.1)	(0.6)
Restructuring and other infrequent income (expenses)	(7.0)	(19.2)	(1.6)	0.2	(27.6)
Amortization of intangibles	(0.4)	(0.4)	(0.5)	(0.4)	(1.7)
Consolidated income from operations	$ 37.9	$ 42.6	$ 39.5	$ 63.5	$ 183.5

	North America	South America	Europe/Africa /Middle East	Asia/ Pacific	Total
2002					
Net sales	$1,039.2	$ 270.8	$ 1,505.6	$ 107.1	$2,922.7
Income from operations	30.9	30.5	133.6	19.4	214.4
Depreciation	15.0	4.3	26.0	2.5	47.8
Capital expenditures	15.5	8.8	30.6	--	54.9
Assets as of December 31, 2002	$ 742.0	$ 127.2	$ 634.4	$ 37.2	$1,540.8

A reconciliation from the segment information to consolidated income from operations is set forth below:

	2002
Segment income from operations	$ 214.4
Corporate expenses	(22.2)
Restricted stock compensation expense	(44.1)
Restructuring and other infrequent expenses	(42.7)
Amortization of intangibles	(1.4)
Consolidated income from operations	$ 104.0