SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1996

OR

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

For the transition period from ____________________ to ____________________

Commission file number 0-19898

AGCO CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	58-1960019
(State of incorporation)	(I.R.S. Employer Identification No.)

4830 River Green Parkway
Duluth, Georgia 30136
(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: (770) 813-9200

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Common stock par value $.01 per share: 57,125,955 shares outstanding as of June 30, 1996.

AGCO CORPORATION AND SUBSIDIARIES

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Part I. Financial Information
Item 1. Financial Statements

AGCO CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	CONSOLIDATED		EQUIPMENT OPERATIONS	
	June 30, 1996	December 31, 1995	June 30, 1996	December 31, 1995
ASSETS	(Unaudited)		(Unaudited)	
Current Assets:				
Cash and cash equivalents	$ 31,913	$ 27,858	$ 29,013	$ 20,023
Accounts and notes receivable, net of allowances	836,901	785,801	836,901	785,801
Receivables from unconsolidated subsidiary and affiliates	4,227	4,029	6,098	4,029
Credit receivables, net	207,699	185,401	-	-
Inventories, net	485,460	360,969	485,460	360,969
Other current assets	73,435	60,442	69,967	56,950
Total current assets	1,639,635	1,424,500	1,427,439	1,227,772
Noncurrent credit receivables, net	415,392	397,177	-	-
Property, plant and equipment, net	243,732	146,521	243,407	146,172
Investments in unconsolidated subsidiary and affiliates	47,677	45,963	112,886	105,913
Other assets	52,710	44,510	52,710	44,510
Intangible assets, net	208,870	104,244	208,870	104,244
Total assets	$2,608,016	$2,162,915	$2,045,312	$1,628,611
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Current portion of long-term debt	$ 399,860	$ 361,376	$ -	$ -
Accounts payable	342,367	325,701	339,039	319,711
Payables to unconsolidated subsidiary and affiliates	25,550	4,837	25,550	9,523
Accrued expenses	253,788	233,848	242,779	223,839
Other current liabilities	11,781	13,217	11,781	13,217
Total current liabilities	1,033,346	938,979	619,149	566,290
Long-term debt	827,434	531,336	688,434	378,336
Convertible subordinated debentures	-	37,558	-	37,558
Postretirement health care benefits	24,021	23,561	24,021	23,561
Other noncurrent liabilities	43,149	42,553	33,642	33,938
Total liabilities	1,927,950	1,573,987	1,365,246	1,039,683
Stockholders' Equity:				
Common stock; $0.01 par value, 150,000,000 shares authorized, 57,125,955 and 50,557,040 shares issued and outstanding at June 30, 1996 and December 31, 1995, respectively	572	506	572	506
Additional paid-in capital	359,831	307,189	359,831	307,189
Retained earnings	341,279	287,706	341,279	287,706
Unearned compensation	(28,850)	(22,587)	(28,850)	(22,587)
Additional minimum pension liability	(2,619)	(2,619)	(2,619)	(2,619)
Cumulative translation adjustment	9,853	18,733	9,853	18,733
Total stockholders' equity	680,066	588,928	680,066	588,928
Total liabilities and stockholders' equity	$2,608,016	$2,162,915	$2,045,312	$1,628,611

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	FINANCE COMPANY	
	June 30, 1996	December 31, 1995
ASSETS	(Unaudited)	
Current Assets:		
Cash and cash equivalents	$ 2,900	$ 7,835
Accounts and notes receivable, net of allowances	-	-
Receivables from unconsolidated subsidiary and affiliates	-	4,686
Credit receivables, net	207,699	185,401
Inventories, net	-	-
Other current assets	3,468	3,492
Total current assets	214,067	201,414
Noncurrent credit receivables, net	415,392	397,177
Property, plant and equipment, net	325	349
Investments in unconsolidated subsidiary and affiliates	-	-
Other assets	-	-
Intangible assets, net	-	-
Total assets	$629,784	$598,940
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$399,860	$361,376
Accounts payable.	3,328	5,990
Payables to unconsolidated subsidiary and affiliates	1,871	-
Accrued expenses	11,009	10,009
Other current liabilities	-	-
Total current liabilities	416,068	377,375
Long-term debt	139,000	153,000
Convertible subordinated debentures	-	-
Postretirement health care benefits.	-	-
Other noncurrent liabilities	9,507	8,615
Total liabilities	564,575	538,990
Stockholders' Equity:		
Common stock; $0.01 par value, 150,000,000 shares authorized, 57,125,955 and 50,557,040 shares issued and outstanding at June 30, 1996 and December 31, 1995, respectively	1	1
Additional paid-in capital	48,834	48,834
Retained earnings	16,413	11,150
Unearned compensation	-	-
Additional minimum pension liability.	-	-
Cumulative translation adjustment	(39)	(35)
Total stockholders' equity	65,209	59,950
Total liabilities and stockholders' equity . . .	$629,784	$598,940

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited and in thousands, except per share data)

	CONSOLIDATED		EQUIPMENT OPERATIONS	
	Three Months Ended June 30,		Three Months Ended June 30,	
	1996	1995	1996	1995
Revenues:				
Net sales	$584,681	$558,594	$584,681	$558,594
Finance income	16,950	13,124	-	-
	601,631	571,718	584,681	558,594
Costs and Expenses:				
Cost of goods sold	468,887	441,150	468,887	441,150
Selling, general and administrative expenses	52,107	51,255	48,646	47,299
Engineering expenses	6,737	6,432	6,737	6,432
Interest expense, net	16,416	16,428	7,183	8,845
Other expense (income), net	1,201	2,501	1,225	2,510
Nonrecurring expenses	794	1,740	794	1,740
	546,142	519,506	533,472	507,976
Income before income taxes and equity in net earnings of unconsolidated subsidiary and affiliates	55,489	52,212	51,209	50,618
Provision for income taxes	19,837	17,900	18,150	17,278
Income before equity in net earnings of unconsolidated subsidiary and affiliates	35,652	34,312	33,059	33,340
Equity in net earnings of unconsolidated subsidiary and affiliates	1,856	1,576	4,449	2,548
Net income	37,508	35,888	37,508	35,888
Preferred stock dividends	-	799	-	799
Net income available for common stockholders	$ 37,508	$ 35,089	$37,508	$35,089
Net income per common share:				
Primary	$ 0.69	$ 0.78		
Fully diluted	$ 0.66	$ 0.64		
Weighted average number of common and common equivalent shares outstanding:				
Primary	54,222	44,896		
Fully diluted	57,384	56,178		
Dividends declared per common share	$ 0.01	$ 0.01		

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited and in thousands, except per share data)

	FINANCE COMPANY	
	Three Months Ended June 30,	
	1996	1995
Revenues:		
Net sales	$ -	$ -
Finance income	16,950	13,124
	16,950	13,124
Costs and Expenses:		
Cost of goods sold	-	-
Selling, general and administrative expenses	3,461	3,956
Engineering expenses	-	-
Interest expense, net	9,233	7,583
Other expense (income), net	(24)	(9)
Nonrecurring expenses	-	-
	12,670	11,530
Income before income taxes and equity in net earnings of unconsolidated subsidiary and affiliates	4,280	1,594
Provision for income taxes	1,687	622
Income before equity in net earnings of unconsolidated subsidiary and affiliates	2,593	972
Equity in net earnings of unconsolidated subsidiary and affiliates	-	-
Net income	2,593	972
Preferred stock dividends	-	-
Net income available for common stockholders	$ 2,593	$ 972

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited and in thousands, except per share data)

	CONSOLIDATED		EQUIPMENT OPERATIONS	
	Six Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Revenues:				
Net sales	$1,038,565	$1,002,130	$1,038,565	$1,002,130
Finance income	33,758	25,807	-	-
	1,072,323	1,027,937	1,038,565	1,002,130
Costs and Expenses:				
Cost of goods sold	829,031	791,488	829,031	791,488
Selling, general and administrative expenses	101,546	98,845	94,892	91,409
Engineering expenses	13,716	11,551	13,716	11,551
Interest expense, net	31,468	31,743	13,147	17,191
Other expense (income), net	3,667	3,068	3,668	3,130
Nonrecurring expenses	6,717	3,752	6,717	3,752
	986,145	940,447	961,171	918,521
Income before income taxes, equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	86,178	87,490	77,394	83,609
Provision for income taxes	30,704	30,301	27,183	28,787
Income before equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	55,474	57,189	50,211	54,822
Equity in net earnings of unconsolidated subsidiary and affiliates	2,629	2,083	7,892	4,450
Income before extraordinary loss	58,103	59,272	58,103	59,272
Extraordinary loss, net of taxes	(3,503)	-	(3,503)	-
Net income	54,600	59,272	54,600	59,272
Preferred stock dividends	-	2,012	-	2,012
Net income available for common stockholders	$ 54,600	$ 57,260	$ 54,600	$ 57,260
Net income per common share:				
Primary:				
Income before extraordinary loss	$ 1.10	$ 1.29		
Extraordinary loss	(0.07)	-		
Net income	$ 1.03	$ 1.29		
Fully diluted:				
Income before extraordinary loss	$ 1.02	$ 1.06		
Extraordinary loss	(0.06)	-		
Net income	$ 0.96	$ 1.06		
Weighted average number of common and common equivalent shares outstanding:				
Primary	52,757	44,474		
Fully diluted	57,237	56,080		
Dividends declared per common share	$ 0.02	$ 0.02		

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited and in thousands, except per share data)

	FINANCE COMPANY	
	Six Months Ended June 30,	
	1996	1995
Revenues:		
Net sales	$ -	$ -
Finance income	33,758	25,807
	33,758	25,807
Costs and Expenses:		
Cost of goods sold	-	-
Selling, general and administrative expenses	6,654	7,436
Engineering expenses	-	-
Interest expense, net	18,321	14,552
Other expense (income), net	(1)	(62)
Nonrecurring expenses	-	-
	24,974	21,926
Income before income taxes, equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	8,784	3,881
Provision for income taxes	3,521	1,514
Income before equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	5,263	2,367
Equity in net earnings of unconsolidated subsidiary and affiliates	-	-
Income before extraordinary loss	5,263	2,367
Extraordinary loss, net of taxes	-	-
Net income	5,263	2,367
Preferred stock dividends	-	-
Net income available for common stockholders	$ 5,263	$ 2,367

See acompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	CONSOLIDATED		EQUIPMENT OPERATIONS	
	Six Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Cash flows from operating activities:				
Net income	$54,600	$59,272	$54,600	$59,272
Adjustments to reconcile net income to net cash provided by (used for) operating activities:				
Extraordinary loss, net of taxes	3,503	-	3,503	-
Depreciation and amortization	12,698	11,995	12,633	11,943
Equity in net earnings of unconsolidated subsidiary and affiliates, net of cash received	(2,629)	(2,083)	(7,892)	(4,450)
Deferred income tax provision (benefit)	8,714	17,086	8,931	18,056
Amortization of intangibles	2,018	1,861	2,018	1,861
Amortization of unearned compensation	7,432	1,354	7,432	1,354
Provision for losses on credit receivables	2,003	2,903	-	-
Changes in operating assets and liabilities, net of effects from purchase of businesses:				
Accounts and notes receivable, net	(38,126)	(132,299)	(39,997)	(124,514)
Inventories, net	(87,946)	(82,370)	(87,946)	(82,370)
Other current and noncurrent assets	(6,801)	1,515	(7,023)	1,406
Accounts payable	28,340	33,029	26,316	34,448
Accrued expenses	14,766	4,148	13,770	4,055
Other current and noncurrent liabilities	4,065	(11,590)	3,173	(11,711)
Total adjustments	(51,963)	(154,451)	(65,082)	(149,922)
Net cash provided by (used for) operating activities	2,637	(95,179)	(10,482)	(90,650)
Cash flows from investing activities:				
Purchase of businesses, net of cash acquired	(6,417)	(23,123)	(6,417)	(23,123)
Purchase of property, plant and equipment	(15,493)	(13,372)	(15,471)	(13,288)
Credit receivables originated	(198,302)	(153,262)	-	-
Principal collected on credit receivables	155,786	117,654	-	-
Investments in unconsolidated subsidiary and affiliates	-	(1,708)	-	(1,708)
Net cash used for investing activities	(64,426)	(73,811)	(21,888)	(38,119)
Cash flows from financing activities:				
Proceeds on long-term debt, net	76,352	171,528	51,868	139,997
Payment of debt issuance costs	(10,590)	-	(10,590)	-
Proceeds from issuance of common stock	1,454	224	1,454	224
Dividends paid on common stock	(1,027)	(436)	(1,027)	(436)
Dividends paid on preferred stock	-	(2,420)	-	(2,420)
(Payments) proceeds on short-term borrowings from unconsolidated subsidiary and affiliates, net	-	-	-	(5,333)
Net cash provided by financing activities	66,189	168,896	41,705	132,032
Effect of exchange rate changes on cash and cash equivalents	(345)	1,044	(345)	1,044
Increase (decrease) in cash and cash equivalents	4,055	950	8,990	4,307
Cash and cash equivalents, beginning of period	27,858	25,826	20,023	21,844
Cash and cash equivalents, end of period	$31,913	$26,776	$29,013	$26,151

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	FINANCE COMPANY Six Months Ended June 30, 1996	FINANCE COMPANY Six Months Ended June 30, 1995
Cash flows from operating activities:		
Net income	$ 5,263	$ 2,367
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Extraordinary loss, net of taxes	-	-
Depreciation and amortization	65	52
Equity in net earnings of unconsolidated subsidiary and affiliates, net of cash received	-	-
Deferred income tax provision (benefit)	(217)	(970)
Amortization of intangibles	-	-
Amortization of unearned compensation	-	-
Provision for losses on credit receivables	2,003	2,903
Changes in operating assets and liabilities, net of effects from purchase of businesses:		
Accounts and notes receivable, net	-	-
Inventories, net	-	-
Other current and noncurrent assets	222	109
Accounts payable	3,895	(9,204)
Accrued expenses	996	93
Other current and noncurrent liabilities	892	121
Total adjustments	7,856	(6,896)
Net cash provided by(used for)operating activities	13,119	(4,529)
Cash flows from investing activities:		
Purchase of businesses, net of cash acquired	-	-
Purchase of property, plant and equipment	(22)	(84)
Credit receivables originated	(198,302)	(153,262)
Principal collected on credit receivables	155,786	117,654
Investments in unconsolidated subsidiary and affiliates	-	-
Net cash used for investing activities	(42,538)	(35,692)
Cash flows from financing activities:		
Proceeds on long-term debt, net	24,484	31,531
Payment of debt issuance costs	-	-
Proceeds from issuance of common stock	-	-
Dividends paid on common stock	-	-
Dividends paid on preferred stock	-	-
(Payments) proceeds on short-term borrowings from unconsolidated subsidiary and affiliates, net	-	5,333
Net cash provided by financing activities	24,484	36,864
Effect of exchange rate changes on cash and cash equivalents	-	-
Increase (decrease) in cash and cash equivalents	(4,935)	(3,357)
Cash and cash equivalents, beginning of period	7,835	3,982
Cash and cash equivalents, end of period	$ 2,900	$ 625

See accompanying notes to condensed consolidated financial statements.

1. BASIS OF PRESENTATION

The condensed consolidated financial statements of AGCO Corporation and subsidiaries (the "Company" or "AGCO") included herein have been prepared by the Company pursuant to 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, 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, 1995. Interim results of operations are not necessarily indicative of results to be expected for the fiscal year.

The accompanying condensed consolidated financial statements include, on a separate, supplemental basis, the Company's Equipment Operations and its Finance Company. "Equipment Operations" reflect the consolidation of all operations of the Company and its subsidiaries with the exception of Agricredit Acceptance Company ("Agricredit"), a wholly-owned finance subsidiary, which is included using the equity method of accounting. The results of operations of Agricredit are included under the caption "Finance Company." All significant intercompany transactions, including activity within and between the Equipment Operations and Finance Company, have been eliminated to arrive at the "Consolidated" financial statements. Certain prior period amounts have been reclassified to conform with the current period presentation.

2. ACQUISITIONS

Effective June 28, 1996, the Company acquired certain assets and liabilities of the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Agricultural Equipment Business") for consideration consisting of approximately $260.0 million (the "Maxion Acquisition"). The Maxion Acquisition was financed primarily by borrowings under the Company's $650.0 million revolving credit facility and was funded on July 1, 1996. The acquired assets and assumed liabilities consist primarily of accounts receivable, inventories, property, plant and equipment (including two manufacturing facilities), accounts payable and accrued liabilities. Prior to the acquisition, the Maxion Agricultural Equipment Business was AGCO's Massey Ferguson licensee in Brazil, manufacturing and distributing agricultural tractors under the Massey Ferguson brand name, industrial loader-backhoes under the Massey Ferguson and Maxion brand names and combines under the Massey Ferguson and IDEAL brand names.

The following unaudited pro forma data summarizes the results of operations for the six months ended June 30, 1996 and 1995 as if the Maxion Acquisition, and the related financings, had occurred at the beginning of 1995. 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 dates indicated or what the results of operations may be in any future period.

	Six Months Ended June 30, 1996	Six Months Ended June 30,1995
	(in thousands, except per share data)	
Net sales and finance income	$1,165,458	$1,243,013
Net income (1).	14,276	40,819
Net income per common share - fully diluted (1) . .	0.26	0.73

(1) For the six months ended June 30, 1996, amount excludes extraordinary loss, net of taxes of $3,503.

3. CHARGES FOR NONRECURRING EXPENSES

The results of operations included a charge for nonrecurring expenses of $0.8 million, or $0.01 per common share on a fully diluted basis, for the three months ended June 30, 1996 and $6.7 million, or $0.08 per common share on a fully diluted basis, for the six months ended June 30, 1996 related to the further restructuring of the International Operations which was acquired in the Massey Acquisition in June 1994.

The nonrecurring charge included costs associated with the centralization of certain parts warehousing, administrative, sales and marketing functions. The $6.7 million nonrecurring charge recorded through June 30, 1996 included $5.1 million for employee related costs consisting primarily of severance costs and $1.6 million for other nonrecurring costs. Included in the $5.1 million of employee related costs was $0.8 million of payroll costs incurred through June 30, 1996 for personnel that have been terminated or will be terminated in future periods. Of the total $6.7 million charge, $3.8 million had been incurred at June 30, 1996. The remaining accrual of $2.9 million consists of employee severance costs which relate to the planned reduction of 86 employees, of which 37 employees had been terminated at June 30, 1996.

The results of operations for the three and six months ended June 30, 1995 included a charge for nonrecurring expenses of $1.7 million, or $0.02 per common share on a fully diluted basis, and $3.8 million, or $0.04 per common share on a fully diluted basis, respectively, which was a portion of the Company's $19.5 million charge recorded through December 31, 1995 primarily related to the initial integration and restructuring of the International Operations. The nonrecurring charge for the six months ended June 30, 1995 included $2.7 million for employee severance and $1.1 million for certain data processing expenses. All of the costs associated with the $19.5 million charge recorded through December 31, 1995 have been incurred.

4. LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 1996 and December 31, 1995 (in thousands):

	June 30, 1996	December 31, 1995
Revolving credit facility - Equipment Operations . . .	$ 180,548	$378,336
Revolving credit facility - Finance Company	538,860	514,376
Senior subordinated notes	247,886	- -
Payable to Iochpe-Maxion S.A.	260,000	- -
	$1,227,294	$892,712

Effective June 28, 1996, the Maxion Acquisition was completed (see Note 2 - Acquisitions). The purchase price of $260.0 million was funded through borrowings under the Company's $650.0 million revolving credit facility on July 1, 1996. Accordingly, the payable to the seller, Iochpe-Maxion S.A., that existed at June 30, 1996 is reflected in Long-Term Debt in the Consolidated Balance Sheet at June 30, 1996.

In March 1996, the Company issued $250.0 million of 8 1/2% Senior Subordinated Notes due 2006 (the "Notes") at 99.139% of their principal amount. The Notes are unsecured obligations of the Company and are redeemable at the option of the Company, in whole or in part, at any time on or after March 15, 2001 initially at 104.25% of their principal amount, plus accrued interest, declining ratably to 100% of their principal amount plus accrued interest, on or after March 15, 2003. The Notes include certain covenants, including covenants restricting the incurrence of indebtedness and the making of certain restrictive payments, including dividends. The net proceeds from the sale of the Notes were used to repay outstanding indebtedness under the Company's $550.0 million secured revolving credit facility.

In March 1996, the Company replaced its $550.0 million secured revolving credit facility (the "Old Credit Facility") with a five-year $650.0 million unsecured credit facility (the "New Credit Facility"). Aggregate borrowings outstanding under the New Credit Facility are subject to a borrowing base limitation and may not at any time exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. Interest will accrue on borrowings outstanding under the New Credit Facility primarily at LIBOR plus an applicable margin, as defined. The New Credit Facility contains certain covenants, including covenants restricting the incurrence of indebtedness and the making of certain restrictive payments, including dividends. In addition, the Company must maintain certain financial covenants including, among others, a debt to capitalization ratio, an interest coverage ratio and a ratio of debt to cash flow, as defined. On July 1, 1996, the Maxion Acquisition was funded through $260.0 million of additional borrowings under the New Credit Facility. As of June 30, 1996, including the borrowings for the Maxion Acquisition, approximately $440.5 was outstanding under the New Credit Facility and available borrowings were approximately $199.9 million.

5. EXTRAORDINARY LOSS

During the first quarter of 1996, as part of the refinancing of the Old Credit Facility with the New Credit Facility, the Company recorded an extraordinary loss of $3.5 million, net of taxes of $2.2 million, for the write-off of unamortized debt costs related to the Old Credit Facility.

6. CONVERTIBLE SUBORDINATED DEBENTURES

In June 1995, the Company exchanged all of its outstanding 2,674,534 depositary shares (the "Exchange"), each representing 1/10 of a share of $16.25 Cumulative Convertible Exchangeable Preferred Stock (the "Preferred Stock"), into $66.8 million of its 6.5% Convertible Subordinated Debentures due 2008 (the "Convertible Subordinated Debentures"). The effect of this transaction resulted in a reduction to stockholders' equity and an increase to liabilities in the amount of $66.8 million. The Convertible Subordinated Debentures were convertible at any time at the option of the holder into shares of the Company's common stock at a conversion rate of 157.85 shares of common stock for each $1,000 principal amount of the debentures. In addition, on or after June 1, 1996, the Convertible Subordinated Debentures were redeemable at the option of the Company initially at an amount equivalent to $1,045.50 per $1,000 principal amount of the debentures and thereafter at prices declining to an amount equivalent to the face amount of the debentures on or after June 1, 2003, plus all accrued and unpaid interest.

In April 1996, the Company announced its election, effective June 1, 1996, to redeem all of its outstanding Convertible Subordinated Debentures. Prior to the execution of the redemption, all of the outstanding Convertible Subordinated Debentures were converted into common stock. Since December 31, 1995, $37.6 million of outstanding Convertible Subordinated Debentures were converted into approximately 5,920,000 shares of the Company's common stock.

7. NET INCOME PER COMMON SHARE

Primary net income per common share is computed by dividing net income available for common stockholders (net income less preferred stock dividend requirements) by the weighted average number of common and common equivalent shares outstanding during each period. Common equivalent shares include shares issuable upon the assumed exercise of outstanding stock options. Fully diluted net income per common share assumes (i) conversion of the Convertible Subordinated Debentures into common stock after the Exchange and the elimination of interest expense related to the Convertible Subordinated Debentures, net of applicable income taxes and (ii) the conversion of the Preferred Stock into common stock and the elimination of the preferred stock dividend requirements prior to the Exchange.

8. INVENTORIES

Inventories consist primarily of farm tractors, combines, implements, hay and forage equipment and service parts and are valued at the lower of cost or market. Cost is determined on a first-in, first-out basis. Market is net realizable value for finished goods and repair and replacement parts. For work in process, production parts and raw materials, market is replacement cost.

Inventory balances at June 30, 1996 and December 31, 1995 were as follows (in thousands):

	June 30, 1996	December 31, 1995
Finished goods	$192,896	$121,034
Repair and replacement parts	225,028	196,863
Work in process, production parts and raw materials	113,395	84,505
Gross inventories	531,319	402,402
Allowance for surplus and obsolete inventories	(45,859)	(41,433)
Inventories, net	$485,460	$360,969

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

GENERAL

The Company's operations are subject to the cyclical nature of the agricultural industry. Sales of the Company's equipment have been affected by changes in net cash farm income, farm land values, weather conditions, the demand for agricultural commodities and general economic conditions. The Company's operations are expected to be subject to such conditions in the future. Sales are recorded by the Company when equipment and replacement parts are shipped by the Company to its independent dealers. To the extent possible, the Company attempts to ship products on a level basis throughout the year to reduce the effect of seasonal demands on its manufacturing operations and to minimize its investment in inventory. Retail sales by dealers to farmers ("settlements") are highly seasonal and are a function of the timing of the planting and harvesting seasons. As a result, the Company's net sales and operating results have historically been the lowest in the first quarter and have increased in subsequent quarters.

Effective June 28, 1996, the Company acquired certain assets and liabilities of the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Acquisition"). As a result of the Maxion Acquisition, the Company expanded its product offerings and the geographic scope of its distribution network to include Brazil. See Note 2 of the Notes to the Condensed Consolidated Financial Statements for further discussion.

RESULTS OF OPERATIONS

NET INCOME

The Company recorded net income for the three months ended June 30, 1996 of $37.5 million compared to $35.9 million for the three months ended June 30, 1995. Net income per common share on a fully diluted basis was $0.66 for the second quarter of 1996 compared to $0.64 for the same period in 1995. Net income for the six months ended June 30, 1996 was $54.6 million compared to $59.3 million for the same period in 1995. Net income per common share on a fully diluted basis was $0.96 and $1.06 for the six months ended June 30, 1996 and 1995, respectively. Net income for the three and six months ended June 30, 1996 included nonrecurring expenses of $0.8 million, or $0.01 per share on a fully diluted basis, and $6.7 million, or $0.08 per share on a fully diluted basis, respectively, related to the further restructuring of the Company's International Operations. In addition, net income for the six months ended June 30, 1996 included an extraordinary after-tax charge of $3.5 million, or $0.06 per share on a fully diluted basis, for the write-off of unamortized debt costs related to the refinancing of the revolving credit facility for the Company's Equipment Operations (see "Liquidity and Capital Resources"). Net income for the three and six months ended June 30, 1995 included nonrecurring expenses of $1.7 million, or $0.02 per share on a fully diluted basis, and $3.8 million, or $0.04 per share on a fully diluted basis, related to the Massey Acquisition (see "Charges for Nonrecurring Expenses"). Excluding nonrecurring expenses and the extraordinary after-tax charge, the improved results in 1996 reflected sales growth in existing product lines and improved operating efficiencies.

RETAIL SALES

Conditions in the United States and Canadian agricultural equipment markets continue to be favorable in 1996 compared to 1995. Industry unit retail sales of tractors for the six months ended June 30, 1996 increased 6.9% over the same period in 1995, while unit retail sales of combines and hay and forage equipment decreased 4.1% and 1.7%, respectively, compared to the prior year. The Company believes the increase in retail sales of tractors was primarily due to favorable economic conditions relating to high net cash farm incomes, strong commodity prices and increased export demand. The decrease in industry combine retail sales was partly due to dry weather conditions in the South and Southwest United States. Industry retail sales of hay and forage equipment were below the prior year primarily due to a softness in the cattle market resulting from low commodity prices.

Company unit settlements of tractors and combines in the United States and Canada increased significantly for the six months ended June 30, 1996 compared to 1995. The increase in tractor settlements was attributable to the favorable industry conditions as well as the impact of the Company's expanded dealer network, which resulted primarily from dealers entering into crossover contracts whereby an existing dealer carrying one of the Company's brands contracts to sell an additional AGCO brand. In addition, the Company continues to benefit from the successful acceptance of improved tractor product offerings, including the new Massey Ferguson high horsepower tractors which were introduced in the middle of 1995. Company unit settlements of combines were higher than the prior year and were favorable compared to the decrease in industry retail sales primarily due to increased sales to contract harvesters. Company unit settlements of hay and forage equipment were below the prior year and slightly below the industry decrease primarily due to the Company choosing not to match the aggressive retail financing programs of its major competitors during the first quarter of 1996.

Industry conditions in Western Europe continue to be favorable with retail sales of tractors increasing approximately 11.1% for the six months ended June 30, 1996 compared to the prior year primarily due to improved economic conditions and strong export demand for commodities. Retail sales of Massey Ferguson tractors significantly outperformed the industry compared to 1995 with the most significant increases in the United Kingdom, France, Spain and Scandinavia due to the Company's focus on dealer development and the continued success of the new Massey Ferguson high horsepower tractors. Outside North America and Western Europe, industry retail sales of tractors also showed gains in many markets where the Company competes due to a general improvement in economic conditions. Retail sales of Massey Ferguson tractors significantly increased compared to 1995 with strong market share gains in most markets, particularly in the Middle East, Africa and Australia primarily due to improved economic conditions and the Company's strong distribution channels in these markets.

REVENUES

Total revenues for the three months ended June 30, 1996 were $601.6 million, representing an increase of $29.9 million or 5.2% over total revenues of $571.7 million for the same period in 1995. Total revenues for the six months ended June 30, 1996 increased 4.3% to $1,072.3 million compared to $1,027.9 million for 1995. The increases for both periods were primarily attributable to increased net sales in the International Operations of $30.5 million and $60.0 million for the three and six months ended June 30, 1996, respectively, compared to the prior year. The increases primarily related to continued strength in the agricultural industry and the strong retail sales of the new Massey Ferguson high horsepower tractors. This increase for the International Operations was partially offset by decreases in net sales of $4.4 million and $23.6 million for the three and six months ended June 30, 1996, respectively, compared to the prior year related to the Company's North American Operations. The decrease for the second quarter of 1996 was primarily due to decreased sales of replacement parts which the Company believes were negatively impacted by weather conditions in certain regions which affected the winter wheat harvest or delayed planting. The decrease for the six months ended June 30, 1996 was primarily due to the timing of delivery of certain tractors sourced from certain European suppliers. Total revenues also increased from the prior periods due to increases in finance income of $3.8 million and $8.0 million for the three and six months ended June 30, 1996, respectively, associated with the operations of Agricredit. The increase in finance income was primarily due to the growth in Agricredit's credit receivable portfolio as a result of Agricredit's increased penetration into the Company's dealer network.

COSTS AND EXPENSES

Cost of goods sold of the Company's Equipment Operations for the three months ended June 30, 1996 was $468.9 million (80.2% of net sales) compared to $441.2 million (79.0% of net sales) for the same period in 1995. For the first six months of 1996, cost of goods sold was $829.0 million (79.8% of net sales) compared to $791.5 million (79.0% of net sales). Gross profit, defined as net sales less cost of goods sold, was $115.8 million (19.8% of net sales) for the three months ended June 30, 1996 as compared to $117.4 million (21.0% of net sales) for the same period of the prior year. Gross profit for the first six months of 1996 was $209.5 million (20.2% of net sales) as compared to $210.6 million (21.0% of net sales) for the same period of the prior year. Gross margins were negatively impacted for both periods by a change in the mix of products sold, particularly due to a reduction in high margin North American parts sales and due to a shift in sales from higher margin utility tractors (under 100 horsepower) to high horsepower tractors (over 100 horsepower).

Selling, general and administrative expenses for the three months ended June 30, 1996 were $52.1 million (8.7% of total revenues) compared to $51.3 million (9.0% of total revenues) for the same period last year. For the first six months of 1996, selling, general and administrative expenses were $101.5 million (9.5% of total revenues) compared to $98.8 million (9.6% of total revenues) for the same period in 1995. The decrease in selling, general and administrative expenses as a percentage of total revenues was primarily due to the successful cost reduction efforts in the Company's International Operations. These cost reductions were offset to some extent by an increase in the amortization of stock-based compensation expense of $4.6 million and $7.9 million over the prior year for the three and six months ended June 30, 1996, respectively, related to the Company's long-term incentive plan which is tied to stock price appreciation. In addition, the Company had lower operating expenses as a percentage of total revenues related to Agricredit. Excluding Agricredit and the amortization related to the long-term incentive plan, the Company's Equipment Operations had selling, general and administrative expenses of $42.7 million (7.3% of net sales) and $45.9 million (8.2% of net sales) for the three months ended June 30, 1996 and 1995, respectively. For the first six months of 1996 and 1995, the Company's Equipment Operations had selling, general and administrative expenses of $84.5 million (8.1% of net sales) and $89.0 million (8.9% of net sales), respectively. The decrease as a percentage of net sales was primarily due to the successful cost reduction efforts in the Company's International Operations.

Engineering expenses for the Company's Equipment Operations were $6.7 million (1.2% of net sales) for the three months ended June 30, 1996 compared to $6.4 million (1.2% of net sales) for the same period in 1995. Engineering expenses for the six months ended June 30, 1996 were $13.7 million (1.3% of net sales) and $11.6 million (1.2% of net sales) for the same period in the prior year. The increase as a percentage of net sales for the six months ended June 30, 1996 compared to the prior year was primarily due to the timing of engineering expenses related to the development of a new Massey Ferguson utility tractor line.

Interest expense, net was $16.4 million for the three months ended June 30, 1996 and was $16.4 million for the same period in the prior year. Interest expense, net for the six months ended June 30, 1996 was $31.5 million compared to $31.7 million for the same period in 1995. For both periods, the Company had lower interest expense, net compared to 1995 in its Equipment Operations resulting from lower interest rates and lower average borrowings in addition to higher interest income related to dealer accounts receivable. This decrease in interest expense, net was partially offset by increased interest expense, net relating to Agricredit due to the additional borrowings associated with the increase in the credit receivable portfolio.

Other expense, net was $1.2 million for the three months ended June 30, 1996 compared to $2.5 million for the same period in 1995. Other expense, net was $3.7 million for the six months ended June 30, 1996 compared to $3.1 million for the same period in 1995. The decrease in other expense, net for the three months ended June 30, 1996 was primarily due to foreign exchange gains in 1996 compared to foreign exchange losses in 1995 in the International Operations. The increase in other expense, net for the six months ended June 30, 1996 was primarily due to foreign exchange losses in the International Operations for the first quarter of 1996.

Nonrecurring expenses were $0.8 million and $6.7 million for the three and six months ended June 30, 1996, respectively. Nonrecurring expenses were $1.7 million and $3.8 million for the three and six months ended June 30, 1995, respectively. The nonrecurring charge recorded in 1996 related to the further restructuring of the International Operations which was acquired in the Massey Acquisition in June 1994. The nonrecurring charge recorded in 1995 primarily related to costs associated with the initial integration and restructuring of the International Operations. See "Charges for Nonrecurring Expenses" for further discussion.

The Company recorded income tax provisions of $19.8 million and $17.9 million for the three months ended June 30, 1996 and 1995, respectively. For the six months ended June 30, 1996 and 1995, the Company recorded income tax provisions of $30.7 million and $30.3 million, respectively. For both periods, the Company paid income taxes at rates below statutory rates due to the utilization of net operating loss carryforwards. Due to the availability of net operating loss carryforwards acquired in the Massey Acquisition, the Company expects to continue paying taxes at effective rates substantially below statutory rates in the near future.

Equity in net earnings of unconsolidated affiliates was $1.9 million and $1.6 million for the three months ended June 30, 1996 and 1995, respectively. Equity in net earnings of unconsolidated affiliates was $2.6 million and $2.1 million for the six months ended June 30, 1996 and 1995, respectively. The increase in equity in net earnings of unconsolidated affiliates related to the Company's pro-rata share in net earnings of certain equity investments in the International Operations.

FINANCE COMPANY OPERATIONS

Agricredit, the Company's wholly owned finance subsidiary, recorded net income of $2.6 million and $1.0 million for the three months ended June 30, 1996 and 1995, respectively. Agricredit recorded net income of $5.3 million and $2.4 million for the six months ended June 30, 1996 and 1995, respectively. Retail acceptances were approximately $180.6 million for the six months ended June 30, 1996 and $140.9 million for the same period in the prior year. The increase was primarily the result of the strong retail demand for the Company's products during the first six months of 1996, Agricredit's penetration into the Company's dealer network and its continued growth in the Canadian market.

On July 16, 1996, the Company announced the proposed formation of a joint venture with a subsidiary of Cooperatieve Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" ("Rabobank") as its partner in Agricredit (the "Agricredit Joint Venture"). Under the Agricredit Joint Venture, Rabobank will have a 51% interest in Agricredit and the Company will retain a 49% interest in the finance company. The Agricredit Joint Venture will continue the current business of Agricredit and seek to build a broader asset-based finance business. The Company has similar joint venture arrangements with Rabobank and its affiliates with respect to its retail finance companies located in the United Kingdom, France and Germany. The Agricredit Joint Venture is subject to regulatory approvals and is expected to close during the fourth quarter of 1996.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financing requirements for its Equipment Operations are subject to variations due to seasonal changes in inventory and dealer receivable levels. In March 1996, the Company replaced its $550.0 million secured revolving credit facility (the "Old Credit Facility") with a five-year $650.0 million unsecured revolving credit facility (the "New Credit Facility") (see Note 4 of the Notes to the Condensed Consolidated Financial Statements). The New Credit Facility is the Company's primary source of financing for its Equipment Operations and provides increased borrowing capacity over the Old Credit Facility. Borrowings under the New Credit Facility may not exceed the sum of 90% of eligible accounts receivable and 60% of eligible inventory. As receivables and inventories fluctuate, borrowings under the New Credit Facility fluctuate as well. On July 1, 1996, the Maxion Acquisition was funded through $260.0 million of additional borrowings under the New Credit Facility. As of June 30, 1996, including the borrowings for the Maxion Acquisition, approximately $440.5 million was outstanding under the New Credit Facility and available borrowings were approximately $199.9 million.

In March 1996, the Company issued $250.0 million of 8 1/2% Senior Subordinated Notes due 2006 (the "Notes") at 99.139% of their principal amount (see Note 4 of the Notes to the Condensed Consolidated Financial Statements). The net proceeds from the sale of the Notes were used to repay outstanding indebtedness under the Old Credit Facility. The sale of the Notes provided the Company with subordinated capital and replaced a portion of its floating rate debt with longer term fixed rate debt.

The Company's finance subsidiary, Agricredit, obtains funds from a $545.0 million revolving credit agreement (the "Agricredit Revolving Credit Agreement") to finance its credit receivable portfolio. Borrowings under the Agricredit Revolving Credit Agreement are based on the amount and quality of outstanding credit receivables and are generally issued for terms with maturities matching anticipated credit receivable liquidations. As the credit receivable portfolio fluctuates, borrowings under the Agricredit Revolving Credit Agreement fluctuate as well. As of June 30, 1996, approximately $538.9 million was outstanding under the Agricredit Revolving Credit Agreement. In July 1996, the terms of the Agricredit Revolving Credit Facility were amended and restated to increase Agricredit's borrowing capacity from $545.0 million to $630.0 million. Including the July 1996 amendment, the available borrowings as of June 30,1996 under the Agricredit Revolving Credit Agreement were approximately $85.1 million. Funding of new borrowings under the Agricredit Revolving Credit Agreement expires on June 30, 1997. Upon completion of the proposed Agricredit Joint Venture, the Agricredit Revolving Credit Agreement is planned to be replaced through a funding commitment from Rabobank.

In April 1996, the Company announced its election, effective June 1, 1996, to redeem all of its outstanding 6.5% Convertible Subordinated Debentures due 2008 (the "Convertible Subordinated Debentures") (see Note 6 of the Notes to the Condensed Consolidated Financial Statements). Prior to the execution of the redemption, all of the outstanding Convertible Subordinated Debentures were converted into common stock. Since December 31, 1995, $37.6 million of outstanding Convertible Subordinated Debentures were converted into approximately 5,920,000 shares of the Company's common stock.

The Company's working capital requirements for its Equipment Operations are somewhat seasonal, with investments in working capital typically building in the first and second quarters and then reducing in the third and fourth quarters. As of June 30, 1996, the Company's Equipment Operations had $808.3 million of working capital, an increase of $146.8 million over working capital of $661.5 million as of December 31, 1995. The increase in working capital was primarily due to normal seasonal requirements, particularly in receivables and inventories.

Cash flow provided by operating activities was $2.6 million for the six months ended June 30, 1996 as compared to cash flow used for operating activities of $95.2 million for the same period last year. The decrease in cash flow used for operating activities was primarily due to a smaller increase in accounts receivable at June 30, 1996 compared to June 30, 1995. The lower increase in accounts receivable was due to the reduction of unusually high accounts receivable levels in the International Operations at December 31, 1995 which resulted from significantly higher sales in late 1995 than in late 1994 and due to the strong retail sales during the first six months of 1996 compared to 1995 which resulted in a lower seasonal build-up of dealer inventories in North America.

Capital expenditures for the first six months of 1996 were $15.5 million compared to $13.4 million for the same period in 1995. The Company currently anticipates that additional capital expenditures for the remainder of 1996 will range from approximately $24.5 million to $34.5 million and will primarily be used to support the development and enhancement of new and existing products.

Agricredit's credit receivable originations exceeded credit receivable payments by $42.5 million for the six months ended June 30, 1996. The increase in Agricredit's credit receivable portfolio will result in increased finance income in future periods. The credit receivable originations were financed through additional borrowings under the Agricredit Revolving Credit Agreement.

In June 1996, the Company's board of directors declared a common stock dividend of $0.01 per share for the second quarter of 1996. The declaration and payment of future dividends will be at the sole discretion of the board of directors and will depend upon the Company's results of operations, financial condition, cash requirements, future prospects, limitations imposed by the Company's credit facilities and other factors deemed relevant by the Company's board of directors.

The Company believes that available borrowings under the New Credit Facility, the Agricredit Revolving Credit Agreement, available cash and internally generated funds will be sufficient to support its working capital, capital expenditures, credit receivable originations and debt service requirements for the foreseeable future.

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

CHARGES FOR NONRECURRING EXPENSES

The Company identified approximately $12.0 million of nonrecurring expenses related to the further restructuring of the Company's International Operations, acquired in June 1994 as a result of the Massey Acquisition. The Company recorded $6.7 million of nonrecurring expenses during the first six months of 1996 to recognize a portion of these costs. These costs are primarily related to the centralization of certain parts warehousing, administrative, sales and marketing functions (see Note 3 of the Notes to the Condensed Consolidated Financial Statements). The Company expects to record the remaining $5.3 million of nonrecurring expenses in 1996 and to complete the restructuring by mid-1997. Savings from the further restructuring of the International Operations are expected to result primarily from reduced selling, general and administrative expenses primarily relating to the Company's parts warehousing, administrative, sales and marketing functions. While the Company believes that cost savings from its restructuring plan can be attained, there can be no assurance that all objectives of the restructuring will be achieved.

In the first six months of 1995, the Company recorded nonrecurring expenses of $3.8 million which was a portion of the Company's $19.5 million charge recorded through December 31, 1995 primarily related to the initial integration and restructuring of the International Operations. These costs primarily related to the centralization and rationalization of the International Operations' administrative, sales, and marketing functions. All of the costs associated with the $19.5 million charge recorded through December 31, 1995 have been incurred.

FORWARD LOOKING STATEMENTS

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

PART II. OTHER INFORMATION

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

The Company's annual meeting of stockholders was held on April 24, 1996. The following matters were voted upon and the results of the voting were as follows:

(1) To elect four directors to serve for the ensuing three years or until their successors have been duly elected and qualified. The nominees, Messrs. Mechem, Richard, Robinson and Shumejda were elected to the Company's board of directors. There were 39,245,885 votes for and 197,894 votes withheld for each nominee.

(2) To approve an amendment to the Company's Certificate of Incorporation to increase the number of authorized shares of common stock from 75,000,000 to 150,000,000. The votes of the stockholders on this amendment to the Company's Certificate of Incorporation were as follows: 38,247,379 in favor, 1,140,072 opposed and 56,328 abstained.

(3) To approve the Company's amended and restated Long-Term Incentive Plan. The votes of the stockholders on this plan were as follows: 38,553,166 in favor, 435,254 opposed, 81,748 abstained and 373,611 broker non-votes.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

11.0 - Statement re:Computation of Per Share Earnings.

27.0 - Financial Data Schedule (electronic filing purposes only).

(b) Reports on Form 8-K

The Company filed a Current Report on Form 8-K dated June 28, 1996 disclosing the acquisition of certain assets and liabilities of the agricultural and industrial equipment business of Iochpe-Maxion S.A.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AGCO CORPORATION

Registrant

Date: August 14, 1996

Chris E. Perkins

Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description	Sequentially Numbered Page
11.0	Statement re: Computation of Per Share Earnings.	
27.0	Financial Data Schedule (electronic filing purposes only).	

Exhibit 11

AGCO CORPORATION AND SUBSIDIARIES
STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS (1)
(in thousands, except per share data)

	Three Months Ended June 30, 1996	Three Months Ended June 30, 1995
PRIMARY EARNINGS PER SHARE		
Weighted average number of common shares outstanding	53,738	44,260
Shares issued upon assumed exercise of outstanding stock options	484	636
Weighted average number of common and common equivalent shares outstanding	54,222	44,896
Income before extraordinary loss	$37,508	$35,888
Extraordinary loss	-	-
Net income	37,508	35,888
Preferred stock dividends	-	799
Net income available for common stockholders	$37,508	$35,089
Net income per common share:		
Income before extraordinary loss	$ 0.69	$ 0.78
Extraordinary loss	-	-
Net income	$ 0.69	$ 0.78
FULLY DILUTED EARNINGS PER SHARE		
Weighted average number of common shares outstanding	53,738	44,260
Shares issued upon assumed conversion of the Convertible Subordinated Debentures	3,161	11,272
Shares issued upon assumed exercise of outstanding stock options (2)	485	646
Weighted average number of common and common equivalent shares outstanding	57,384	56,178
Income before extraordinary loss	$37,508	$35,888
Extraordinary loss	-	-
Net income	37,508	35,888
Interest expense on Convertible Subordinated Debentures, net of applicable income taxes	156	-
Net income available for common stockholders	$37,664	$35,888
Net income per common share:		
Income before extraordinary loss	$ 0.66	$ 0.64
Extraordinary loss	-	-
Net income	$ 0.66	$ 0.64

(1) All numbers of shares in this exhibit are weighted on the basis of the number of days the shares were outstanding or assumed to be outstanding during each period. All share data has been restated to reflect the two-for-one stock split, effected January 31, 1996.

(2) Based on the treasury stock method using the higher of the average or period end market price.

Exhibit II

AGCO CORPORATION AND SUBSIDIARIES
STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS (1)
(in thousands, except per share data)

	Six Months Ended June 30, 1996	Six Months Ended June 30, 1995
PRIMARY EARNINGS PER SHARE		
Weighted average number of common shares outstanding	52,248	43,870

Shares issued upon assumed exercise of outstanding stock options	509	604
Weighted average number of common and common equivalent shares outstanding	52,757	44,474
Income before extraordinary loss	$58,103	$59,272
Extraordinary loss	(3,503)	-
Net income	54,600	59,272
Preferred stock dividends	-	2,012
Net income available for common stockholders	$54,600	$57,260
Net income per common share:		
Income before extraordinary loss	$ 1.10	$ 1.29
Extraordinary loss	(0.07)	-
Net income	$ 1.03	$ 1.29
FULLY DILUTED EARNINGS PER SHARE		
Weighted average number of common shares outstanding	52,248	43,870
Shares issued upon assumed conversion of the Convertible Subordinated Debentures	4,470	11,536
Shares issued upon assumed exercise of outstanding stock options (2)	519	674
Weighted average number of common and common equivalent shares outstanding	57,237	56,080
Income before extraordinary loss	$58,103	$59,272
Extraordinary loss	(3,503)	-
Net income	54,600	59,272
Interest expense on Convertible Subordinated Debentures, net of applicable income taxes	529	-
Net income available for common stockholders	$55,129	$59,272
Net income per common share:		
Income before extraordinary loss	$ 1.02	$ 1.06
Extraordinary loss	(0.06)	-
Net income	$ 0.96	$ 1.06

(1) All numbers of shares in this exhibit are weighted on the basis of the number of days the shares were outstanding or assumed to be outstanding during each period. All share data has been restated to reflect the two-for-one stock split, effected January 31, 1996.

(2) Based on the treasury stock method using the higher of the average or period end market price.

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54,600
1.03
0.96