# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# FORM 10-K

**For the fiscal year ended December 31, 2009**

**of**

# AGCO CORPORATION

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

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

AGCO Corporation’s Common Stock and Junior Preferred Stock purchase rights are registered pursuant to Section 12(b) of the Act and are listed on the New York Stock Exchange.

AGCO Corporation is a well-known seasoned issuer.

AGCO Corporation is required to file reports pursuant to Section 13 or Section 15(d) of the Act. AGCO Corporation (1) has filed all reports required to be filed by Section 13 or 15(d) of the Act during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Disclosure of delinquent filers pursuant to Item 405 of Regulation S-K will be contained in a definitive proxy statement, portions of which are incorporated by reference into Part III of this Form 10-K.

AGCO Corporation is not yet required to submit electronically and post on its corporate web site Interactive Data Files required to be submitted and posted pursuant to Rule 405 of regulation S-T.

The aggregate market value of AGCO Corporation’s Common Stock (based upon the closing sales price quoted on the New York Stock Exchange) held by non-affiliates as of June 30, 2009 was approximately $2.0 billion. For this purpose, directors and officers have been assumed to be affiliates. As of February 12, 2010, 92,453,742 shares of AGCO Corporation’s Common Stock were outstanding.

AGCO Corporation is a large accelerated filer and is not a shell company.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of AGCO Corporation’s Proxy Statement for the 2010 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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# PART I

## Item 1. *Business*

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

## General

We are a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. We sell a full range of agricultural equipment, including tractors, combines, self-propelled sprayers, hay tools, forage equipment and implements and a line of diesel engines. Our products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brands, including: Challenger®, Fendt®, Massey Ferguson® and Valtra®. We distribute most of our products through a combination of approximately 2,700 independent dealers and distributors in more than 140 countries. In addition, we provide retail financing in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland and Austria through our retail finance joint ventures with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., which we refer to as "Rabobank."

## Products

### *Tractors*

Our compact tractors (under 40 horsepower) are typically used on small farms and in specialty agricultural industries, such as dairies, landscaping and residential areas. We also offer a full range of tractors in the utility tractor category (40 to 100 horsepower), including two-wheel and all-wheel drive versions. Our utility tractors are typically used on small- and medium-sized farms and in specialty agricultural industries, including dairy, livestock, orchards and vineyards. In addition, we offer a full range of tractors in the high horsepower segment (primarily 100 to 570 horsepower). High horsepower tractors typically are used on larger farms and on cattle ranches for hay production. Tractors accounted for approximately 66% of our net sales in 2009, 67% in 2008 and 68% in 2007.

### *Combines*

Our combines are sold with a variety of threshing technologies. All combines are complemented by a variety of crop-harvesting heads, available in different sizes, that are designed to maximize harvesting speed and efficiency while minimizing crop loss. Combines accounted for approximately 6% of our net sales in both 2009 and 2008 and 5% in 2007.

Our 50% investment in Laverda S.p.A. ("Laverda"), an operating joint venture between AGCO and the Italian ARGO group, is located in Breganze, Italy and manufactures harvesting equipment. In addition to producing Laverda branded combines, the Breganze factory manufactures mid-range combine harvesters for our Massey Ferguson, Fendt and Challenger brands for distribution in Europe, Africa and the Middle East. The joint venture also includes Laverda's ownership in Fella-Werke GMBH, a German manufacturer of grass and hay machinery, and its 30% ownership in Gallignani S.p.A., an Italian manufacturer of balers.

### *Application Equipment*

We offer self-propelled, three- and four-wheeled vehicles and related equipment for use in the application of liquid and dry fertilizers and crop protection chemicals. We manufacture chemical sprayer equipment for use both prior to planting crops, known as "pre-emergence," and after crops emerge from the ground, known as "post-emergence." We also manufacture related equipment, including vehicles used for waste application that are specifically designed for subsurface liquid injection and surface spreading of biosolids, such as sewage

sludge and other farm or industrial waste that can be safely used for soil enrichment. Application equipment accounted for approximately 4% of our net sales in 2009, 2008 and 2007.

***Hay Tools and Forage Equipment, Implements, Engines and Other Products***

Our hay tools and forage equipment include both round and rectangular balers, self-propelled windrowers, disc mowers, spreaders and mower conditioners and are used for the harvesting and packaging of vegetative feeds used in the beef cattle, dairy, horse and alternative fuel industries.

We also distribute a wide range of implements, planters and other equipment for our product lines. Tractor-pulled implements are used in field preparation and crop management. Implements include: disc harrows, which improve field performance by cutting through crop residue, leveling seed beds and mixing chemicals with the soil; heavy tillage, which break up soil and mix crop residue into topsoil, with or without prior discing; and field cultivators, which prepare a smooth seed bed and destroy weeds. Tractor-pulled planters apply fertilizer and place seeds in the field. Other equipment primarily includes loaders, which are used for a variety of tasks including lifting and transporting hay crops.

We provide a variety of precision farming technologies that are developed, manufactured, distributed and supported on a worldwide basis. These technologies provide farmers with the capability to enhance productivity and profitability on the farm. Through the use of global positioning systems, or GPS, our automated steering and guidance products use satellites to help our customers eliminate skips and overlaps to optimize land use. This technology allows for more precise farming practices, from cultivation to planting to nutrient and pesticide applications. AGCO also offers other advanced technology precision farming products that gather information such as yield data, allowing our customers to produce yield maps for the purpose of maximizing planting and fertilizer applications. Many of our tractors, combines, planters and sprayers are equipped with these precision farming technologies at the customer’s option. Our suite of farm management software converts a variety of data generated by our machinery into valuable information that can be used to enhance efficiency, productivity and profitability and promote greater environmental stewardship. While these products do not generate significant revenues, we believe that these products and related services are desired and highly valued by professional farmers around the world and are integral to the growth of our machinery sales.

Our AGCO Sisu Power engines division produces diesel engines, gears and generating sets. The diesel engines are manufactured for use in Valtra tractors and certain other branded tractors, combines and sprayers, as well as for sale to third parties. The engine division specializes in the manufacturing of off-road engines in the 50 to 500 horsepower range.

Hay tools and forage equipment, implements, engines and other products accounted for approximately 10% of our net sales in 2009, 11% in 2008 and 10% in 2007.

***Replacement Parts***

In addition to sales of new equipment, our replacement parts business is an important source of revenue and profitability for both us and our dealers. We sell replacement parts, many of which are proprietary, for all of the products we sell. These parts help keep farm equipment in use, including products no longer in production. Since most of our products can be economically maintained with parts and service for a period of ten to 20 years, each product that enters the marketplace provides us with a potential long-term revenue stream. In addition, sales of replacement parts typically generate higher gross profit margins and historically have been less cyclical than new product sales. Replacement parts accounted for approximately 14% of our net sales in 2009, 12% in 2008 and 13% in 2007.

**Marketing and Distribution**

We distribute products primarily through a network of independent dealers and distributors. Our dealers are responsible for retail sales to the equipment’s end user in addition to after-sales service and support of the equipment. Our distributors may sell our products through a network of dealers supported by the distributor.

Our sales are not dependent on any specific dealer, distributor or group of dealers. We intend to maintain the separate strengths and identities of our core brand names and product lines.

***Europe***

We market and distribute farm machinery, equipment and replacement parts to farmers in European markets through a network of approximately 1,100 independent dealers and distributors. In certain markets, we also sell Valtra tractors and parts directly to the end user. In some cases, dealers carry competing or complementary products from other manufacturers. Sales in Europe accounted for approximately 54% of our net sales in 2009, 56% in 2008 and 57% in 2007.

***North America***

We market and distribute farm machinery, equipment and replacement parts to farmers in North America through a network of approximately 1,000 independent dealers, each representing one or more of our brand names. Dealers may also sell competitive and dissimilar lines of products. Sales in North America accounted for approximately 22% of our net sales in 2009, 21% in 2008 and 22% in 2007.

***South America***

We market and distribute farm machinery, equipment and replacement parts to farmers in South America through several different networks. In Brazil and Argentina, we distribute products directly to approximately 350 independent dealers. In Brazil, dealers are generally exclusive to one manufacturer. Outside of Brazil and Argentina, we sell our products in South America through independent distributors. Sales in South America accounted for approximately 18% of our net sales in both 2009 and 2008 and 16% in 2007.

***Rest of the World***

Outside Europe, North America and South America, we operate primarily through a network of approximately 250 independent dealers and distributors, as well as associates and licensees, marketing our products and providing customer service support in approximately 85 countries in Africa, the Middle East, Australia and Asia. With the exception of Australia and New Zealand, where we directly support our dealer network, we generally utilize independent distributors, associates and licensees to sell our products. These arrangements allow us to benefit from local market expertise to establish strong market positions with limited investment. Sales outside Europe, North America and South America accounted for approximately 6% of our net sales in 2009 and 5% in both 2008 and 2007.

Associates and licensees provide a distribution channel in some markets for our products and/or a source of low-cost production for certain Massey Ferguson and Valtra products. Associates are entities in which we have an ownership interest, most notably in India. Licensees are entities in which we have no direct ownership interest, most notably in Pakistan. The associate or licensee generally has the exclusive right to produce and sell Massey Ferguson or Valtra equipment in its home country but may not sell these products in other countries. We generally license to these associates and licensees certain technology, as well as the right to use the Massey Ferguson and Valtra trade names. We also sell products to associates and licensees in the form of components used in local manufacturing operations, tractor kits supplied in completely knocked down form for local assembly and distribution, and fully assembled tractors for local distribution only. In certain countries, our arrangements with associates and licensees have evolved to where we principally provide technology, technical assistance and quality control. In these situations, licensee manufacturers sell certain tractor models under the Massey Ferguson and Valtra brand names in the licensed territory and also may become a source of low-cost production for us.

***Parts Distribution***

Parts inventories are maintained and distributed in a network of master and regional warehouses throughout North America, South America, Western Europe and Australia in order to provide timely response to customer demand for replacement parts. Our primary Western European master distribution warehouses are

located in Desford, United Kingdom; Ennery, France; and Suolahti, Finland; and our North American master distribution warehouses are located in Batavia, Illinois and Kansas City, Missouri. Our South American master distribution warehouses are located in Jundiai, São Paulo, Brazil; and in Haedo, Argentina.

***Dealer Support and Supervision***

We believe that one of the most important criteria affecting a farmer's decision to purchase a particular brand of equipment is the quality of the dealer who sells and services the equipment. We provide significant support to our dealers in order to improve the quality of our dealer network. We monitor each dealer's performance and profitability and establish programs that focus on continual dealer improvement. Our dealers generally have sales territories for which they are responsible.

We believe that our ability to offer our dealers a full product line of agricultural equipment and related replacement parts, as well as our ongoing dealer training and support programs focusing on business and inventory management, sales, marketing, warranty and servicing matters, and products, helps ensure the vitality and increase the competitiveness of our dealer network. We also maintain dealer advisory groups to obtain dealer feedback on our operations.

We provide our dealers with volume sales incentives, demonstration programs and other advertising support to assist sales. We design our sales programs, including retail financing incentives, and our policies for maintaining parts and service availability with extensive product warranties to enhance our dealers' competitive position. In general, either party may cancel dealer contracts within certain notice periods.

**Wholesale Financing**

Primarily in the United States and Canada, we engage in the standard industry practice of providing dealers with floor plan payment terms for their inventories of farm equipment for extended periods. The terms of our wholesale finance agreements with our dealers vary by region and product line, with fixed payment schedules on all sales, generally ranging from one to 12 months. In the United States and Canada, dealers typically are not required to make an initial down payment, and our terms allow for an interest-free period generally ranging from six to 12 months, depending on the product. All equipment sales to dealers in the United States and Canada are immediately due upon a retail sale of the equipment by the dealer. If not previously paid by the dealer, installment payments are required generally beginning after the interest-free period with the remaining outstanding equipment balance generally due within 12 months after shipment. We also provide financing to dealers on used equipment accepted in trade. We retain a security interest in a majority of the new and used equipment we finance.

Typically, sales terms outside the United States and Canada are of a shorter duration, generally ranging from 30 to 180 days. In many cases, we retain a security interest in the equipment sold on extended terms. In certain international markets, our sales are backed by letters of credit or credit insurance.

For sales in most markets outside of the United States, Canada and the majority of markets in South America, we do not normally charge interest on outstanding receivables from our dealers and distributors. For sales to certain dealers or distributors in the United States, Canada and the majority of markets in South America, where we generated approximately 37.9% of our net sales in 2009, interest is generally charged at or above prime lending rates on outstanding receivable balances after interest-free periods. These interest-free periods vary by product and generally range from one to 12 months, with the exception of certain seasonal products, which bear interest after periods of up to 23 months that vary depending on the time of year of the sale and the dealer's or distributor's sales volume during the preceding year. For the year ended December 31, 2009, 18.5% and 2.9% of our net sales had maximum interest-free periods ranging from one to six months and seven to 12 months, respectively. Net sales with maximum interest-free periods ranging from 13 to 23 months were approximately 0.3% of our net sales during 2009. Actual interest-free periods are shorter than suggested by these percentages because receivables from our dealers and distributors in the United States and Canada are generally due immediately upon sale of the equipment to retail customers. Under normal circumstances, interest is not forgiven and interest-free periods are not extended. We have an agreement to permit transferring, on an ongoing basis, substantially all of our

wholesale interest-bearing and non-interest bearing receivables in North America to our U.S. and Canadian retail finance joint ventures, AGCO Finance LLC and AGCO Finance Canada, Ltd. Upon transfer, the receivables maintain standard payment terms, including required regular principal payments on amounts outstanding, and interest charges at market rates. Qualified dealers may obtain additional financing through our U.S. and Canadian retail finance joint ventures at the joint ventures' discretion. In addition, AGCO Finance entities provide wholesale financing to dealers in certain markets in Europe and Brazil.

**Retail Financing**

Through our AGCO Finance retail financing joint ventures located in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland and Austria, end users of our products are provided with a competitive and dedicated financing source. These retail finance companies are owned 49% by us and 51% by a wholly-owned subsidiary of Rabobank. The AGCO Finance joint ventures can tailor retail finance programs to prevailing market conditions, and such programs can enhance our sales efforts. Refer to "Retail Finance Joint Ventures" within Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," for further information.

**Manufacturing and Suppliers**

***Manufacturing and Assembly***

We manufacture our products in locations intended to optimize capacity, technology or local costs. Furthermore, we continue to balance our manufacturing resources with externally-sourced machinery, components and replacement parts to enable us to better control inventory and our supply of components. We believe that our manufacturing facilities are sufficient to meet our needs for the foreseeable future.

***Europe***

Our tractor manufacturing operations in Europe are located in Suolahti, Finland; Beauvais, France; and Marktoberdorf, Germany. In addition, we maintain a combine assembly facility in Randers, Denmark. See further discussion regarding the Randers facility in "Recent Restructuring Actions" within Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Suolahti facility produces 75 to 220 horsepower tractors marketed under the Valtra and Massey Ferguson brand names. The Beauvais facility produces 70 to 370 horsepower tractors primarily marketed under the Massey Ferguson, Challenger, Valtra and AGCO brand names. The Marktoberdorf facility produces 50 to 370 horsepower tractors marketed under the Fendt brand name. The Randers facility produces conventional combines under the Massey Ferguson, Challenger and Fendt brand names. We also assemble cabs for our Fendt tractors in Baumenheim, Germany. We have a diesel engine manufacturing facility in Linnavuori, Finland. Our 50% investment in Laverda, an operating joint venture between AGCO and the Italian ARGO group, is located in Breganze, Italy and manufactures harvesting equipment. In addition to producing Laverda branded combines, the Breganze factory manufactures mid-range combine harvesters for our Massey Ferguson, Fendt and Challenger. We also have a joint venture with Claas Tractor SAS for the manufacture of driveline assemblies for tractors produced in our facility in Beauvais.

***North America***

Our manufacturing operations in North America are located in Beloit, Kansas; Hesston, Kansas; Jackson, Minnesota; and Queretaro, Mexico, and produce products for a majority of our brand names in North America as well as for export outside of North America. The Beloit facility produces tillage and seeding equipment. The Hesston facility produces hay and forage equipment, rotary combines and planters. The Jackson facility produces 270 to 570 horsepower track tractors and four-wheeled drive articulated tractors, as well as self-propelled sprayers. In Queretaro, we assemble tractors for distribution in the Mexican market. In addition, we also have three tractor light assembly operations throughout the United States for the final assembly of imported tractors sold in the North American market.

***South America***

Our manufacturing operations in South America are located in Brazil. In Canoas, Rio Grande do Sul, Brazil, we manufacture and assemble tractors, ranging from 50 to 220 horsepower, and industrial loader-backhoes. The tractors are sold primarily under the Massey Ferguson brand name. In Mogi das Cruzes, Brazil, we manufacture and assemble tractors, ranging from 50 to 210 horsepower, marketed primarily under the Valtra and Challenger brand names. We also manufacture diesel engines in the Mogi das Cruzes facility. We manufacture combines marketed under the Massey Ferguson, Valtra and Challenger brand names in Santa Rosa, Rio Grande do Sul, Brazil. In Ibirubá, Rio Grande do Sul, Brazil, we manufacture and distribute a line of farm implements, including drills, planters, corn headers and front loaders.

***Third-Party Suppliers***

We externally source many of our machinery, components and replacement parts. Our production strategy is intended to optimize our research and development and capital investment requirements and to allow us greater flexibility to respond to changes in market conditions.

We purchase some of the products we distribute from third-party suppliers. We purchase standard and specialty tractors from Carraro S.p.A. and distribute these tractors worldwide. In addition, we purchase some tractor models from our licensee in India, Tractors and Farm Equipment Limited, and compact tractors from Iseki & Company, Limited, a Japanese manufacturer. We also purchase other tractors, implements and hay and forage equipment from various third-party suppliers.

In addition to the purchase of machinery, third-party suppliers supply us with significant components used in our manufacturing operations, such as engines and transmissions. We select third-party suppliers that we believe are low cost, high quality and possess the most appropriate technology. We also assist in the development of these products or component parts based upon our own design requirements. Our past experience with outside suppliers has generally been favorable.

**Seasonality**

Generally, retail sales by dealers to farmers are highly seasonal and are a function of the timing of the planting and harvesting seasons. To the extent practicable, we attempt to ship products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal retail demands on our manufacturing operations and to minimize our investment in inventory. Our financing requirements are subject to variations due to seasonal changes in working capital levels, which typically increase in the first half of the year and then decrease in the second half of the year. The fourth quarter is also typically a period for large retail sales because of our customers’ year end tax planning considerations, the increase in availability of funds from completed harvests and the timing of dealer incentives.

**Competition**

The agricultural industry is highly competitive. We compete with several large national and international full-line suppliers, as well as numerous short-line and specialty manufacturers with differing manufacturing and marketing methods. Our two principal competitors on a worldwide basis are Deere & Company and CNH Global N.V. In certain Western European and South American countries, we have regional competitors that have significant market share in a single country or a group of countries.

We believe several key factors influence a buyer’s choice of farm equipment, including the strength and quality of a company’s dealers, the quality and pricing of products, dealer or brand loyalty, product availability, the terms of financing, and customer service. See “Marketing and Distribution” for additional information.

**Engineering and Research**

We make significant expenditures for engineering and applied research to improve the quality and performance of our products, to develop new products and to comply with government safety and engine

emissions regulations. Our expenditures on engineering and research were approximately $191.9 million, or 2.9% of net sales, in 2009, $194.5 million, or 2.3% of net sales, in 2008 and $154.9 million, or 2.3% of net sales, in 2007.

**Intellectual Property**

We own and have licenses to the rights under a number of domestic and foreign patents, trademarks, trade names and brand names relating to our products and businesses. We defend our patent, trademark and trade and brand name rights primarily by monitoring competitors' machines and industry publications and conducting other investigative work. We consider our intellectual property rights, including our rights to use our trade and brand names, important in the operation of our businesses. However, we do not believe we are dependent on any single patent, trademark or trade name or group of patents or trademarks, trade names or brand names.

**Environmental Matters and Regulation**

We are subject to environmental laws and regulations concerning emissions to the air, discharges of processed or other types of wastewater, and the generation, handling, storage, transportation, treatment and disposal of waste materials. These laws and regulations are constantly changing, and the effects that they may have on us in the future are impossible to predict with accuracy. It is our policy to comply with all applicable environmental, health and safety laws and regulations, and we believe that any expense or liability we may incur in connection with any noncompliance with any law or regulation or the cleanup of any of our properties will not have a materially adverse effect on us. We believe that we are in compliance in all material respects with all applicable laws and regulations.

The United States Environmental Protection Agency has issued regulations concerning permissible emissions from off-road engines. We do not anticipate that the cost of compliance with the regulations will have a material impact on us. Our AGCO Sisu Power engines division, which specializes in the manufacturing of off-road engines in the 40 to 500 horsepower range, currently complies with Com II, Com IIIa, Tier II and Tier III emissions requirements set by European and United States regulatory authorities. We expect to meet future emissions requirements, such as Tier 4a or Com IIIb requirements effective starting in 2011, through the introduction of new technology to our engines and exhaust after-treatment systems, as necessary. In some markets (such as the United States) we must obtain governmental environmental approvals in order to import our products, and these approvals can be difficult or time consuming to obtain or may not be obtainable at all. For example, our AGCO Sisu Power engine division and our engine suppliers are subject to air quality standards, and production at our facilities could be impaired if AGCO Sisu Power and these suppliers are unable to timely respond to any changes in environmental laws and regulations affecting engine emissions. Compliance with environmental and safety regulations has added, and will continue to add, to the cost of our products and increase the capital-intensive nature of our business.

Climate change as a result of emissions of greenhouse gases is a significant topic of discussion and may generate U.S. and other regulatory responses in the near future, including the imposition of a so-called "cap and trade" system. It is impracticable to predict with any certainty the impact on our business of climate change or the regulatory responses to it, although we recognize that they could be significant. The most direct impacts are likely to be an increase in energy costs, which would increase our operating costs (through increased utility and transportations costs) and an increase in the costs of the products we purchase from others. In addition, increased energy costs for our customers could impact demand for our equipment. It is too soon for us to predict with any certainty the ultimate impact of additional regulation, either directionally or quantitatively, on our overall business, results of operations or financial condition.

Our international operations also are subject to environmental laws, as well as various other national and local laws, in the countries in which we manufacture and sell our products. We believe that we are in compliance with these laws in all material respects and that the cost of compliance with these laws in the future will not have a materially adverse effect on us.

**Regulation and Government Policy**

Domestic and foreign political developments and government regulations and policies directly affect the agricultural industry in the United States and abroad and indirectly affect the agricultural equipment business. The application, modification or adoption of laws, regulations or policies could have an adverse effect on our business.

We are subject to various federal, state and local laws affecting our business, as well as a variety of regulations relating to such matters as working conditions and product safety. A variety of laws regulate our contractual relationships with our dealers. These laws impose substantive standards on the relationships between us and our dealers, including events of default, grounds for termination, non-renewal of dealer contracts and equipment repurchase requirements. Such laws could adversely affect our ability to terminate our dealers.

**Employees**

As of December 31, 2009, we employed approximately 14,500 employees, including approximately 3,700 employees in the United States and Canada. A majority of our employees at our manufacturing facilities, both domestic and international, are represented by collective bargaining agreements and union contracts with terms that expire on varying dates. We currently do not expect any significant difficulties in renewing these agreements.

**Available Information**

Our Internet address is *www.agcocorp.com*. We make the following reports filed by us available, free of charge, on our website under the heading “SEC Filings” in the “Investors” section:

- annual reports on Form 10-K;
- quarterly reports on Form 10-Q;
- current reports on Form 8-K;
- proxy statements for the annual meetings of stockholders; and
- Forms 3, 4 and 5

The foregoing reports are made available on our website as soon as practicable after they are filed with the Securities and Exchange Commission (“SEC”).

We also provide corporate governance and other information on our website. This information includes:

- charters for the committees of our board of directors, which are available under the heading “Committee Charters” in the “Corporate Governance” section of our website’s “Investors” section; and
- our Code of Conduct, which is available under the heading “Code of Conduct” in the “Corporate Governance” section of our website’s “Investors” section.

In addition, in the event of any waivers of our Code of Conduct, those waivers will be available under the heading “Office of Ethics and Compliance” in the “Corporate Governance” section of our website’s “Investors” section.

**Financial Information on Geographical Areas**

For financial information on geographic areas, see pages 98 through 100 of this Form 10-K under the caption “Segment Reporting,” which information is incorporated herein by reference.

**Item 1A.** ***Risk Factors***

We make forward-looking statements in this report, in other materials we file with the SEC or otherwise release to the public, and on our website. In addition, our senior management might make forward-looking

statements orally to analysts, investors, the media and others. Statements concerning our future operations, prospects, strategies, products, manufacturing facilities, legal proceedings, financial condition, future economic performance (including growth and earnings) and demand for our products and services, and other statements of our plans, beliefs, or expectations, including the statements contained in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," regarding industry conditions, market demand, farm incomes and land values, weather conditions, farm industry legislation, general economic conditions, availability of financing, the impact of certain recent accounting pronouncements, net sales and income, inventory management and production levels, gross margin improvements, restructuring and other infrequent expenses, engineering expenses and pension costs, compliance with financial covenants, support of lenders, funding of our postretirement plans and pensions, uncertain income tax provisions, impacts of unrecognized actuarial losses related to our postretirement benefit plans, elimination of guarantees of retail finance joint venture debt, conversion features of our notes, or realization of net deferred tax assets, are forward-looking statements. The forward-looking statements we make are not guarantees of future performance and are subject to various assumptions, risks, and other factors that could cause actual results to differ materially from those suggested by these forward-looking statements. These factors include, among others, those set forth below and in the other documents that we file with the SEC. There also are other factors that we may not describe, generally because we currently do not perceive them to be material, that could cause actual results to differ materially from our expectations.

We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

***Our financial results depend entirely upon the agricultural industry, and factors that adversely affect the agricultural industry generally, including declines in the general economy, increases in farm input costs, lower commodity prices and changes in the availability of credit for our retail customers, will adversely affect us.***

Our success depends heavily on the vitality of the agricultural industry. Historically, the agricultural industry, including the agricultural equipment business, has been cyclical and subject to a variety of economic factors, governmental regulations and legislation, and weather conditions. Sales of agricultural equipment generally are related to the health of the agricultural industry, which is affected by farm income, farm input costs, debt levels and land values, all of which reflect levels of commodity prices, acreage planted, crop yields, agricultural product demand including crops used for renewable energies, government policies and government subsidies. Sales also are influenced by economic conditions, interest rate and exchange rate levels, and the availability of retail financing, as well as the ongoing economic downturn that recently adversely impacted our sales in certain regions and is likely to continue to have an adverse impact on our sales in the future; the extent of which we cannot predict. Trends in the industry, such as farm consolidations, may affect the agricultural equipment market. In addition, weather conditions, such as heat waves or droughts, and pervasive livestock diseases can affect farmers' buying decisions. Downturns in the agricultural industry due to these or other factors could vary by market and are likely to result in decreases in demand for agricultural equipment, which would adversely affect our sales, growth, results of operations and financial condition. During previous downturns in the farm sector, we experienced significant and prolonged declines in sales and profitability, and we expect our business to remain subject to similar market fluctuations in the future.

***The agricultural equipment industry is highly seasonal, and seasonal fluctuations significantly impact results of operations and cash flows.***

The agricultural equipment business is highly seasonal, which causes our quarterly results and our available cash flow to fluctuate during the year. The fourth quarter is also typically a large period for retail sales because of our customers' year end tax planning considerations, the increase in availability of funds from completed harvests and the timing of dealer incentives. In addition, farmers purchase agricultural equipment in the Spring and Fall in conjunction with the major planting and harvesting seasons. Our net sales and income from operations have historically been the lowest in the first quarter and have increased in subsequent quarters as dealers increase inventory in anticipation of increased retail sales in the third and fourth quarters.

***Most of our sales depend on the retail customers' obtaining financing, and any disruption in their ability to obtain financing, whether due to the current economic downturn or otherwise, will result in the sale of fewer products by us. In addition, the collectability of receivables that are created from our sales, as well as from such retail financing, is critical to our business.***

Most retail sales of the products that we manufacture are financed, either by our joint ventures with Rabobank or by a bank or other private lender. During 2009, our joint ventures with Rabobank, which are controlled by Rabobank and are dependent upon Rabobank for financing as well, financed approximately 50% of the retail sales of our tractors and combines in the markets where the joint ventures operate. Any difficulty by Rabobank to continue to provide that financing, or any business decision by Rabobank as the controlling member not to fund the business or particular aspects of it (for example, a particular country or region), would require the joint ventures to find other sources of financing (which may be difficult to obtain), or us to find another source of retail financing for our customers, or our customers would be required to utilize other retail financing providers. As a result of the ongoing economic downturn, financing for capital equipment purchases generally has become more difficult and expensive to obtain. To the extent that financing is not available or available only at unattractive prices, our sales would be negatively impacted.

In some cases, the financing provided by our joint venture with Rabobank or by others is supported by a government subsidy or guarantee. The programs under which those subsidies and guarantees are provided generally are of limited duration and subject to renewal and contain various caps and other limitations. In some markets, i.e., Brazil, this support is quite significant. In the event the governments that provide this support elect not to renew these programs, and were financing not available, whether through our joint ventures or otherwise, it is likely that our sales would decline.

In addition, both AGCO and our retail finance joint ventures have substantial accounts receivable from dealers and end customers, and we would be adversely impacted if the collectability of these receivables was not consistent with historical experience; this collectability is dependent on the financial strength of the farm industry, which in turn is dependent upon the general economy and commodity prices, as well as several of the other factors discussed in this "Risk Factors" section.

***Our success depends on the introduction of new products, which requires substantial expenditures.***

Our long-term results depend upon our ability to introduce and market new products successfully. The success of our new products will depend on a number of factors, including:

- innovation;
- customer acceptance;
- the efficiency of our suppliers in providing component parts;
- the economy;
- the performance and quality of our products relative to those of our competitors; and
- the strength of our dealer networks.

As both we and our competitors continuously introduce new products or refine versions of existing products, we cannot predict the level of market acceptance or the amount of market share our new products will achieve. Any manufacturing delays or problems with our new product launches could adversely affect our operating results. We have experienced delays in the introduction of new products in the past, and we cannot assure you that we will not experience delays in the future. In addition, introducing new products could result in a decrease in revenues from our existing products. Consistent with our strategy of offering new products and product refinements, we expect to continue to use a substantial amount of capital for further product development and refinement. We may need more capital for product development and refinement than is available to us, which could adversely affect our business, financial condition or results of operations.

***We face significant competition and, if we are unable to compete successfully against other agricultural equipment manufacturers, we would lose customers and our net sales and profitability would decline.***

The agricultural equipment business is highly competitive, particularly in North America, Europe and Latin America. We compete with several large national and international companies that, like us, offer a full line of agricultural equipment. We also compete with numerous short-line and specialty manufacturers and suppliers of farm equipment products. Our two key competitors, Deere & Company and CNH Global N.V., are substantially larger than we are and have greater financial and other resources. In addition, in some markets, we compete with smaller regional competitors with significant market share in a single country or group of countries. Our competitors may substantially increase the resources devoted to the development and marketing, including discounting, of products that compete with our products. We maintain an independent dealer and distributor network in the markets where we sell products. The financial and operational capabilities of our dealers and distributors are critical for our ability to compete in these markets. If we are unable to compete successfully against other agricultural equipment manufacturers, we could lose dealers and their end customers and our net sales and profitability may decline. In addition, competitive pressures in the agricultural equipment business may affect the market prices of new and used equipment, which, in turn, may adversely affect our sales margins and results of operations.

***Rationalization or restructuring of manufacturing facilities may cause production capacity constraints and inventory fluctuations.***

The rationalization of our manufacturing facilities has at times resulted in, and similar rationalizations or restructurings in the future may result in, temporary constraints upon our ability to produce the quantity of products necessary to fill orders and thereby complete sales in a timely manner. A prolonged delay in our ability to fill orders on a timely basis could affect customer demand for our products and increase the size of our product inventories, causing future reductions in our manufacturing schedules and adversely affecting our results of operations. Moreover, our continuous development and production of new products will often involve the retooling of existing manufacturing facilities. This retooling may limit our production capacity at certain times in the future, which could adversely affect our results of operations and financial condition.

***We depend on suppliers for raw materials, components and parts for our products, and any failure by our suppliers to provide products as needed, or by us to promptly address supplier issues, will adversely impact our ability to timely and efficiently manufacture and sell products. We also are subject to raw material price fluctuations, which can adversely affect our manufacturing costs.***

Our products include components and parts manufactured by others. As a result, our ability to timely and efficiently manufacture existing products, to introduce new products and to shift manufacturing of products from one facility to another depends on the quality of these components and parts and the timeliness of their delivery to our facilities. At any particular time, we depend on many different suppliers, and the failure by one or more of our suppliers to perform as needed will result in fewer products being manufactured, shipped and sold. If the quality of the components or parts provided by our suppliers is less than required and we do not recognize that failure prior to the shipment of our products, we will incur higher warranty costs. The timely supply of component parts for our products also depends on our ability to manage our relationships with suppliers, to identify and replace suppliers that fail to meet our schedules or quality standards, and to monitor the flow of components and accurately project our needs. A significant increase in the price of any component or raw material could adversely affect our profitability. We cannot avoid exposure to global price fluctuations, such as occurred in the past with the costs of steel and related products, and our profitability depends on, among other things, our ability to raise equipment and parts prices sufficiently enough to recover any such material or component cost increases.

***A majority of our sales and manufacturing take place outside the United States, and, as a result, we are exposed to risks related to foreign laws, taxes, economic conditions, labor supply and relations, political conditions and governmental policies. These risks may delay or reduce our realization of value from our international operations.***

For the year ended December 31, 2009, we derived approximately $5,526.8 million, or 83%, of our net sales from sales outside the United States. The primary foreign countries in which we do business are Germany, France, Brazil, the United Kingdom, Finland and Canada. In addition, we have significant manufacturing operations in France, Germany, Brazil and Finland. Our results of operations and financial condition may be adversely affected by the laws, taxes, economic conditions, labor supply and relations, political conditions, and governmental policies of the foreign countries in which we conduct business. Our businesses practices in these foreign countries must comply with U.S. law, including the Foreign Corrupt Practices Act (“FCPA”). We have a compliance program in place designed to reduce the likelihood of potential violations of the FCPA. If violations were to occur, they could subject us to fines and other penalties as well as increased compliance costs. Some of our international operations also are subject to various risks that are not present in domestic operations, including restrictions on dividends and the repatriation of funds. Foreign developing markets may present special risks, such as unavailability of financing, inflation, slow economic growth and price controls.

Domestic and foreign political developments and government regulations and policies directly affect the international agricultural industry, which affects the demand for agricultural equipment. If demand for agricultural equipment declines, our sales, growth, results of operations and financial condition may be adversely affected. The application, modification or adoption of laws, regulations, trade agreements or policies adversely affecting the agricultural industry, including the imposition of import and export duties and quotas, expropriation and potentially burdensome taxation, could have an adverse effect on our business. The ability of our international customers to operate their businesses and the health of the agricultural industry, in general, are affected by domestic and foreign government programs that provide economic support to farmers. As a result, farm income levels and the ability of farmers to obtain advantageous financing and other protections would be reduced to the extent that any such programs are curtailed or eliminated. Any such reductions would likely result in a decrease in demand for agricultural equipment. For example, a decrease or elimination of current price protections for commodities or of subsidy payments for farmers in the European Union, the United States, Brazil or elsewhere in South America could negatively impact the operations of farmers in those regions, and, as a result, our sales may decline if these farmers delay, reduce or cancel purchases of our products.

***We recently have experienced substantial and sustained volatility with respect to currency exchange rate and interest rate changes which can adversely affect our reported results of operations and the competitiveness of our products.***

We conduct operations in many areas of the world involving transactions denominated in a variety of currencies. Our production costs, profit margins and competitive position are affected by the strength of the currencies in countries where we manufacture or purchase goods relative to the strength of the currencies in countries where our products are sold. In addition, we are subject to currency exchange rate risk to the extent that our costs are denominated in currencies other than those in which we earn revenues and to risks associated with translating the financial statements of our foreign subsidiaries from local currencies into United States dollars. Similarly, changes in interest rates affect our results of operations by increasing or decreasing borrowing costs and finance income. Our most significant transactional foreign currency exposures are the Euro, the Brazilian real and the Canadian dollar in relation to the United States dollar, and the Euro in relation to the British pound. Where naturally offsetting currency positions do not occur, we attempt to manage these risks by economically hedging some, but not all, of our exposures through the use of foreign currency forward exchange or option contracts. As with all hedging instruments, there are risks associated with the use of foreign currency forward exchange contracts, interest rate swap agreements and other risk management contracts. While the use of such hedging instruments provides us with protection from certain fluctuations in currency exchange and interest rates, we potentially forego the benefits that might result from

favorable fluctuations in currency exchange and interest rates. In addition, any default by the counterparties to these transactions could adversely affect us. Despite our use of economic hedging transactions, currency exchange rate or interest rate fluctuations may adversely affect our results of operations, cash flow or financial condition.

***We are subject to extensive environmental laws and regulations, and our compliance with, or our failure to comply with, existing or future laws and regulations could delay production of our products or otherwise adversely affect our business.***

We are subject to increasingly stringent environmental laws and regulations in the countries in which we operate. These regulations govern, among other things, emissions into the air, discharges into water, the use, handling and disposal of hazardous substances, waste disposal and the remediation of soil and groundwater contamination. Our costs of complying with these or any other current or future environmental regulations may be significant. For example, the European Union and the United States have adopted more stringent environmental regulations regarding emissions into the air, and it is possible that the U.S. Congress will pass emissions-related legislation in connection with concerns regarding greenhouse gases. As a result, we will likely incur increased engineering expenses and capital expenditures to modify our products to comply with these regulations. Further, we may experience production delays if we or our suppliers are unable to design and manufacture components for our products that comply with environmental standards established by regulators. For instance, we are currently working with federal and state regulators in the United States with respect to approvals for our latest generation of certain high horsepower tractors. While there is a risk that such approval will be delayed, we do not believe the impact of a delayed approval will be material to our business or results of operations. We may also be adversely impacted by costs, liabilities or claims with respect to our operations under existing laws or those that may be adopted in the future. If we fail to comply with existing or future laws and regulations, we may be subject to governmental or judicial fines or sanctions and our business and results of operations could be adversely affected. For instance, we will be required to meet future emissions requirements, such as Tier 4a or ComIIIb requirements effective starting in 2011. We expect to meet these requirements through the introduction of new technology to our engines and exhaust after-treatment systems, as necessary. Failure to meet such requirements could materially affect our business and results of operations.

***Our labor force is heavily unionized, and our contractual and legal obligations under collective bargaining agreements and labor laws subject us to the risks of work interruption or stoppage and could cause our costs to be higher.***

Most of our employees, most notably at our manufacturing facilities, are represented by collective bargaining agreements and union contracts with terms that expire on varying dates. Several of our collective bargaining agreements and union contracts are of limited duration and, therefore, must be re-negotiated frequently. As a result, we could incur significant administrative expenses associated with union representation of our employees. Furthermore, we are at greater risk of work interruptions or stoppages than non-unionized companies, and any work interruption or stoppage could significantly impact the volume of goods we have available for sale. In addition, collective bargaining agreements, union contracts and labor laws may impair our ability to reduce our labor costs by streamlining existing manufacturing facilities and in restructuring our business because of limitations on personnel and salary changes and similar restrictions.

***We have significant pension obligations with respect to our employees and our available cash flow may be adversely affected in the event that payments became due under any pension plans that are unfunded or underfunded. Declines in the market value of the securities used to fund these obligations result in increased pension expense in future periods.***

A portion of our active and retired employees participate in defined benefit pension plans under which we are obligated to provide prescribed levels of benefits regardless of the value of the underlying assets, if any, of the applicable pension plan. To the extent that our obligations under a plan are unfunded or underfunded, we will have to use cash flow from operations and other sources to pay our obligations either as they become due

or over some shorter funding period. In addition, since the assets that we already have provided to fund these obligations are invested in debt instruments and other securities, the value of these assets varies due to market factors. Recently, these fluctuations have been significant and adverse, and there can be no assurances that they will not be significant in the future. As of December 31, 2009, we had approximately $286.7 million in unfunded or underfunded obligations related to our pension and other postretirement health care benefits.

***Our business routinely is subject to claims and legal actions, some of which could be material.***

We routinely are a party to claims and legal actions incidental to our business. These include claims for personal injuries by users of farm equipment, disputes with distributors, vendors and others with respect to commercial matters, and disputes with taxing and other governmental authorities regarding the conduct of our business.

***We have a substantial amount of indebtedness, and, as a result, we are subject to certain restrictive covenants and payment obligations that may adversely affect our ability to operate and expand our business.***

We have a substantial amount of indebtedness. As of December 31, 2009, we had total long-term indebtedness, including current portions of long-term indebtedness, of approximately $647.1 million, total stockholders' equity of approximately $2,400.8 million and a ratio of total indebtedness to equity of approximately 0.27 to 1.0. We also had short-term obligations of $167.6 million, capital lease obligations of $4.1 million, unconditional purchase or other long-term obligations of $436.9 million, and amounts funded under an accounts receivable securitization facility of $149.9 million. In addition, we had guaranteed indebtedness owed to third parties and our retail finance joint ventures of approximately $74.1 million, primarily related to dealer and end-user financing of equipment.

Holders of our 1 3/4% convertible senior subordinated notes due 2033 and our 1 1/4% convertible senior subordinated notes due 2036 may convert the notes if, during any fiscal quarter, the closing sales price of our common stock exceeds 120% of the conversion price of $22.36 per share for our 1 3/4% convertible senior subordinated notes and $40.73 per share for our 1 1/4% convertible senior subordinated notes for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter. As of December 31, 2009, the closing sales price of our common stock had exceeded 120% of the conversion price of the 1 3/4% convertible senior subordinated notes for at least 20 trading days in the 30 consecutive trading days ending December 31, 2009, and, therefore, we classified the notes as a current liability. In accordance with Accounting Standards Update No. 2009-04, "Accounting for Redeemable Equity Instruments," we also classified the equity component of the 1 3/4% convertible senior subordinated notes as "temporary equity." Future classification of both notes between current and long-term debt and classification of the equity component of both notes as "temporary equity" is dependent on the closing sales price of our common stock during future quarters. In the event the notes are converted in the future, we believe we could repay the notes with available cash on hand, funds from our $300.0 million multi-currency revolving credit facility or a combination of these sources.

Our substantial indebtedness could have important adverse consequences. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, which would reduce the availability of our cash flow to fund future working capital, capital expenditures, acquisitions and other general corporate purposes;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict us from introducing new products or pursuing business opportunities;
- place us at a competitive disadvantage compared to our competitors that have relatively less indebtedness;

- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds, pay cash dividends or engage in or enter into certain transactions; and
- prevent us from selling additional receivables to our commercial paper conduits.

**Item 1B. *Unresolved Staff Comments***

Not applicable.

**Item 2. *Properties***

Our principal properties as of January 31, 2010, were as follows:

| Location | Description of Property | Leased (Sq. Ft.) | Owned (Sq. Ft.) |
|---|---|---|---|
| United States: | | | |
| Batavia, Illinois | Parts Distribution | 310,200 | |
| Beloit, Kansas | Manufacturing | | 192,200 |
| Duluth, Georgia | Corporate Headquarters | 125,000 | |
| Hesston, Kansas | Manufacturing | | 1,288,300 |
| Jackson, Minnesota | Manufacturing | | 596,000 |
| Kansas City, Missouri | Parts Distribution/Warehouse | 593,600 | |
| International: | | | |
| Neuhausen, Switzerland | Regional Headquarters | 20,200 | |
| Stoneleigh, United Kingdom | Sales and Administrative Office | 85,000 | |
| Desford, United Kingdom | Parts Distribution | 298,000 | |
| Beauvais, France(1) | Manufacturing | | 1,144,400 |
| Ennery, France | Parts Distribution | | 417,500 |
| Marktoberdorf, Germany | Manufacturing | 129,000 | 972,900 |
| Baumenheim, Germany | Manufacturing | | 561,000 |
| Hohenmoelsen, Germany | Manufacturing | | 318,300 |
| Randers, Denmark | Manufacturing | 145,100 | 143,400 |
| Linnavuori, Finland | Manufacturing | | 257,700 |
| Suolahti, Finland | Manufacturing/Parts Distribution | | 550,900 |
| Sunshine, Victoria, Australia | Regional Headquarters/Parts Distribution | | 94,600 |
| Haedo, Argentina | Parts Distribution/Sales Office | 32,000 | |
| Canoas, Rio Grande do Sul, Brazil | Regional Headquarters/ Manufacturing/Parts Distribution | | 615,300 |
| Santa Rosa, Rio Grande do Sul, Brazil | Manufacturing | | 386,500 |
| Mogi das Cruzes, Brazil | Manufacturing/Parts Distribution | | 722,200 |
| Ibirubá, Rio Grande do Sul, Brazil | Manufacturing | | 136,800 |

(1) Includes our joint venture with GIMA, in which we own a 50% interest.

We consider each of our facilities to be in good condition and adequate for its present use. We believe that we have sufficient capacity to meet our current and anticipated manufacturing requirements.

**Item 3.** ***Legal Proceedings***

In September 2009, we resolved inquiries by the SEC and the Department Of Justice ("DOJ") relating to our sales of equipment to the Iraq government between 2000 and 2002 under the United Nations Oil for Food Program. As part of this resolution, we entered into a consent agreement with the SEC and a deferred prosecution agreement with the DOJ and paid approximately $19.9 million to the government consisting of disgorgement of profits arising from the sales together with related fines, penalties and interest. We also paid $0.6 million to the Danish authorities to resolve a related inquiry. No further governmental inquiries are pending against AGCO relating to the United Nations Oil for Food Program.

On June 27, 2008, the Republic of Iraq filed a civil action in a federal court in New York, Case No. 08 CIV 59617, naming as defendants three of our foreign subsidiaries that participated in the United Nations Oil for Food Program. Ninety-one other entities or companies were also named as defendants in the civil action due to their participation in the United Nations Oil for Food Program. The complaint purports to assert claims against each of the defendants seeking damages in an unspecified amount. Although our subsidiaries intend to vigorously defend against this action, it is not possible at this time to predict the outcome of this action or its impact, if any, on us, although if the outcome was adverse, we could be required to pay damages.

In August 2008, as part of a routine audit, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of our Brazilian operations and the related transfer of certain assets to our Brazilian subsidiaries. The amount of the tax disallowance through December 31, 2009, not including interest and penalties, was approximately 90.6 million Brazilian reais (or approximately $51.9 million). The amount ultimately in dispute will be greater because of interest and penalties. We have been advised by our legal and tax advisors that our position with respect to the deductions is allowable under the tax laws of Brazil. We are contesting the disallowance and believe that it is not likely that the assessment, interest or penalties will be required to be paid. However, the ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which could take several years.

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

**Item 4.** ***Submission Of Matters to a Vote of Security Holders***

Not Applicable.

## PART II

**Item 5.** ***Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol AGCO. As of the close of business on February 12, 2010, the closing stock price was $33.79, and there were 478 stockholders of record (this number does not include stockholders who hold their stock through brokers, banks and other nominees). The following table sets forth, for the periods indicated, the high and low sales prices for our common stock for each quarter within the last two years, as reported on the NYSE.

| | High | Low |
|---|---|---|
| **2009** | | |
| First Quarter | $ 28.13 | $ 15.10 |
| Second Quarter | 30.79 | 20.63 |
| Third Quarter | 33.50 | 25.06 |
| Fourth Quarter | 32.78 | 26.15 |

| | High | Low |
|---|---|---|
| **2008** | | |
| First Quarter | $ 70.50 | $ 54.35 |
| Second Quarter | 70.51 | 50.70 |
| Third Quarter | 63.06 | 40.99 |
| Fourth Quarter | 41.30 | 19.35 |

## DIVIDEND POLICY

We currently do not pay dividends. We cannot provide any assurance that we will pay dividends in the foreseeable future. Although we are in compliance with all provisions of our debt agreements, both our credit facility and the indenture governing our senior subordinated notes contain restrictions on our ability to pay dividends in certain circumstances.

**Item 6.** ***Selected Financial Data***

The following tables present our selected consolidated financial data. The data set forth below should be read together with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our historical Consolidated Financial Statements and the related notes. The Consolidated Financial Statements as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007 and the reports thereon are included in Item 8 in this Form 10-K. The historical financial data may not be indicative of our future performance.

| | Years Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2009 | 2008(4) | 2007(4) | 2006(2)(4) | 2005(2)(4) |
| | (In millions, except per share data) | | | | |
| **Operating Data:** | | | | | |
| Net sales | $ 6,630.4 | $ 8,424.6 | $ 6,828.1 | $ 5,435.0 | $ 5,449.7 |
| Gross profit | 1,072.5 | 1,499.7 | 1,191.0 | 927.8 | 933.6 |
| Income from operations | 219.3 | 565.0 | 394.8 | 68.9 | 274.7 |
| Net income (loss) | 135.7 | 385.9 | 232.9 | (71.4) | 28.4 |
| Net income attributable to noncontrolling interests | — | — | — | — | — |
| Net income (loss) attributable to AGCO Corporation and subsidiaries | $ 135.7 | $ 385.9 | $ 232.9 | $ (71.4) | $ 28.4 |
| Net income (loss) per common share — diluted(3) | $ 1.44 | $ 3.95 | $ 2.41 | $ (0.79) | $ 0.31 |
| Weighted average shares outstanding — diluted(3) | 94.1 | 97.7 | 96.6 | 90.8 | 90.7 |

| | As of December 31, | | | | |
|---|---|---|---|---|---|
| | 2009 | 2008(4) | 2007(4) | 2006(2)(4) | 2005(2)(4) |
| | (In millions, except number of employees) | | | | |
| **Balance Sheet Data:** | | | | | |
| Cash and cash equivalents | $ 652.7 | $ 512.2 | $ 582.4 | $ 401.1 | $ 220.6 |
| Working capital(1) | 1,070.8 | 1,026.7 | 709.6 | 715.7 | 825.8 |
| Total assets | 5,062.2 | 4,954.8 | 4,787.6 | 4,114.5 | 3,861.2 |
| Total long-term debt, excluding current portion(1) | 454.0 | 625.0 | 294.1 | 523.1 | 805.1 |
| Stockholders' equity | 2,400.8 | 2,020.0 | 2,120.1 | 1,584.1 | 1,457.5 |
| **Other Data:** | | | | | |
| Number of employees | 14,456 | 15,606 | 13,720 | 12,804 | 13,023 |

(1) Holders of our \$201.3 million 1 3/4% convertible senior subordinated notes due 2033 and our \$201.3 million 1 1/4% convertible senior subordinated notes due 2036 may convert the notes if, during any fiscal quarter, the closing sales price of our common stock exceeds 120% of the conversion price of \$22.36 per share for our 1 3/4% convertible senior subordinated notes and \$40.73 per share for our 1 1/4% convertible senior subordinated notes for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter. As of December 31, 2009, the criteria was met for our 1 1/4% convertible senior subordinated notes, and, therefore, we classified these notes as current liabilities. As of December 31, 2008, this criteria was not met with respect to either of the notes, and, therefore, we classified both notes as long-term debt. As of December 31, 2007, the criteria was met for both notes, and, therefore, we classified both notes as current liabilities. As of December 31, 2006, the criteria was met for our 1 3/4% convertible senior subordinated notes, and, therefore, we classified these notes as a current liability.

(2) During the fourth quarter of 2006, we concluded that the goodwill associated with our Sprayer business was impaired. We recorded a write-down of the total amount of such goodwill of approximately \$171.4 million. During the fourth quarter of 2005, we recognized a non-cash income tax charge of approximately \$90.8 million related to increasing the valuation allowance for our U.S. deferred income tax assets.

(3) Our 1 1/4% and 1 3/4% convertible senior subordinated notes also potentially will impact the dilution of weighted shares outstanding for the excess conversion value using the treasury stock method. For the years ended December 31, 2006 and 2005, approximately 1.2 million and 4.4 million shares, respectively, were excluded from the diluted weighted average shares outstanding calculation related to the assumed conversion of our 1 3/4% convertible senior subordinates notes, as the impact would have been antidilutive.

(4) Operating data and balance sheet data presented above have been retroactively restated for the years ended December 31, 2008, 2007, 2006 and 2005 to reflect adjustments made for the equity components of our convertible senior subordinated notes and our noncontrolling interests. Refer to Notes 1 and 7 of our Consolidated Financial Statements for further discussion.

**Item 7.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

We are a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. We sell a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements and a line of diesel engines. Our products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brand names, including: Challenger®, Fendt®, Massey Ferguson® and Valtra®. We distribute most of our products through a combination of approximately 2,700 dealers, distributors, associates and licensees. In addition, we provide retail financing in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland and Austria through our retail finance joint ventures with Rabobank.

**Results of Operations**

We sell our equipment and replacement parts to our independent dealers, distributors and other customers. A large majority of our sales are to independent dealers and distributors that sell our products to the end user. To the extent practicable, 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 our manufacturing operations and to minimize our investment in inventory. However, retail sales by dealers to farmers are highly seasonal and are linked to the planting and harvesting seasons. In certain markets, particularly in North America, there is often a time lag, which varies based on the timing and level of retail demand, between our sale of the equipment to the dealer and the dealer's sale to a retail customer.

The following table sets forth, for the periods indicated, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations:

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Net sales | 100.0% | 100.0% | 100.0% |
| Cost of goods sold | 83.8 | 82.2 | 82.6 |
| Gross profit | 16.2 | 17.8 | 17.4 |
| Selling, general and administrative expenses | 9.5 | 8.6 | 9.1 |
| Engineering expenses | 2.9 | 2.3 | 2.3 |
| Restructuring and other infrequent expenses (income) | 0.2 | — | — |
| Amortization of intangibles | 0.3 | 0.2 | 0.2 |
| Income from operations | 3.3 | 6.7 | 5.8 |
| Interest expense, net | 0.7 | 0.4 | 0.6 |
| Other expense, net | 0.3 | 0.2 | 0.6 |
| Income before income taxes and equity in net earnings of affiliates | 2.3 | 6.1 | 4.6 |
| Income tax provision | 0.9 | 2.0 | 1.6 |
| Income before equity in net earnings of affiliates | 1.4 | 4.1 | 3.0 |
| Equity in net earnings of affiliates | 0.6 | 0.5 | 0.4 |
| Net income | 2.0 | 4.6 | 3.4 |
| Net income attributable to noncontrolling intests | — | — | — |
| Net income attributable to AGCO Corporation and subsidiaries | 2.0% | 4.6% | 3.4% |

***2009 Compared to 2008***

Net income for 2009 was $135.7 million, or $1.44 per diluted share, compared to net income for 2008 of $385.9 million, or $3.95 per diluted share.

Net sales for 2009 were approximately $1,794.2 million, or 21.3%, lower than 2008 primarily due to sales declines in most of our geographical segments as well as the unfavorable impact of currency translation. The volatility in commodity prices and the expectation of lower farm income contributed to a weaker demand in most of our major markets. Income from operations was $219.3 million in 2009 compared to $565.0 million in 2008. The decrease in income from operations and operating margins during 2009 was due primarily to lower net sales, reduced production volumes and a weaker product mix, partially offset by cost containment initiatives.

In our Europe/Africa/Middle East operations, income from operations decreased approximately $294.8 million in 2009 compared to 2008, primarily due to decreased net sales, lower production levels, unfavorable currency translation impacts and increased engineering expenses. Income from operations in our South American operations decreased approximately $69.6 million in 2009 compared to 2008, primarily due to lower net sales, lower production levels, unfavorable currency translation impacts and a shift in sales mix in Brazil from higher horsepower tractors to lower horsepower tractors. In North America, income from operations increased approximately $13.3 million in 2009 compared to 2008, primarily due to improved margins from new products, productivity initiatives and lower selling, general and administrative ("SG&A") expenses, partially offset by higher levels of engineering costs and the impact of lower production. Income from operations in our Asia/Pacific region decreased approximately $7.1 million in 2009 compared to 2008, primarily due to lower gross margins and unfavorable currency translation impacts.

***Retail Sales***

Worldwide industry equipment demand for farm equipment decreased in 2009 in most major markets. The current global economic downturn, volatility in farm commodity prices and prospects for lower farm income in 2009 have contributed to the decreased demand for equipment.

In the United States and Canada, industry unit retail sales of tractors decreased approximately 21% in 2009 compared to 2008, resulting from decreases in industry unit retail sales of compact, utility and high horsepower tractors. Industry unit retail sales of combines increased approximately 15% in 2009 when compared to the prior year. In North America, our unit retail sales of tractors as well as combines decreased in 2009 compared to 2008 levels. In Europe, industry unit retail sales of tractors decreased approximately 18% in 2009 compared to 2008 due to lower retail volumes in most major European markets. Industry unit retail sales in Western Europe declined approximately 13% in 2009 compared to 2008. Despite strong harvests across most of Western Europe, lower commodity prices and the outlook of reduced farmer profitability generated softer demand. Industry unit retail sales in Eastern Europe and Russia declined significantly compared to 2008 levels due to ongoing credit constraints. Our unit retail sales of tractors for 2009 in Europe were also lower when compared to 2008. In South America, industry unit retail sales of tractors in 2009 decreased approximately 17% compared to 2008. Weak industry conditions in Argentina and other markets outside of Brazil contributed to most of the decline in industry demand in the region. Retail sales of tractors in the major market of Brazil increased approximately 5% during 2009. A Brazilian government-funded financing program for small tractors, as well as a new government-sponsored low-interest financing program for all equipment, has supported sales in the Brazilian market, primarily in the low horsepower sector. Industry unit retail sales of combines during 2009 were approximately 36% lower than the prior year, with a decrease in Brazil of approximately 14% compared to 2008. Our unit retail sales of tractors and combines in South America were also lower in 2009 compared to 2008. In other international markets, our net sales for 2009 were approximately 4.7% higher than the prior year, due primarily to higher sales in Australia and New Zealand resulting from improved harvests.

***Results of Operations***

Net sales for 2009 were $6,630.4 million compared to $8,424.6 million for 2008. The decrease was primarily attributable to net sales decreases in most of our geographical regions as well as unfavorable foreign currency translation impacts. Foreign currency translation negatively impacted net sales by approximately $404.4 million, primarily due to the weakening of the Euro and the Brazilian real during the first nine months

of 2009 compared to 2008. The following table sets forth, for the year ended December 31, 2009, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

| | 2009 | 2008 | Change $ | Change % | Change due to Currency Translation $ | Change due to Currency Translation % |
|---|---|---|---|---|---|---|
| North America | $ 1,442.7 | $ 1,794.3 | $ (351.6) | (19.6)% | $ (37.0) | (2.1)% |
| South America | 1,167.1 | 1,496.5 | (329.4) | (22.0)% | (61.1) | (4.1)% |
| Europe/Africa/ Middle East | 3,782.1 | 4,905.4 | (1,123.3) | (22.9)% | (296.7) | (6.1)% |
| Asia/Pacific | 238.5 | 228.4 | 10.1 | 4.5% | (9.6) | (4.2)% |
| | $ 6,630.4 | $ 8,424.6 | $ (1,794.2) | (21.3)% | $ (404.4) | (4.8)% |

The following is a reconciliation of net sales for the year ended December 31, 2009 at actual exchange rates compared to 2008 adjusted exchange rates (in millions):

| | Year Ended December 31, 2009 at Actual Exchange Rates | 2009 at Adjusted Exchange Rates(1) | Change due to Currency Translation |
|---|---|---|---|
| North America | $ 1,442.7 | $ 1,479.7 | (2.1)% |
| South America | 1,167.1 | 1,228.2 | (4.1)% |
| Europe/Africa/Middle East | 3,782.1 | 4,078.8 | (6.1)% |
| Asia/Pacific | 238.5 | 248.1 | (4.2)% |
| | $ 6,630.4 | $ 7,034.8 | (4.8)% |

(1) Adjusted exchange rates are 2008 exchange rates.

Regionally, net sales in North America decreased during 2009 compared to 2008 primarily due to weaker market demand and efforts to reduce dealer inventory levels. In the Europe/Africa/Middle East region, net sales decreased in 2009 compared to 2008 primarily due to sales declines in Germany, France and Scandinavia, as well as Eastern and Central Europe and Russia. In South America, net sales decreased during 2009 compared to 2008 primarily as a result of weaker market conditions in the region, particularly in Argentina, and a shift in sales mix to lower horsepower tractors in the region. In the Asia/Pacific region, net sales increased in 2009 compared to 2008 due to sales growth in Australia and New Zealand. We estimate that worldwide average price increases in 2009 and 2008 were approximately 3% and 4%, respectively. Consolidated net sales of tractors and combines, which consisted of approximately 72% of our net sales in 2009, decreased approximately 22% in 2009 compared to 2008. Unit sales of tractors and combines decreased approximately 20% during 2009 compared to 2008. The difference between the unit sales decrease and the decrease in net sales was primarily the result of foreign currency translation, pricing and sales mix changes.

The following table sets forth, for the years ended December 31, 2009 and 2008, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations (in millions, except percentages):

| | 2009 $ | 2009 % of Net Sales | 2008 $ | 2008 % of Net Sales |
|---|---|---|---|---|
| Gross profit | $ 1,072.5 | 16.2% | $ 1,499.7 | 17.8% |
| Selling, general and administrative expenses | 630.1 | 9.5% | 720.9 | 8.6% |
| Engineering expenses | 191.9 | 2.9% | 194.5 | 2.3% |
| Restructuring and other infrequent expenses | 13.2 | 0.2% | 0.2 | — |
| Amortization of intangibles | 18.0 | 0.3% | 19.1 | 0.2% |
| Income from operations | $ 219.3 | 3.3% | $ 565.0 | 6.7% |

Gross profit as a percentage of net sales decreased during 2009 as compared to 2008 primarily due to lower production volumes and a weaker sales mix, partially offset by the impact of reduced workforce levels and cost control initiatives. Sales mix impacted margins primarily in South America due to a shift in demand toward low horsepower tractors away from high horsepower tractors and combines. Unit production of tractors and combines during 2009 was approximately 24% lower than 2008. We recorded approximately $0.1 million and $1.5 million of stock compensation expense within cost of goods sold, during 2009 and 2008, respectively, as is more fully explained in Note 1 to our Consolidated Financial Statements.

SG&A expenses as a percentage of net sales increased during 2009 compared to 2008, primarily due to the decline in net sales. We recorded approximately $8.2 million and $32.0 million of stock compensation expense, within SG&A, during 2009 and 2008, respectively, as is more fully explained in Note 1 to our Consolidated Financial Statements. Engineering expenses decreased slightly but increased as a percentage of sales during 2009 as compared to 2008. We maintained the level of engineering expenses relative to the prior year to fund projects related to new product development and Tier 4 emission requirements.

We recorded restructuring and other infrequent expenses of approximately $13.2 million and $0.2 million during 2009 and 2008, respectively. The restructuring and other infrequent expenses recorded in 2009 related primarily to severance and other related costs associated with rationalization of our operations in France, the United Kingdom, Finland, Germany, the United States and Denmark. The restructuring and other infrequent expenses recorded in 2008 related primarily to severance and employee relocation costs associated with rationalization of our Valtra sales office located in France.

Interest expense, net was $43.3 million for 2009 compared to $33.2 million for 2008. The increase was primarily due to lower interest income as a result of lower interest rates and lower amounts of invested cash.

Other expense, net was $22.2 million in 2009 compared to $20.1 million in 2008. Losses on sales of receivables primarily under our securitization facilities were $15.6 million in 2009 compared to $27.3 million in 2008. The decrease was primarily due to a reduction in interest rates in 2009 compared to 2008. In addition, there were foreign exchange losses in 2009 compared to foreign exchange gains in 2008.

We recorded an income tax provision of $56.5 million in 2009 compared to $164.6 million in 2008. Our tax provision is impacted by the differing tax rates in the various tax jurisdictions where we operate, permanent differences for items treated differently for financial accounting and income tax purposes, and losses in jurisdictions where no income tax benefit is recorded. Our 2009 income tax rate reconciliation provided in Note 6 to our Consolidated Financial Statements includes a $39.5 million favorable “change in valuation allowance” which was fully offset by a write-off of certain foreign tax assets reflected in “tax effects of permanent differences”. Due to the fact that these tax assets had not been expected to be utilized in future years, we had previously maintained a valuation allowance against the tax assets. Accordingly, this write-off resulted in no impact to our income tax provision for the year ended December 31, 2009.

A valuation allowance is established when it is more likely than not that some portion or all of a company’s deferred tax assets will not be realized. We assessed the likelihood that our deferred tax assets would be recovered from estimated future taxable income and available income tax planning strategies. At December 31, 2009 and 2008, we had gross deferred tax assets of $485.0 million and $471.4 million, respectively, including $215.0 million and $210.8 million, respectively, related to net operating loss carryforwards. At December 31, 2009 and 2008, we had recorded total valuation allowances as an offset to the gross deferred tax assets of $261.7 million and $294.4 million, respectively, primarily related to net operating loss carryforwards in Brazil, Denmark, Switzerland, The Netherlands and the United States. Realization of the remaining deferred tax assets as of December 31, 2009 will depend on generating sufficient taxable income in future periods, net of reversing deferred tax liabilities. We believe it is more likely than not that the remaining net deferred tax assets will be realized.

As of December 31, 2009 and 2008, we had approximately $21.8 million and $20.1 million, respectively, of unrecognized tax benefits, all of which would impact our effective tax rate if recognized. As of December 31, 2009 and 2008, we had approximately $3.5 million and $7.6 million, respectively, of current accrued taxes related to uncertain income tax positions connected with ongoing tax audits in various jurisdictions that we expect to settle or pay in the next 12 months. We recognize interest and penalties related to uncertain income tax

positions in income tax expense. As of December 31, 2009 and 2008, we had accrued interest and penalties related to unrecognized tax benefits of approximately $1.9 million and $1.8 million, respectively. See Note 6 to our Consolidated Financial Statements for further discussion of our uncertain income tax positions.

Equity in net earnings of affiliates was $38.4 million in 2009 compared to $38.8 million in 2008. An increase in earnings associated with our retail finance joint ventures was offset by a decrease in earnings associated with our Laverda operating joint venture during 2009 as compared to 2008. Refer to “Retail Finance Joint Ventures” for further information regarding our retail finance joint ventures and their results of operations.

***2008 Compared to 2007***

Net income for 2008 was $385.9 million, or $3.95 per diluted share, compared to net income for 2007 of $232.9 million, or $2.41 per diluted share.

Net sales for 2008 were approximately $1,596.5 million, or 23.4%, higher than 2007 primarily due to improved industry conditions in most major global agricultural equipment markets and the positive impact of foreign currency translation. Sales growth was achieved in all of our geographic operating segments. Income from operations was $565.0 million in 2008 compared to $394.8 million in 2007. The increase in income from operations and operating margins during 2008 was due primarily to sales volume growth, price increases, improved product mix and cost control initiatives, partially offset by higher material costs.

In our Europe/Africa/Middle East operations, income from operations improved approximately $119.1 million in 2008 compared to 2007, primarily due to increased sales volumes, favorable currency translation impacts, improved product mix and margin improvements achieved through cost reduction initiatives. Income from operations in our South American operations increased approximately $32.9 million in 2008 compared to 2007, primarily due to higher sales volume resulting from stronger market conditions, particularly in the major market of Brazil, as well as favorable currency translation impacts. In North America, income from operations increased approximately $44.3 million in 2008 compared to 2007, primarily due to higher sales as a result of strong industry demand for large farm equipment and operating efficiencies. Income from operations in our Asia/Pacific region increased approximately $8.4 million in 2008 compared to 2007, primarily due to sales growth in the Australian and New Zealand markets.

***Retail Sales***

Worldwide industry equipment demand for farm equipment increased in 2008 in most major markets. Healthy farm income driven by higher farm commodity prices contributed to the improved demand for equipment, particularly in the large farm equipment sector. In 2008, farm commodity prices continued to be supported as a result of strong global demand and historically low inventories of commodities.

In the United States and Canada, industry unit retail sales of tractors decreased approximately 7% in 2008 compared to 2007, due to decreases in the compact and utility tractor segments, offset by increases in the high horsepower tractor segment. Industry unit retail sales of combines increased approximately 22% in 2008 when compared to the prior year. In North America, our unit retail sales of compact and high horsepower tractors as well as combines increased while our unit retail sales of utility tractors decreased in 2008 compared to 2007 levels. In Europe, industry unit retail sales of tractors increased approximately 7% in 2008 compared to 2007. Demand was strongest in the high horsepower segment and in the markets of France, Germany, Central and Eastern Europe, and Russia, which offset weaker markets in Spain, Finland and Scandinavia. Our unit retail sales of tractors for 2008 in Europe were also higher when compared to 2007. In South America, industry unit retail sales of tractors in 2008 increased approximately 30% compared to 2007. Retail sales of tractors in the major market of Brazil increased approximately 39% during 2008. Industry unit retail sales of combines during 2008 were approximately 50% higher than the prior year, with an increase in Brazil of approximately 88% compared to the prior year. Improved commodity prices contributed to the strength of the row crop and sugar cane sectors in Brazil, resulting in increased industry demand. Our unit retail sales of tractors and combines in South America were also higher in 2008 compared to 2007. In other international markets, our net sales for 2008 were approximately 10.3% higher than the prior year, due primarily to higher sales in Australia and New Zealand resulting from improved harvests.

The rate of retail sales increases declined in most major markets in the fourth quarter of 2008 as lower commodity prices and tightened credit availability began to impact sales demand, particularly in South America, Eastern Europe and Russia.

***Results of Operations***

Net sales for 2008 were $8,424.6 million compared to $6,828.1 million for 2007. The increase was primarily attributable to net sales growth in all four of our geographical regions as well as positive currency translation impacts. Currency translation positively impacted net sales by approximately $247.9 million, primarily due to the strength of the Brazilian real and the Euro in the first nine months of the year. The following table sets forth, for the year ended December 31, 2008, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

| | 2008 | 2007 | Change $ | Change % | Change due to Currency Translation $ | Change due to Currency Translation % |
|---|---|---|---|---|---|---|
| North America | $ 1,794.3 | $ 1,488.1 | $ 306.2 | 20.6% | $ (11.6) | (0.8)% |
| South America | 1,496.5 | 1,090.6 | 405.9 | 37.2% | 76.8 | 7.0% |
| Europe/Africa/Middle East | 4,905.4 | 4,067.1 | 838.3 | 20.6% | 181.3 | 4.5% |
| Asia/Pacific | 228.4 | 182.3 | 46.1 | 25.3% | 1.4 | 0.8% |
| | $ 8,424.6 | $ 6,828.1 | $ 1,596.5 | 23.4% | $ 247.9 | 3.6% |

The following is a reconciliation of net sales for the year ended December 31, 2008 at actual exchange rates compared to 2007 adjusted exchange rates (in millions):

| | Year Ended December 31, 2008 at Actual Exchange Rates | Year Ended December 31, 2008 at Adjusted Exchange Rates(1) | Change due to Currency Translation |
|---|---|---|---|
| North America | $ 1,794.3 | $ 1,805.9 | (0.8)% |
| South America | 1,496.5 | 1,419.7 | 7.0% |
| Europe/Africa/Middle East | 4,905.4 | 4,724.1 | 4.5% |
| Asia/Pacific | 228.4 | 227.0 | 0.8% |
| | $ 8,424.6 | $ 8,176.7 | 3.6% |

(1) Adjusted exchange rates are 2007 exchange rates.

Regionally, net sales in North America increased during 2008 compared to 2007 primarily due to strong industry conditions supporting increased sales of high horsepower tractors, combines, hay equipment and sprayers. In the Europe/Africa/Middle East region, net sales increased in 2008 primarily due to sales growth in France, Germany, the United Kingdom, Austria, Eastern and Central Europe, and Russia. In South America, net sales increased during 2008 compared to 2007 primarily as a result of stronger market conditions in the region, particularly in the major market of Brazil. In the Asia/Pacific region, net sales increased in 2008 compared to 2007 due to sales growth in Australia and New Zealand. We estimate that worldwide consolidated average price increases during 2008 contributed approximately 4% to the increase in net sales. Consolidated net sales of tractors and combines, which consisted of approximately 72% of our net sales in 2008, increased approximately 23% in 2008 compared to 2007. Unit sales of tractors and combines increased approximately 11% during 2008 compared to 2007. The difference between the unit sales increase and the increase in net sales was the result of foreign currency translation, pricing and sales mix changes.

The following table sets forth, for the years ended December 31, 2008 and 2007, the percentage relationship to net sales of certain items included in our Consolidated Statements of Operations (in millions, except percentages):

| | 2008 | | 2007 | |
|---|---|---|---|---|
| | $ | % of Net Sales | $ | % of Net Sales |
| Gross profit | $ 1,499.7 | 17.8% | $ 1,191.0 | 17.4% |
| Selling, general and administrative expenses | 720.9 | 8.6% | 625.7 | 9.1% |
| Engineering expenses | 194.5 | 2.3% | 154.9 | 2.3% |
| Restructuring and other infrequent expenses (income) | 0.2 | — | (2.3) | — |
| Amortization of intangibles | 19.1 | 0.2% | 17.9 | 0.2% |
| Income from operations | $ 565.0 | 6.7% | $ 394.8 | 5.8% |

Gross profit as a percentage of net sales increased during 2008 as compared to 2007 primarily due to the benefits of higher production, and cost reduction initiatives, partially offset by negative currency impacts and raw material cost inflation. Unit production of tractors and combines during 2008 was approximately 18% higher than 2007. In response to increases in manufacturing input costs driven primarily by increases in steel and energy costs, we instituted a series of price increases during 2008. These pricing actions helped to partially offset the impact of rising manufacturing input costs. Gross margins in 2008 and 2007 in North America were also affected by the weak United States dollar on products imported from our European and Brazilian manufacturing facilities. We recorded approximately $1.5 million and $1.0 million of stock compensation expense, within cost of goods sold, during 2008 and 2007, respectively.

SG&A expenses as a percentage of net sales decreased during 2008 compared to 2007, primarily as a result of higher sales volumes in 2008 and cost control initiatives. We recorded approximately $32.0 million and $25.0 million of stock compensation expense, within SG&A, during 2008 and 2007, respectively. Engineering expenses increased during 2008 as a result of continued spending to fund new products, product improvements and cost reduction projects.

The restructuring and other infrequent expenses recorded in 2008 related primarily to severance and employee relocation costs associated with rationalization of our Valtra sales office located in France. The restructuring and other infrequent income recorded in 2007 primarily related to a $3.2 million gain on the sale of a portion of the buildings, land and improvements associated with our Randers, Denmark facility. This gain was partially offset by $0.9 million of charges primarily related to severance and employee relocation costs associated with the rationalization of our Valtra sales office located in France as well as our rationalization of certain parts, sales and marketing and administrative functions in Germany.

Interest expense, net was $33.2 million for 2008 compared to $37.5 million for 2007. The decrease was primarily due to a reduction in debt levels and increased interest income earned during 2008 compared to 2007.

Other expense, net was $20.1 million in 2008 compared to $43.4 million in 2007. Losses on sales of receivables primarily under our securitization facilities were $27.3 million in 2008 compared to $36.1 million in 2007. The decrease during 2008 was primarily due to lower interest rates in 2008 compared to 2007, partially offset by higher outstanding funding under the securitizations in 2008 compared to 2007. There was also an increase in foreign exchange gains in 2008 compared to 2007.

We recorded an income tax provision of $164.6 million in 2008 compared to $111.4 million in 2007. We assessed the likelihood that our deferred tax assets would be recovered from estimated future taxable income and available income tax planning strategies. Our effective tax rate was positively impacted during 2008 primarily due to reductions in statutory tax rates in the United Kingdom and Germany and a decrease in losses incurred in the United States. At December 31, 2008 and 2007, we had gross deferred tax assets of $471.4 million and $479.l million, respectively, including $210.8 million and $247.8 million, respectively, related to net operating loss carryforwards. At December 31, 2008 and 2007, we had recorded total valuation allowances as an offset to the gross deferred tax assets of $294.4 million and $315.3 million, respectively, primarily related to net operating loss carryforwards in Brazil, Denmark, The Netherlands and the United States.

At December 31, 2008 and 2007, we had approximately $20.1 million and $22.7 million, respectively, of unrecognized tax benefits, all of which would impact our effective tax rate if recognized. As of December 31, 2008 and 2007, we had approximately $7.6 million and $14.0 million, respectively, of current accrued taxes related to uncertain income tax positions connected with ongoing tax audits in various jurisdictions that we expected to settle or pay in the next 12 months. We recognize interest and penalties related to uncertain income tax positions in income tax expense. As of December 31, 2008 and 2007, we had accrued interest and penalties related to unrecognized tax benefits of approximately $1.8 million and $1.1 million, respectively.

Equity in net earnings of affiliates was $38.8 million in 2008 compared to $30.4 million in 2007. The increase in 2008 was primarily due to income associated with our investment in the Laverda operating joint venture acquired in September 2007, as well as increased earnings in our retail finance joint ventures.

***Quarterly Results***

The following table presents unaudited interim operating results. We believe that the following information includes all adjustments, consisting only of normal recurring adjustments, necessary to present fairly our results of operations for the periods presented. The operating results for any period are not necessarily indicative of results for any future period.

| | Three Months Ended | | | |
|---|---|---|---|---|
| | March 31 | June 30 | September 30 | December 31 |
| | (In millions, except per share data) | | | |
| **2009:** | | | | |
| Net sales | $ 1,579.0 | $ 1,795.2 | $ 1,403.7 | $ 1,852.5 |
| Gross profit | 272.3 | 291.5 | 241.4 | 267.3 |
| Income from operations(1) | 58.6 | 77.8 | 34.0 | 48.9 |
| Net income(1) | 34.3 | 57.0 | 10.0 | 34.4 |
| Net (income) loss attributable to noncontrolling interests | (0.6) | 0.4 | 1.1 | (0.9) |
| Net income attributable to AGCO Corporation and subsidiaries | 33.7 | 57.4 | 11.1 | 33.5 |
| Net income per common share attributable to AGCO Corporation and subsidiaries — diluted(1) | 0.36 | 0.61 | 0.12 | 0.35 |
| **2008:** | | | | |
| Net sales | $ 1,786.6 | $ 2,395.4 | $ 2,085.4 | $ 2,157.2 |
| Gross profit | 315.2 | 428.2 | 380.1 | 376.2 |
| Income from operations(1) | 94.2 | 189.1 | 141.7 | 140.0 |
| Net income(1)(2) | 58.8 | 129.6 | 99.0 | 98.5 |
| Net income attributable to noncontrolling interests(2) | — | — | — | — |
| Net income attributable to AGCO Corporation and subsidiaries(2) | 58.8 | 129.6 | 99.0 | 98.5 |
| Net income per common share attributable to AGCO Corporation and subsidiaries — diluted(1)(2) | 0.59 | 1.31 | 1.01 | 1.05 |

(1) For 2009, the quarters ended March 31, June 30, September 30 and December 31 included restructuring and other infrequent expenses of $0.0 million, $2.8 million, $1.0 million and $9.4 million, respectively, thereby impacting net income per common share on a diluted basis by $0.00, $0.02, $0.01, $0.07, respectively.

For 2008, the quarters ended March 31, June 30, September 30 and December 31 included restructuring and other infrequent expenses (income) of $0.1 million, $0.1 million, $0.1 million and $(0.1) million, respectively, with no impact to net income per common share on a diluted basis.

(2) Amounts presented above for the three months ended March 31, June 30, September 30, and December 31, 2008 have been retroactively restated to reflect adjustments made for the amortization of the debt discounts related to our convertible senior subordinated notes. Refer to Notes 1 and 7 of our Consolidated Financial Statements for further discussion.

**Retail Finance Joint Ventures**

Our AGCO Finance retail finance joint ventures provide retail financing and wholesale financing to our dealers in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland, Austria and Argentina. The joint ventures are owned 49% by AGCO and 51% by a wholly owned subsidiary of Rabobank, a AAA rated financial institution based in The Netherlands. The majority of the assets of the retail finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint ventures, primarily through lines of credit. We do not guarantee the debt obligations of the joint ventures other than a portion of the retail portfolio in Brazil that is held outside the joint venture by Rabobank Brazil, which was approximately $3.7 million as of December 31, 2009, and will gradually be eliminated over time. As of December 31, 2009, our capital investment in the retail finance joint ventures, which is included in "Investment in affiliates" on our Consolidated Balance Sheets, was approximately $258.7 million compared to $187.8 million as of December 31, 2008. The total finance portfolio in our retail finance joint ventures was approximately $6.3 billion and $4.8 billion as of December 31, 2009 and 2008, respectively. The total finance portfolio as of December 31, 2009 included approximately $5.6 billion of retail receivables and $0.7 billion of wholesale receivables from AGCO dealers. The total finance portfolio as of December 31, 2008 included approximately $4.6 billion of retail receivables and $0.2 billion of wholesale receivables from AGCO dealers. The wholesale receivables were either sold directly to AGCO Finance without recourse from our operating companies or AGCO Finance provided the financing directly to the dealers. On December 22, 2009, we terminated our U.S. and Canadian accounts receivable securitization facilities and replaced them with new accounts receivable sales agreements that will permit the transfer, on an ongoing basis, of substantially all of our wholesale interest-bearing and non-interest bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., our U.S. and Canadian retail finance joint ventures. During 2009, our share in the earnings of the retail finance joint ventures, included in "Equity in net earnings of affiliates" on our Consolidated Statements of Operations, was $36.4 million compared to $29.7 million in 2008. The increase during 2009 was due primarily to higher finance revenues generated as a result of higher average retail finance portfolios, particularly in Europe and Brazil.

The retail finance portfolio in our retail finance joint venture in Brazil was $1.7 billion as of December 31, 2009 compared to $1.2 billion as of December 31, 2008. As a result of weak market conditions in Brazil in 2005 and 2006, a substantial portion of this portfolio has been included in a payment deferral program directed by the Brazilian government. The impact of the deferral program has resulted in higher delinquencies and lower collateral coverage for the portfolio. While the joint venture currently considers its reserves for loan losses adequate, it continually monitors its reserves considering borrower payment history, the value of the underlying equipment financed and further payment deferral programs implemented by the Brazilian government. To date, our retail finance joint ventures in markets outside of Brazil have not experienced any significant changes in the credit quality of their finance portfolios as a result of the recent global economic challenges. However, there can be no assurance that the portfolio credit quality will not deteriorate, and, given the size of the portfolio relative to the joint ventures' level of equity, a significant adverse change in the joint ventures' performance would have a material impact on the joint ventures and on our operating results.

**Outlook**

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, the demand for agricultural commodities, farm industry related legislation, availability of financing and general economic conditions.

Worldwide industry demand is expected to be mixed in the first six months of 2010, with stronger market conditions in Brazil expected to offset weaker conditions in North America and Europe. Demand in North America and Western Europe is expected to stabilize during 2010, making comparisons to 2009 more favorable in the second half of the year. Continued economic weakness in Eastern and Central Europe and Russia is expected to keep industry demand at very low levels in those markets throughout 2010.

Our net sales in 2010 are expected to be flat compared to 2009. We are targeting gross margin improvements to be offset by higher engineering expenses for new product development and Tier 4 emission requirements, as well as higher pension costs. Net income is projected to be flat to slightly higher than 2009.

**Liquidity and Capital Resources**

Our financing requirements are subject to variations due to seasonal changes in inventory and receivable levels. Internally generated funds are supplemented when necessary from external sources, primarily our revolving credit facility and accounts receivable securitization facilities.

We believe that these facilities, together with available cash and internally generated funds, will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future:

- Our $300 million revolving credit facility which expires in May 2013 (no amounts were outstanding as of December 31, 2009).
- Our €200.0 million (or approximately $286.5 million as of December 31, 2009) $6^{7}/_{8}$% senior subordinated notes, which mature in 2014.
- Our $201.3 million $1^{3}/_{4}$% convertible senior subordinated notes may be required to be repurchased on December 31, 2010, or could be converted earlier based on the closing sales price of our common stock (see further discussion below). Our $201.3 million $1^{1}/_{4}$% convertible senior subordinated notes may be required to be repurchased on December 15, 2013, or could be converted earlier based on the closing sales price of our common stock (see further discussion below).
- Our €140.0 million (or approximately $200.6 million as of December 31, 2009) securitization facility in Europe, which expires in October 2011. As of December 31, 2009, outstanding funding related to this facility was approximately €104.6 million (or approximately $149.9 million).
- Our new accounts receivable sales agreements in the United States and Canada with AGCO Finance LLC and AGCO Finance Canada, Ltd., with total funding of up to $600.0 million for U.S. wholesale accounts receivable and up to C$250.00 million (or approximately $234.7 million as of December 31, 2009) for Canadian wholesale accounts receivable. As of December 31, 2009, approximately $444.6 million of proceeds had been received under these agreements.

In addition, although we are in complete compliance with the financial covenants contained in these facilities and currently expect to continue to maintain such compliance, should we ever encounter difficulties, our historical relationship with our lenders has been strong and we anticipate their continued long-term support of our business. However, it is impossible to predict the length or severity of the current tightened credit environment, which may impact our ability to obtain additional financing sources or our ability to renew or extend the maturity of our existing financing sources.

***Current Facilities***

Our $201.3 million of $1^{3}/_{4}$% convertible senior subordinated notes due December 31, 2033, issued in June 2005, provide for (i) the settlement upon conversion in cash up to the principal amount of the converted notes with any excess conversion value settled in shares of our common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes are converted in connection with certain change of control transactions occurring prior to December 10, 2010. The notes are unsecured obligations and are convertible into cash and shares of our common stock upon satisfaction of certain conditions. Interest is payable on the notes at $1^{3}/_{4}$% per annum, payable semi-annually in arrears in cash on June 30 and December 31 of each year. The notes are convertible into shares of our common stock at an effective price of $22.36 per share, subject to adjustment. This reflects an initial conversion rate for the notes of 44.7193 shares of common stock per $1,000 principal amount of notes. 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. See Note 7 to our Consolidated Financial Statements for a full description of these notes.

Our $201.3 million of $1^{1}/_{4}$% convertible senior subordinated notes due December 15, 2036, issued in December 2006, provide for (i) the settlement upon conversion in cash up to the principal amount of the notes with any excess conversion value settled in shares of our common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes are converted in connection with certain change of control transactions occurring prior to December 15, 2013. Interest is payable on the notes at $1^{1}/_{4}$% per annum, payable semi-annually in arrears in cash on June 15 and December 15 of each year. The notes are convertible into shares of our common stock at an effective price of $40.73 per share, subject to adjustment. This reflects an initial conversion rate for the notes of 24.5525 shares of common stock per $1,000 principal amount of notes. Beginning December 15, 2013, 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 15, 2013, 2016, 2021, 2026 and 2031. See Note 7 to our Consolidated Financial Statements for a full description of these notes.

As of December 31, 2009, the closing sales price of our common stock had exceeded 120% of the conversion price of $22.36 per share for our $1^{3}/_{4}$% convertible senior subordinated notes for at least 20 trading days in the 30 consecutive trading days ending December 31, 2009, and, therefore, we classified the notes as a current liability. In the event the notes were converted, we believe we could repay the notes with available cash on hand, funds from our $300.0 million multi-currency revolving credit facility or a combination of these sources. As of December 31, 2008, the closing sales price of our common stock did not exceed 120% of the conversion price of $22.36 and $40.73 per share, respectively, for our $1^{3}/_{4}$% convertible senior subordinated notes and our $1^{1}/_{4}$% convertible senior subordinated notes for at least 20 trading days in the 30 consecutive trading days ending December 31, 2008, and, therefore, we classified both notes as long-term debt. Future classification of the $1^{3}/_{4}$% convertible senior subordinated notes and $1^{1}/_{4}$% convertible senior subordinated notes between current and long-term debt is dependent on the closing sales price of our common stock during future quarters.

The $1^{3}/_{4}$% convertible senior subordinated notes and the $1^{1}/_{4}$% convertible senior subordinated notes will impact the diluted weighted average shares outstanding in future periods depending on our stock price for the excess conversion value using the treasury stock method. Refer to Notes 1 and 7 of the Company's Consolidated Financial Statements for further discussion.

Our $300.0 million unsecured multi-currency revolving credit facility matures on May 16, 2013. Interest accrues on amounts outstanding under the facility, at our option, at either (1) LIBOR plus a margin ranging between 1.00% and 1.75% based upon our total 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 0.0% and 0.50% based upon our total debt ratio. The facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and is subject to acceleration in the event of a default, as defined in the facility. We also must fulfill financial covenants in respect of a total debt to EBITDA ratio and an interest coverage ratio, as defined in the facility. As of December 31, 2009 and 2008, we had no outstanding borrowings under the facility. As of December 31, 2009 and 2008, we had availability to borrow approximately $290.7 million and $291.3 million, respectively, under the facility.

Our €200.0 million $6^{7}/_{8}$% senior subordinated notes due 2014 are unsecured obligations and are subordinated in right of payment to any existing or future senior indebtedness. Interest is payable on the notes semi-annually on April 15 and October 15 of each year. As of and subsequent to 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. The notes include covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

Under our European securitization facility, we sell accounts receivable in Europe on a revolving basis to commercial paper conduits through a qualifying special purpose entity ("QSPE") in the United Kingdom. The

European facility expires in October 2011, but is subject to annual renewal. On December 31, 2009, we expanded our European facility by €40.0 million so that the total amount of the facility was €140.0 million (or approximately $200.6 million). The outstanding funded balance of approximately €104.6 million (or approximately $149.9 million) as of December 31, 2009 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 10% of the funded amount. We maintain reserves for doubtful accounts associated with this risk where necessary. 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 conduits.

This facility allow us to sell accounts receivables through financing conduits, which obtain funding from commercial paper markets. Future funding under the securitization facility 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 facility provides 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.

On December 22, 2009, we terminated our U.S. and Canadian accounts receivable securitization facilities of $280.0 million and $70.0 million, respectively, which had outstanding funding of approximately $280.0 million and $65.0 million, respectively. We replaced these securitization facilities with new accounts receivable sales agreements that will permit the transfer, on an ongoing basis, of substantially all of our wholesale interest-bearing and non-interest bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., our U.S. and Canadian retail finance joint ventures. We have a 49% ownership in these joint ventures. This agreement also replaces a May 2005 agreement whereby we previously sold interest-bearing receivables to AGCO Finance LLC and AGCO Finance Canada, Ltd. on an ongoing basis. The new accounts receivable sales agreements provide for funding up to $600.0 million of U.S. accounts receivable and up to C$250.0 million (or approximately $234.7 million as of December 31, 2009) of Canadian accounts receivable, both of which may be increased in the future at the discretion of AGCO Finance LLC and AGCO Finance Canada, Ltd., respectively. The transfer of the receivables is without recourse to us. These agreements are accounted for as off-balance sheet transactions and, similar to our securitization facility, have the effect of reducing accounts receivable and short-term liabilities by the same amount.

As of December 31, 2009, net cash received from receivables sold under the U.S. and Canadian accounts receivable sales agreements with AGCO Finance LLC and AGCO Finance Canada, Ltd. was approximately $444.6 million. As of December 31, 2008, the balance of interest-bearing receivables that had been transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under our former arrangement to transfer wholesale interest-bearing receivables was approximately $59.0 million. The net cash impact from the proceeds of the sale of accounts receivable under the new sales agreements less the $345.0 million previously funded through our former securitization facilities was approximately $40.6 million and was reflected within “Net cash provided by Operating Activities” within our Consolidated Statement of Cash Flows for the year ended December 31, 2009.

Our AGCO Finance retail joint ventures in Europe, Brazil and Australia also provide wholesale financing to our dealers. The receivables associated with these arrangements are also without recourse to us. As of December 31, 2009, these retail finance joint ventures had approximately $176.9 million of outstanding accounts receivable associated with these arrangements. These arrangements are accounted for as off-balance sheet transactions. In addition, we sell certain trade receivables under factoring arrangements to other financial institutions around the world. These arrangements are also accounted for as off-balance sheet transactions.

***Cash Flows***

Cash flow provided by operating activities was $351.7 million during 2009, compared to $291.3 million during 2008. The increase in cash flow provided by operating activities during 2009 was primarily due to a reduction in our net working capital. We lowered inventory and accounts receivable levels by approximately

$558.7 million from 2008 year-end levels. This reduction and positive impact to our cash flow was partially offset by lower net income as well as a reduction in accounts payable resulting from significant production cuts throughout 2009. The reduction in accounts receivable levels also includes the net cash impact from the proceeds of the sale of accounts receivable under the new accounts receivable sales agreements discussed above less the $345.0 million previously funded through our former securitization facilities, which was approximately $40.6 million.

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 $1,070.8 million in working capital at December 31, 2009, as compared with $1,026.7 million at December 31, 2008. Accounts receivable and inventories, combined, at December 31, 2009 were $286.5 million lower than at December 31, 2008. Accounts payable as of December 31, 2009 were $382.8 million lower than at December 31, 2008.

Capital expenditures for 2009 were $215.3 million compared to $251.3 million during 2008. Capital expenditures during 2009 were used to support our manufacturing operations, systems initiatives, and the development and enhancement of new and existing products.

Our debt to capitalization ratio, which is total indebtedness divided by the sum of total indebtedness and stockholders' equity, was 21.4% at December 31, 2009 compared to 24.8% at December 31, 2008.

**Contractual Obligations**

The future payments required under our significant contractual obligations, excluding foreign currency option and forward contracts, as of December 31, 2009 are as follows (in millions):

| | Payments Due By Period | | | | |
|---|---|---|---|---|---|
| | Total | 2010 | 2011 to 2012 | 2013 to 2014 | 2015 and Beyond |
| Indebtedness(1) | $ 689.2 | $ 201.4 | $ — | $ 286.5 | $ 201.3 |
| Interest payments related to long-term debt(1) | 98.9 | 25.7 | 44.4 | 28.8 | — |
| Capital lease obligations | 4.1 | 2.1 | 1.8 | 0.2 | — |
| Operating lease obligations | 154.2 | 41.5 | 51.0 | 21.2 | 40.5 |
| Unconditional purchase obligations | 82.3 | 58.6 | 23.7 | — | — |
| Other short-term and long-term obligations(2) | 269.1 | 41.8 | 58.6 | 48.3 | 120.4 |
| Total contractual cash obligations | $ 1,297.8 | $ 371.1 | $ 179.5 | $ 385.0 | $ 362.2 |

| | Amount of Commitment Expiration Per Period | | | | |
|---|---|---|---|---|---|
| | Total | 2010 | 2011 to 2012 | 2013 to 2014 | 2015 and Beyond |
| Standby letters of credit and similar instruments | $ 9.3 | $ 9.3 | $ — | $ — | $ — |
| Guarantees | 74.1 | 64.3 | 9.0 | 0.8 | — |
| Total commercial commitments and letters of credit | $ 83.4 | $ 73.6 | $ 9.0 | $ 0.8 | $ — |

(1) Estimated interest payments are calculated assuming current interest rates over minimum maturity periods specified in debt agreements. Debt may be repaid sooner or later than such minimum maturity periods. Indebtedness amounts reflect the principal amount of our convertible senior subordinated notes.

(2) Other short-term and long-term obligations include estimates of future minimum contribution requirements under our U.S. and non-U.S. defined benefit pension and postretirement plans. These estimates are based on current legislation in the countries we operate within and are subject to change. Other short-term and long-term obligations also include income tax liabilities related to uncertain income tax positions connected with ongoing income tax audits in various jurisdictions. In addition, short-term obligations include amounts due to financial institutions related to sales of certain receivables that did not meet the off-balance sheet criteria.

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**Commitments and Off-Balance Sheet Arrangements**

***Guarantees***

We maintain a remarketing agreement with AGCO Finance LLC and AGCO Finance Canada Ltd., our retail finance joint ventures in North America, whereby we are obligated to repurchase repossessed inventory at market values. We have 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 that might be incurred on the resale of this equipment will not materially impact our financial position or results of operations, due to the fair value of the underlying equipment.

At December 31, 2009, we guaranteed indebtedness owed to third parties of approximately $74.1 million, primarily related to dealer and end-user financing of equipment. Such guarantees generally obligate us to repay outstanding finance obligations owed to financial institutions if dealers or end users default on such loans through 2014. We believe the credit risk associated with these guarantees is not material to our financial position. Losses under such guarantees have historically been insignificant. In addition, we would be able to recover any amounts paid under such guarantees from the sale of the underlying financed farm equipment, as the fair value of such equipment would be sufficient to offset a substantial portion of the amounts paid.

***Other***

At December 31, 2009, we had outstanding foreign exchange contracts with a gross notional amount of approximately $1,247.7 million. The outstanding contracts as of December 31, 2009 range in maturity through December 2010. Gains and losses on such contracts are historically substantially offset by losses and gains on the exposures being hedged. See “Foreign Currency Risk Management” for additional information.

As discussed in “Liquidity and Capital Resources,” we sell substantially all of our wholesale accounts receivable in North America to our U.S. and Canadian retail finance joint ventures, we sell certain accounts receivable under our European securitization facility and we sell certain accounts receivable under factoring arrangements to financial institutions around the world. We evaluate the sale of such receivables pursuant to the guidelines of Accounting Standards Codification (“ASC”) 860, “Transfers and Servicing,” (“ASC 860”), and have determined that these facilities should be accounted for as off-balance sheet transactions.

***Contingencies***

As a result of Brazilian tax legislation impacting value added taxes (“VAT”), we have recorded a reserve of approximately $11.6 million and $13.9 million against our outstanding balance of Brazilian VAT taxes receivable as of December 31, 2009 and 2008, respectively, due to the uncertainty as to our ability to collect the amounts outstanding.

In February 2006, we received a subpoena from the SEC in connection with a non-public, fact-finding inquiry entitled “In the Matter of Certain Participants in the Oil for Food Program.” We settled the matter with the SEC and DOJ, as well as with the Danish government, in September 2009. In June 2008, the Republic of Iraq filed a civil action against three of our foreign subsidiaries that participated in the United Nations Oil for Food Program. In August 2008, as part of a routine audit, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of our Brazilian operations and the related transfer of certain assets to our Brazilian subsidiaries. See Note 12 to our Consolidated Financial Statements for further discussion of these matters.

**Related Parties**

Rabobank is a 51% owner in our retail finance joint ventures, which are located in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland and Austria. Rabobank is also the principal agent and participant in our revolving credit facility and our European securitization facility. The majority of the assets of our retail finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies, primarily through lines of credit. We do not

guarantee the debt obligations of the retail finance joint ventures other than a portion of the retail portfolio in Brazil that is held outside the joint venture by Rabobank Brazil. Prior to 2005, our joint venture in Brazil had an agency relationship with Rabobank whereby Rabobank provided the funding. In February 2005, we made a $21.3 million investment in our retail finance joint venture with Rabobank Brazil. With the additional investment, the joint venture's organizational structure is now more comparable to our other retail finance joint ventures and will result in the gradual elimination of our solvency guarantee to Rabobank for the portfolio that was originally funded by Rabobank Brazil. As of December 31, 2009, the solvency requirement for the portfolio held by Rabobank was approximately $3.7 million.

Our retail finance joint ventures provide retail financing and wholesale financing to our dealers. The terms of the financing arrangements offered to our dealers are similar to arrangements they provide to unaffiliated third parties. In addition, we transfer, on an ongoing basis, substantially all of our wholesale interest-bearing and non-interest bearing accounts receivable in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., our retail finance joint ventures in North America. See Note 4 to our Consolidated Financial Statements for further discussion of these agreements. We maintain a remarketing agreement with our U.S. retail finance joint venture, AGCO Finance LLC, as discussed above under "Commitments and Off-Balance Sheet Arrangements." In addition, as part of sales incentives provided to end users, we may from time to time subsidize interest rates of retail financing provided by our retail finance joint ventures. The cost of those programs is recognized at the time of sale to our dealers.

**Foreign Currency Risk Management**

We have significant manufacturing operations in the United States, France, Germany, Finland and Brazil, 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 net sales outside the United States are denominated in the currency of the customer location, with the exception of sales in the Middle East, Africa, Asia and parts of South America where net sales are primarily denominated in British pounds, Euros or United States dollars. See Note 14 to our Consolidated Financial Statements for net sales by customer location. Our most significant transactional foreign currency exposures are the Euro, the Brazilian real and the Canadian dollar in relation to the United States dollar, and the Euro in relation to the British pound. Fluctuations in the value of foreign currencies create exposures, which can adversely affect our results of operations.

We attempt to manage our transactional foreign currency exposure by hedging foreign currency cash flow forecasts and commitments arising from the anticipated 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 contracts. 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, the British pound 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. Our hedging policy prohibits use of foreign currency contracts for speculative trading purposes.

All derivatives are recognized on our Consolidated Balance Sheets at fair value. On the date a derivative contract is entered into, we designate the derivative as either (1) a fair value hedge of a recognized liability, (2) a cash flow hedge of a forecasted transaction, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument. We currently engage in derivatives that are cash flow hedges of forecasted transactions as well as non-designated derivative instruments. Changes in the fair value of non-designated derivative contracts are reported in current earnings. During 2009, 2008 and 2007, we designated certain foreign currency contracts as cash flow hedges of forecasted sales and purchases. The effective portion of the fair value gains or losses on these cash flow hedges are recorded in other comprehensive income and subsequently reclassified into cost of goods sold during the period the sales and purchases are recognized. These amounts offset the effect of the changes in foreign currency rates on the related sale and purchase transactions. The amount of the (loss) gain recorded in other comprehensive income (loss) that was reclassified to cost of goods sold during the years ended December 31, 2009, 2008 and 2007 was approximately $(14.5) million, $14.1 million and $4.1 million, respectively, on an after-tax basis. The amount

of the (loss) gain recorded in other comprehensive income (loss) related to the outstanding cash flow hedges as of December 31, 2009, 2008 and 2007 was approximately $(1.3) million, $(36.7) million and $7.7 million, respectively, on an after-tax basis. The outstanding contracts as of December 31, 2009 range in maturity through December 2010.

Generally, we have not required collateral from counterparties, nor have we historically been asked to post collateral with respect to hedging transactions, except that during 2009 and 2008, we deposited cash with a financial institution as security against outstanding foreign currency contracts that matured throughout 2009. As of December 31, 2008, the amount deposited was approximately $33.8 million and was classified as “Restricted cash” our Consolidated Balance Sheets. This amount was recovered during 2009 as the contracts matured. As of December 31, 2009, there were no collateral requirements on any hedge transactions.

In previous years, we provided in our Form 10-K and Form 10-Qs a table that summarized all of our foreign currency contracts used to hedge foreign currency exposures, which included disclosure of notional amounts as well as fair value gains and losses on such hedges denoted by foreign currency. Throughout 2009 and prospectively, we are disclosing market risk, as it relates to our foreign currency exchange rate risk, using a sensitivity model, through which we will analyze the impact on all outstanding foreign currency contracts of a 10% change in the applicable currency of the hedge contract. We believe this provides better clarity of risk related to our foreign currency instruments.

Assuming a 10% change relative to the currency of the hedge contract, this could negatively impact the fair value of the foreign currency instruments by approximately $104.9 million as of December 31, 2009. Using the same sensitivity analysis as of December 31, 2008, the fair value of such instruments would have been negatively impacted by approximately $119.0 million. Due to the fact that these instruments are primarily entered into for hedging purposes, the gains or losses on the contracts would be largely offset by losses and gains on the underlying firm commitment or forecasted transaction.

**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 senior subordinated notes and our convertible senior subordinated notes. Our floating rate exposure is related to our revolving credit facility 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 and the cost of our securitization facilities for the year ended December 31, 2009 would have increased by approximately $1.6 million.

We had no interest rate swap contracts outstanding during the years ended December 31, 2009, 2008 and 2007.

**Recent Accounting Pronouncements**

In June 2009, the Financial Accounting Standards Board (the “FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 167, “Amendments to FASB Interpretation No. 46(R)” (“SFAS No. 167”), as subsequently codified under ASC 810, “Consolidation.” SFAS No. 167 amends FASB Interpretation No. 46(R), “Consolidation of Variable Interest Entities,” to eliminate the quantitative approach previously required for determining the primary beneficiary of a variable interest entity and requires a qualitative analysis to determine whether an enterprise’s variable interest gives it a controlling financial interest in a variable interest entity. This standard also requires ongoing assessments of whether an enterprise is the primary beneficiary of a variable interest entity. SFAS No. 167 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2009. Earlier adoption of SFAS No. 167 is prohibited. The adoption of the standard will impact the consolidation of our joint venture, GIMA. Refer to Note 1 to our Consolidated Financial Statements for a further discussion of our GIMA joint venture. We have completed a qualitative analysis of all of our joint ventures, including our GIMA joint venture, and have determined that we do not have a controlling financial interest in GIMA based on the shared powers of both joint venture partners to direct the activities that most significantly impact GIMA’s financial performance. The deconsolidation of GIMA will result in a prospective reclassification of “Noncontrolling interests” within

equity to “Investments in affiliates” in our Consolidated Balance Sheets of approximately $5.1 million. We will reflect this reclassification during our first quarter ended March 31, 2010. The deconsolidation will also result in a reduction in our “Net sales” and “Income from operations” within our Consolidated Statements of Operations, but have no overall impact to our consolidated net income, and will result in a reduction of our “Total assets” and “Total liabilities” within our Consolidated Balance Sheets, but have no net impact to our “Total stockholders’ equity” other than the reclassification previously mentioned.

In June 2009, the FASB issued SFAS No. 166, “Accounting for Transfers of Financial Assets, an amendment to SFAS No. 140, ‘Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities’ ” (“SFAS No. 166”), as subsequently codified under ASC 860. SFAS No. 166 eliminates the concept of a qualifying special-purpose entity (“QSPE”), changes the requirements for derecognizing financial assets and requires additional disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity’s continuing involvement in and exposure to the risks related to transferred financial assets. SFAS No. 166 is effective for fiscal years and interim periods beginning after November 15, 2009. Earlier adoption is prohibited. We have evaluated the impact of the adoption of SFAS No. 166 on our accounts receivable securitization facility in Europe, our new accounts receivable sales agreements in the U.S. and Canada, as well as various other financing facilities around the world (as are more fully described in Note 4 to our Consolidated Financial Statements). Upon adoption of SFAS No. 166, we will be required to recognize accounts receivable sold through our European securitization facility within our Consolidated Balance Sheets with a corresponding liability equivalent to the funded balance of the facility. The accounts receivable securitization facility in Europe is approximately €140.0 million (or approximately $200.6 million as of December 31, 2009).

See Note 1 to our Consolidated Financial Statements for more information regarding other recent accounting pronouncements.

**Recent Restructuring Actions**

We recorded approximately $13.2 million of restructuring and other infrequent expenses during 2009. These charges include severance and other related costs associated with the rationalization of our operations in France, the United Kingdom, Finland, Germany , the United States and Denmark. Refer to Note 3 of our Consolidated Financial Statements for a more detailed description of these rationalizations.

***European and North American Manufacturing and Administrative Headcount Reductions***

During 2009 and January 2010, we announced and initiated several actions to rationalize employee headcount at various manufacturing facilities located in France, Finland, Germany and the United States as well as at various administrative offices located in the United Kingdom and the United States. The headcount reductions were initiated in order to reduce costs and SG&A expenses in response to softening global market demand and reduced production volumes. We recorded approximately $12.8 million of severance and other related costs associated with such actions during 2009. The severance costs recorded related to the termination of approximately 766 employees. Total cash restructuring costs associated with the actions are expected to be approximately $23.0 million to $25.0 million and such actions should be completed during 2010. We estimate that the results of these headcount reductions will generate annual savings within SG&A expenses of approximately $16.0 million in 2010. Savings associated with manufacturing employee headcount reductions in future periods will be dependent on future production volumes.

***Randers, Denmark closure***

In November 2009, we announced our intention to close our combine assembly operations located in Randers, Denmark. We intend to cease operations in July 2010, and transfer such assembly to our harvesting equipment manufacturing joint venture, Laverda, located in Breganze, Italy. The land and buildings associated with the Randers facility will be marketed for sale after the assembly operations cease. Machinery, equipment and tooling will either be transferred to Laverda or one of our other manufacturing operations. The closure

will result in the termination of approximately 90 employees. We recorded approximately $0.4 million of severance and other related costs in 2009 associated with the facility closure. Employee retention payments paid to employees who will remain employed until certain future termination dates in 2010 will be accrued over the term of the retention period commencing January 2010, and are expected to be approximately $2.3 million. We anticipate savings associated with this closure to be approximately $3.0 million commencing in 2011.

**Critical Accounting Estimates**

We prepare our Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles. In the preparation of these financial statements, we make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The significant accounting policies followed in the preparation of the financial statements are detailed in Note 1 to our Consolidated Financial Statements. We believe that our application of the policies discussed below involves significant levels of judgment, estimates and complexity.

Due to the level of judgment, complexity and period of time over which many of these items are resolved, actual results could differ from those estimated at the time of preparation of the financial statements. Adjustments to these estimates would impact our financial position and future results of operations.

***Allowance for Doubtful Accounts***

We determine our allowance for doubtful accounts by actively monitoring the financial condition of our customers to determine the potential for any nonpayment of trade receivables. In determining our allowance for doubtful accounts, we also consider other economic factors, such as aging trends. We believe that our process of specific review of customers combined with overall analytical review provides an effective evaluation of ultimate collectability of trade receivables. Our loss or write-off experience was approximately 0.1% of net sales in 2009.

***Discount and Sales Incentive Allowances***

We provide various incentive programs with respect to our products. These incentive programs include reductions in invoice prices, reductions in retail financing rates, dealer commissions, dealer incentive allowances and volume discounts. In most cases, incentive programs are established and communicated to our dealers on a quarterly basis. The incentives are paid either at the time of invoice (through a reduction of invoice price), at the time of the settlement of the receivable, at the time of retail financing, at the time of warranty registration, or at a subsequent time based on dealer purchases. The incentive programs are product line specific and generally do not vary by dealer. The cost of sales incentives associated with dealer commissions and dealer incentive allowances is estimated based upon the terms of the programs and historical experience, is based on a percentage of the sales price, and is recorded at the later of (a) the date at which the related revenue is recognized, or (b) the date at which the sales incentive is offered. The related provisions and accruals are made on a product or product line basis and are monitored for adequacy and revised at least quarterly in the event of subsequent modifications to the programs. Volume discounts are estimated and recognized based on historical experience, and related reserves are monitored and adjusted based on actual dealer purchases and the dealers' progress towards achieving specified cumulative target levels. We record the cost of interest subsidy payments, which is a reduction in the retail financing rates, at the later of (a) the date at which the related revenue is recognized, or (b) the date at which the sales incentive is offered. Estimates of these incentives are based on the terms of the programs and historical experience. All incentive programs are recorded and presented as a reduction of revenue due to the fact that we do not receive an identifiable benefit in exchange for the consideration provided. Reserves for incentive programs that will be paid either through the reduction of future invoices or through credit memos are recorded as "accounts receivable allowances" within our Consolidated Balance Sheets. Reserves for incentive programs that will be paid in cash, as is the case with most of our volume discount programs as well as sales incentives associated with accounts

receivable sold to our U.S. and Canadian retail finance joint ventures, are recorded within "Accrued expenses" within our Consolidated Balance Sheets.

At December 31, 2009, we had recorded an allowance for discounts and sales incentives of approximately $97.5 million primarily related to reserves in our North America geographical segment that will be paid either through a reduction of future invoices or through credit memos to our dealers. If we were to allow an additional 1% of sales incentives and discounts at the time of retail sale, for those sales subject to such discount programs, our reserve would increase by approximately $5.7 million as of December 31, 2009. Conversely, if we were to decrease our sales incentives and discounts by 1% at the time of retail sale, our reserve would decrease by approximately $5.7 million as of December 31, 2009.

***Inventory Reserves***

Inventories are valued at the lower of cost or market using the first-in, first-out method. Market is current replacement cost (by purchase or by reproduction dependent on the type of inventory). In cases where market exceeds net realizable value (i.e., estimated selling price less reasonably predictable costs of completion and disposal), inventories are stated at net realizable value. Market is not considered to be less than net realizable value reduced by an allowance for an approximately normal profit margin. Determination of cost includes estimates for surplus and obsolete inventory based on estimates of future sales and production. Changes in demand and product design can impact these estimates. We periodically evaluate and update our assumptions when assessing the adequacy of inventory adjustments.

***Deferred Income Taxes and Uncertain Income Tax Positions***

A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. We establish valuation allowances for deferred tax assets when we estimate it is more likely than not that the tax assets will not be realized, and we periodically assess the likelihood that our deferred tax assets will be recovered from estimated future projected taxable income and available tax planning strategies and determine if adjustments to the valuation allowance are appropriate. As a result of these assessments, there are certain tax jurisdictions where we do not benefit further losses. Changes in industry conditions and the competitive environment may impact the accuracy of our projections.

At December 31, 2009 and 2008, we had gross deferred tax assets of $485.0 million and $471.4 million, respectively, including $215.0 million and $210.8 million, respectively, related to net operating loss carryforwards. At December 31, 2009 and 2008, we recorded total valuation allowances as an offset to the gross deferred tax assets of $261.7 million and $294.4 million, respectively, primarily related to net operating loss carryforwards in Brazil, Denmark, Switzerland, The Netherlands and the United States. Realization of the remaining deferred tax assets as of December 31, 2009 depends on generating sufficient taxable income in future periods, net of reversing deferred tax liabilities. We believe it is more likely than not that the remaining net deferred tax assets will be realized.

At December 31, 2009 and 2008, we had approximately $21.8 million and $20.1 million, respectively, of unrecognized tax benefits, all of which would impact our effective tax rate if recognized. As of December 31, 2009 and 2008, we had approximately $3.5 million and $7.6 million, respectively, of current accrued taxes related to uncertain income tax positions connected with ongoing tax audits in various jurisdictions that we expect to settle or pay in the next 12 months. We recognize interest and penalties related to uncertain income tax positions in income tax expense. As of December 31, 2009 and 2008, we had accrued interest and penalties related to unrecognized tax benefits of approximately $1.9 million and $1.8 million, respectively. We maintain procedures designed to appropriately reflect uncertain income tax positions in our Consolidated Financial Statements. These procedures include the evaluation of uncertainties both internally and, as necessary, externally with third-party advisors. See Note 6 to our Consolidated Financial Statements for further discussion of our uncertain income tax positions.

***Warranty and Additional Service Actions***

We make provisions for estimated expenses related to product warranties at the time products are sold. We base these estimates on historical experience of the nature, frequency and average cost of warranty claims. In addition, the number and magnitude of additional service actions expected to be approved, and policies related to additional service actions, are taken into consideration. Due to the uncertainty and potential volatility of these estimated factors, changes in our assumptions could materially affect net income.

Our estimate of warranty obligations is reevaluated on a quarterly basis. Experience has shown that initial data for any product series line can be volatile; therefore, our process relies upon long-term historical averages until sufficient data is available. As actual experience becomes available, it is used to modify the historical averages to ensure that the forecast is within the range of likely outcomes. Resulting balances are then compared with present spending rates to ensure that the accruals are adequate to meet expected future obligations.

See Note 1 to our Consolidated Financial Statements for more information regarding costs and assumptions for warranties.

***Insurance Reserves***

Under our insurance programs, coverage is obtained for significant liability limits as well as those risks required by law or contract. It is our policy to self-insure a portion of certain expected losses related primarily to workers' compensation and comprehensive general, product liability and vehicle liability. We provide insurance reserves for our estimates of losses due to claims for those items for which we are self-insured. We base these estimates on the expected ultimate settlement amount of claims, which often have long periods of resolution. We closely monitor the claims to maintain adequate reserves.

***Pensions***

We sponsor defined benefit pension plans covering certain employees principally in the United States, the United Kingdom, Germany, Finland, Norway, France, Switzerland, Australia and Argentina. Our primary plans cover certain employees in the United States and the United Kingdom.

In the United States, we sponsor a funded, qualified pension plan for our salaried employees, as well as a separate funded qualified pension plan for our hourly employees. Both plans are frozen, and we fund at least the minimum contributions required under the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code to both plans. In addition, we sponsor an unfunded, nonqualified pension plan for our executives.

In the United Kingdom, we sponsor a funded pension plan that provides an annuity benefit based on participants' final average earnings and service. Participation in this plan is limited to certain older, longer service employees and existing retirees. No future employees will participate in this plan. See Note 8 to our Consolidated Financial Statements for more information regarding costs and assumptions for employee retirement benefits.

*Nature of Estimates Required.* The measurement of our pension obligations, costs and liabilities is dependent on a variety of assumptions provided by management and used by our actuaries. These assumptions include estimates of the present value of projected future pension payments to all plan participants, taking into consideration the likelihood of potential future events such as salary increases and demographic experience. These assumptions may have an effect on the amount and timing of future contributions.

*Assumptions and Approach Used.* The assumptions used in developing the required estimates include the following key factors:

- Discount rates
- Salary growth
- Retirement rates
- Inflation
- Expected return on plan assets
- Mortality rates

For the years ended December 31, 2009 and 2008, we based the discount rate used to determine the projected benefit obligation for our U.S. qualified pension plans and our Executive Nonqualified Pension Plan by matching the projected cash flows of our largest pension plan to the Citigroup Pension Discount Curve. For our U.K. plan, we derived the discount rate based on a yield curve developed from the constituents of the Merrill Lynch AA-rated corporate bond index. The discount rate for the U.K. plan is a single weighted-average rate based on the approximate future cash flows of the plan. For countries within the Euro Zone, we derived an AA-rated corporate bond yield curve by selecting bonds included in the iBoxx corporate indices and creating a discount rate curve based on a series of model cash flows. Discount rates for each plan were then determined based on each plan's liability duration. The indices used in the United States, the United Kingdom and other countries were chosen to match our expected plan obligations and related expected cash flows. As of December 31, 2009, the measurement date with respect to our defined benefit plans is December 31. ASC 715, "Compensation-Retirement Benefits," requires the measurement of all defined benefit plan assets and obligations as of the date of our fiscal year end for years ending after December 15, 2008, and, therefore, the measurement date with respect to our U.K. pension plan was changed from September 30 to December 31 upon adoption of that measurement provision during 2008. Our inflation assumption is based on an evaluation of external market indicators. The salary growth assumptions reflect our long-term actual experience, the near-term outlook and assumed inflation. The expected return on plan asset assumptions reflects asset allocations, investment strategy, historical experience and the views of investment managers. Retirement and termination rates are based primarily on actual plan experience and actuarial standards of practice. The mortality rates for the U.S. plans were updated during 2006 to reflect the most recent study released by the Society of Actuaries, which reflects pensioner experience and distinctions for blue and white collar employees. The mortality rates for the U.K. plan were updated in 2009 to reflect expected improvements in the life expectancy of the plan participants. The effects of actual results differing from our assumptions are accumulated and amortized over future periods and, therefore, generally affect our recognized expense in such periods.

Our U.S. and U.K. pension plans comprise approximately 89% of our consolidated projected benefit obligation as of December 31, 2009. If the discount rate used to determine the 2009 projected benefit obligation for our U.S. pension plans was decreased by 25 basis points, our projected benefit obligation would have increased by approximately $1.6 million at December 31, 2009, and our 2010 pension expense would increase by less than $0.1 million. If the discount rate used to determine the 2009 projected benefit obligation for our U.S. pension plans was increased by 25 basis points, our projected benefit obligation would have decreased by approximately $1.5 million, and our 2010 pension expense would decrease by less than $0.1 million. If the discount rate used to determine the projected benefit obligation for our U.K. pension plan was decreased by 25 basis points, our projected benefit obligation would have increased by approximately $22.8 million at December 31, 2009, and our 2010 pension expense would increase by approximately $0.9 million. If the discount rate used to determine the projected benefit obligation for our U.K. pension plan was increased by 25 basis points, our projected benefit obligation would have decreased by approximately $21.8 million at December 31, 2009, and our 2010 pension expense would decrease by approximately $0.9 million.

Unrecognized actuarial losses related to our qualified pension plans were $282.1 million as of December 31, 2009 compared to $186.1 million as of December 31, 2008. The increase in unrecognized losses between years primarily reflects a decrease in discount rates and the impact of foreign currency translation. The unrecognized actuarial losses will be impacted in future periods by actual asset returns, discount rate changes, currency exchange rate fluctuations, actual demographic experience and certain other factors. For some of our qualified defined benefit pension plans, these losses will be amortized on a straight-line basis over the average remaining service period of active employees expected to receive benefits. For our U.S. salaried, U.S. hourly and U.K. pension plans, the population covered is predominantly inactive participants, and losses related to those plans will be amortized over the average remaining lives of those participants while covered by the respective plan. As of December 31, 2009, the average amortization period was 18 years for our U.S. pension plans and 22 years for our non — U.S. pension plans. The estimated net actuarial loss for qualified defined benefit pension plans that will be amortized from our accumulated other

comprehensive loss during the year ended December 31, 2010 is approximately $8.7 million compared to approximately $6.5 million during the year ended December 31, 2009.

***Investment strategy and concentration of risk***

The weighted average asset allocation of our U.S. pension benefit plans at December 31, 2009 and 2008 are as follows:

| Asset Category | 2009 | 2008 |
|---|---|---|
| Large and small cap domestic equity securities | 24% | 24% |
| International equity securities | 15% | 11% |
| Domestic fixed income securities | 22% | 23% |
| Other investments | 39% | 42% |
| Total | 100% | 100% |

The weighted average asset allocation of our non-U.S. pension benefit plans at December 31, 2009 and 2008 are as follows:

| Asset Category | 2009 | 2008 |
|---|---|---|
| Equity securities | 39% | 39% |
| Fixed income securities | 35% | 33% |
| Other investments | 26% | 28% |
| Total | 100% | 100% |

All tax-qualified pension fund investments in the United States are held in the AGCO Corporation Master Pension Trust. Our global pension fund strategy is to diversify investments across broad categories of equity and fixed income securities with appropriate use of alternative investment categories to minimize risk and volatility. The primary investment objective of our pension plans is to secure participant retirement benefits. As such, the key objective in the pension plans' financial management is to promote stability and, to the extent appropriate, growth in funded status.

The investment strategy for the plans' portfolio of assets balances the requirement to generate returns with the need to control risk. The asset mix is recognized as the primary mechanism to influence the reward and risk structure of the pension fund investments in an effort to accomplish the plans' funding objectives. The overall investment strategy for the U.S.-based pension plans is to achieve a mix of approximately 20% of assets for the near-term benefit payments and 80% for longer-term growth. The overall U.S. pension funds invest in a broad diversification of asset types. Our U.S. target allocation of retirement fund investments is 35% large- and small- cap domestic equity securities, 15% international equity securities, 20% broad fixed income securities, and 30% in alternative investments. We have noted that over long investment horizons, this mix of investments would achieve an average return in excess of 8.5%. In arriving at the choice of an expected return assumption of 8% for our U.S.-based plans, we have tempered this historical indicator with lower expectation for returns and equity investment in the future as well as the administrative costs of the plans. The overall investment strategy for the non-U.S. based pension plans is to achieve a mix of approximately 28% of assets for the near-term benefit payments and 72% for longer-term growth. The overall non-U.S. pension funds invest in a broad diversification of asset types. Our non-U.S. target allocation of retirement fund investments is 40% equity securities, 30% broad fixed income investments and 30% in alternative investments. The majority of our non-U.S. pension fund investments are related to our pension plan in the United Kingdom. We have noted that over very long periods, this mix of investments would achieve an average return in excess of 7.5%. In arriving at the choice of an expected return assumption of 7% for our U.K.-based plans, we have tempered this historical indicator with lower expectation for returns and equity investment in the future as well as the administrative costs of the plans.

Equity securities primarily include investments in large-cap and small-cap companies located across the globe. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-

backed securities, agency mortgages, asset-backed securities and government securities. Alternative and other assets include investments in hedge fund of funds that follow diversified investment strategies. To date, we have not invested pension funds in our own stock, and we have no intention of doing so in the future.

Within each asset class, careful consideration is given to balancing the portfolio among industry sectors, geographies, interest rate sensitivity, dependence on economic growth, currency and other factors affecting investment returns. The assets are managed by professional investment firms. They are bound by precise mandates and are measured against specific benchmarks. Among assets managers, consideration is given, among others, to balancing security concentration, issuer concentration, investment style and reliance on particular active investment strategies.

As of December 31, 2009, our unfunded or underfunded obligations related to our qualified pension plans were approximately $242.1 million, due primarily to our pension plan in the United Kingdom. In 2009, we contributed approximately $28.4 million towards those obligations, and we expect to fund approximately $30.1 million in 2010. Future funding is dependent upon compliance with local laws and regulations and changes to those laws and regulations in the future, as well as the generation of operating cash flows in the future. We currently have an agreement in place with the trustees of the U.K. defined benefit plan that obligates us to fund approximately £13.0 million per year (or approximately $21.2 million) towards that obligation for the next 10 years. The funding arrangement is based upon the current underfunded status and could change in the future as discount rates, local laws and regulations, and other factors change.

***Other Postretirement Benefits (Retiree Health Care and Life Insurance)***

We provide certain postretirement health care and life insurance benefits for certain employees, principally in the United States and Brazil. Participation in these plans has been generally limited to older employees and existing retirees. See Note 8 to our Consolidated Financial Statements for more information regarding costs and assumptions for other postretirement benefits.

*Nature of Estimates Required.* The measurement of our obligations, costs and liabilities associated with other postretirement benefits, such as retiree health care and life insurance, requires that we make use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as health care cost increases and demographic experience, which may have an effect on the amount and timing of future payments.

*Assumptions and Approach Used.* The assumptions used in developing the required estimates include the following key factors:

- Health care cost trends
- Discount rates
- Retirement rates
- Inflation
- Medical coverage elections
- Mortality rates

Our health care cost trend assumptions are developed based on historical cost data, the near-term outlook, efficiencies and other cost-mitigating actions, including further employee cost sharing, administrative improvements and other efficiencies, and an assessment of likely long-term trends. For the years ended December 31, 2009 and 2008, we based the discount rate used to determine the projected benefit obligation for our U.S. postretirement benefit plans by matching the projected cash flows of our largest pension plan to the Citigroup Pension Discount Curve. For our Brazilian plan, we based the discount rate on government bond indices within that country. The indices used were chosen to match our expected plan obligations and related expected cash flows. Our inflation assumptions are based on an evaluation of external market indicators. Retirement and termination rates are based primarily on actual plan experience and actuarial standards of practice. The mortality rates for the U.S. plans were updated during 2006 to reflect the most recent study released by the Society of Actuaries, which reflects pensioner experience and distinctions for blue and white collar employees. The effects of actual results differing from our assumptions are accumulated and amortized over future periods and, therefore, generally affect our recognized expense in such future periods.

Our U.S. postretirement health care and life insurance plans represent approximately 97% of our consolidated projected benefit obligation. If the discount rate used to determine the 2009 projected benefit

obligation for our U.S. postretirement benefit plans was decreased by 25 basis points, our projected benefit obligation would have increased by approximately $0.7 million at December 31, 2009, and our 2010 postretirement benefit expense would increase by a nominal amount. If the discount rate used to determine the 2009 projected benefit obligation for our U.S. postretirement benefit plans was increased by 25 basis points, our projected benefit obligation would have decreased by approximately $0.7 million, and our 2010 pension expense would decrease by a nominal amount.

Unrecognized actuarial losses related to our U.S. postretirement benefit plans were $6.0 million as of December 31, 2009 compared to $7.1 million as of December 31, 2008. The decrease in losses primarily reflects a more favorable claims experience during 2009. The unrecognized actuarial losses will be impacted in future periods by discount rate changes, actual demographic experience, actual health care inflation and certain other factors.

These losses will be amortized on a straight-line basis over the average remaining service period of active employees expected to receive benefits, or the average remaining lives of inactive participants, covered under the postretirement benefit plans. As of December 31, 2009, the average amortization period was 14 years for our U.S. postretirement benefit plans. The estimated net actuarial loss for postretirement health care benefits that will be amortized from our accumulated other comprehensive loss during the year ended December 31, 2010 is approximately $0.2 million, compared to approximately $0.3 million during the year ended December 31, 2009.

As of December 31, 2009, we had approximately $28.1 million in unfunded obligations related to our U.S. and Brazilian postretirement health and life insurance benefit plans. In 2009, we made benefit payments of approximately $1.7 million towards these obligations, and we expect to make benefit payments of approximately $1.8 million towards these obligations in 2010.

For measuring the expected U.S. postretirement benefit obligation at December 31, 2009, we assumed an 8.5% health care cost trend rate for 2010, decreasing to 4.9% by 2060. For measuring the Brazilian postretirement benefit plan obligation at December 31, 2009, we assumed a 10.0% health care cost trend rate for 2010, decreasing to 5.5% by 2019. Changing the assumed health care cost trend rates by one percentage point each year and holding all other assumptions constant would have the following effect to service and interest cost for 2010 and the accumulated postretirement benefit obligation at December 31, 2009 (in millions):

| | One Percentage Point Increase | One Percentage Point Decrease |
|---|---|---|
| Effect on service and interest cost | $ 0.2 | $ (0.1) |
| Effect on accumulated postretirement benefit obligation | $ 3.0 | $ (2.6) |

***Litigation***

We are party to various claims and lawsuits arising in the normal course of business. We closely monitor these claims and lawsuits and frequently consult with our legal counsel to determine whether they may, when resolved, have a material adverse effect on our financial position or results of operations and accrue and/or disclose loss contingencies as appropriate.

***Goodwill and Indefinite-Lived Assets***

We test goodwill and other indefinite-lived intangible assets for impairment on an annual basis 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. Our initial assessment and our annual assessments involve determining an estimate of the fair value of our reporting units in order to evaluate whether an impairment of the current carrying amount of goodwill and other indefinite-lived intangible assets exists. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired, and thus the second step of the impairment is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed

to measure the amount of impairment loss, if any. Fair values are derived based on an evaluation of past and expected future performance of our reporting units. A reporting unit is an operating segment or one level below an operating segment (e.g., a component). A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and our executive management team regularly reviews the operating results of that component. In addition, we combine and aggregate two or more components of an operating segment as a single reporting unit if the components have similar economic characteristics. Our reportable segments are not our reporting units, with the exception of our Asia/Pacific geographical segment.

The second step of the goodwill impairment test, used to measure the amount of impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The loss recognized cannot exceed the carrying amount of goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, we allocate the fair value of a reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the price paid to acquire the reporting unit. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill.

We utilized a combination of valuation techniques, including a discounted cash flow approach and a market multiple approach, when making our annual and interim assessments. As stated above, goodwill is tested for impairment on an annual basis and more often if indications of impairment exist. The results of our analyses conducted as of October 1, 2009, 2008 and 2007 indicated that no reduction in the carrying amount of goodwill was required. The fair value of our reporting units was substantially in excess of their carrying amounts for 2009, 2008 and 2007.

We make various assumptions including assumptions regarding future cash flows, market multiples, growth rates and discount rates. The assumptions about future cash flows and growth rates are based on the current and long-term business plans of the reporting unit. Discount rate assumptions are based on an assessment of the risk inherent in the future cash flows of the reporting unit. These assumptions require significant judgments on our part and the conclusions that we reach could vary significantly based upon these judgments.

As of December 31, 2009, we had approximately $634.0 million of goodwill. While our annual impairment testing in 2009 supported the carrying amount of this goodwill, we may be required to reevaluate the carrying amount in future periods, thus utilizing different assumptions that reflect the then current market conditions and expectations, and, therefore, we could conclude that an impairment has occurred.

**Item 7A.** ***Quantitative and Qualitative Disclosures About Market Risk***

The Quantitative and Qualitative Disclosures about Market Risk information required by this Item set forth under the captions “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Foreign Currency Risk Management” and “— Interest Rates” on pages 33 and 34 under Item 7 of this Form 10-K are incorporated herein by reference.

**Item 8.** ***Financial Statements and Supplementary Data***

The following Consolidated Financial Statements of AGCO and its subsidiaries for each of the years in the three-year period ended December 31, 2009 are included in this Item:


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|---|---|
| Report of Independent Registered Public Accounting Firm | 45 |
| Consolidated Statements of Operations for the years ended December 31, 2009, 2008 and 2007 | 46 |
| Consolidated Balance Sheets as of December 31, 2009 and 2008 | 47 |
| Consolidated Statements of Stockholders' Equity for the years ended December 31, 2009, 2008 and 2007 | 48 |
| Consolidated Statements of Cash Flows for the years ended December 31, 2009, 2008 and 2007 | 49 |
| Notes to Consolidated Financial Statements | 50 |


The information under the heading "Quarterly Results" of Item 7 on page 26 of this Form 10-K is incorporated herein by reference.

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders:
AGCO Corporation:

We have audited the accompanying consolidated balance sheets of AGCO Corporation and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2009. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as listed in Item 15(a)(2). These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AGCO Corporation and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Notes 1 and 7, the Company changed its methods of accounting for noncontrolling interests and convertible debt instruments in 2009 due to the adoption of SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51, 'Consolidated Financial Statements,' " (incorporated into ASC Topic 810, "Consolidation") and FSP APB No. 14-1, "Accounting for Convertible Instruments That May be Settled in Cash upon Conversion (including Partial Cash Settlement)," (incorporated into ASC Topic 470, "Debt").

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), AGCO Corporation's internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 26, 2010 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Atlanta, Georgia
February 26, 2010

**AGCO CORPORATION**

**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(In millions, except per share data)**

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Net sales | $ 6,630.4 | $ 8,424.6 | $ 6,828.1 |
| Cost of goods sold | 5,557.9 | 6,924.9 | 5,637.1 |
| Gross profit | 1,072.5 | 1,499.7 | 1,191.0 |
| Selling, general and administrative expenses | 630.1 | 720.9 | 625.7 |
| Engineering expenses | 191.9 | 194.5 | 154.9 |
| Restructuring and other infrequent expenses (income) | 13.2 | 0.2 | (2.3) |
| Amortization of intangibles | 18.0 | 19.1 | 17.9 |
| Income from operations | 219.3 | 565.0 | 394.8 |
| Interest expense, net | 43.3 | 33.2 | 37.5 |
| Other expense, net | 22.2 | 20.1 | 43.4 |
| Income before income taxes and equity in net earnings of affiliates | 153.8 | 511.7 | 313.9 |
| Income tax provision | 56.5 | 164.6 | 111.4 |
| Income before equity in net earnings of affiliates | 97.3 | 347.1 | 202.5 |
| Equity in net earnings of affiliates | 38.4 | 38.8 | 30.4 |
| Net income | 135.7 | 385.9 | 232.9 |
| Net income attributable to noncontrolling interests | — | — | — |
| Net income attributable to AGCO Corporation and subsidiaries | $ 135.7 | $ 385.9 | $ 232.9 |
| Net income per common share attributable to AGCO Corporation and subsidiaries: | | | |
| Basic | $ 1.47 | $ 4.21 | $ 2.55 |
| Diluted | $ 1.44 | $ 3.95 | $ 2.41 |
| Weighted average number of common and common equivalent shares outstanding: | | | |
| Basic | 92.2 | 91.7 | 91.5 |
| Diluted | 94.1 | 97.7 | 96.6 |

See accompanying notes to Consolidated Financial Statements.

**AGCO CORPORATION**

**CONSOLIDATED BALANCE SHEETS**
**(In millions, except share amounts)**

| | December 31, 2009 | December 31, 2008 |
|---|---|---|
| **ASSETS** | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 652.7 | $ 512.2 |
| Restricted cash | — | 33.8 |
| Accounts and notes receivable, net | 731.7 | 815.6 |
| Inventories, net | 1,187.3 | 1,389.9 |
| Deferred tax assets | 63.6 | 56.6 |
| Other current assets | 153.6 | 197.1 |
| Total current assets | 2,788.9 | 3,005.2 |
| Property, plant and equipment, net | 943.0 | 811.1 |
| Investment in affiliates | 347.5 | 275.1 |
| Deferred tax assets | 70.3 | 29.9 |
| Other assets | 111.7 | 69.6 |
| Intangible assets, net | 166.8 | 176.9 |
| Goodwill | 634.0 | 587.0 |
| Total assets | $ 5,062.2 | $ 4,954.8 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current Liabilities: | | |
| Current portion of long-term debt | $ 0.1 | $ 0.1 |
| Convertible senior subordinated notes | 193.0 | — |
| Accounts payable | 644.3 | 1,027.1 |
| Accrued expenses | 834.8 | 799.8 |
| Other current liabilities | 45.9 | 151.5 |
| Total current liabilities | 1,718.1 | 1,978.5 |
| Long-term debt, less current portion | 454.0 | 625.0 |
| Pensions and postretirement health care benefits | 279.7 | 173.6 |
| Deferred tax liabilities | 118.7 | 108.1 |
| Other noncurrent liabilities | 82.6 | 49.6 |
| Total liabilities | 2,653.1 | 2,934.8 |
| Commitments and contingencies (Note 12) | | |
| Temporary Equity: | | |
| Equity component of redeemable convertible senior subordinated notes | 8.3 | — |
| Stockholders' Equity: | | |
| AGCO Corporation stockholders' equity: | | |
| Preferred stock; $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2009 and 2008 | — | — |
| Common stock; $0.01 par value, 150,000,000 shares authorized, 92,453,665 and 91,844,193 shares issued and outstanding in 2009 and 2008, respectively | 0.9 | 0.9 |
| Additional paid-in capital | 1,061.9 | 1,067.4 |
| Retained earnings | 1,517.8 | 1,382.1 |
| Accumulated other comprehensive loss | (187.4) | (436.1) |
| Total AGCO Corporation stockholders' equity | 2,393.2 | 2,014.3 |
| Noncontrolling interests | 7.6 | 5.7 |
| Total stockholders' equity | 2,400.8 | 2,020.0 |
| Total liabilities, temporary equity and stockholders' equity | $ 5,062.2 | $ 4,954.8 |

See accompanying notes to Consolidated Financial Statements.

## AGCO CORPORATION

## CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
### (In millions, except share amounts)

| | Common Stock | | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | | | | Noncontrolling Interests | Total Stockholders' Equity | Comprehensive Income (Loss) attributable to AGCO Corporation and subsidiaries | Comprehensive Income (Loss) attributable to Noncontrolling Interests |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | | | Defined Benefit Pension Plans | Cumulative Translation Adjustment | Deferred Gains (Losses) on Derivatives | Accumulated Other Comprehensive Income (Loss) | | | | |
| Balance, December 31, 2006 | 91,177,903 | $ 0.9 | $ 908.9 | $ 774.1 | $ (170.3) | $ (22.0) | $ 2.0 | $ (190.3) | $ — | $ 1,493.6 | | |
| Adjustment for equity component of convertible debt (Note 7) and noncontrolling interests (Note 1) | — | — | 94.2 | (9.7) | 0.4 | — | — | 0.4 | 5.6 | 90.5 | | |
| Adjusted balance, January 1, 2007 | 91,177,903 | 0.9 | 1,003.1 | 764.4 | (169.9) | (22.0) | 2.0 | (189.9) | 5.6 | 1,584.1 | | |
| Net income | — | — | — | 232.9 | — | — | — | — | — | 232.9 | $ 232.9 | $ — |
| Issuance of restricted stock | 6,346 | — | 0.2 | — | — | — | — | — | — | 0.2 | | |
| Stock options and SSARs exercised | 425,646 | — | 8.0 | — | — | — | — | — | — | 8.0 | | |
| Stock compensation | — | — | 25.6 | — | — | — | — | — | — | 25.6 | | |
| Defined benefit pension plans, net of taxes: | | | | | | | | | | | | |
| Prior service cost arising during year | — | — | — | — | 1.4 | — | — | 1.4 | — | 1.4 | 1.4 | |
| Net actuarial gain arising during year | — | — | — | — | 71.1 | — | — | 71.1 | — | 71.1 | 71.1 | |
| Amortization of prior service cost included in net periodic pension cost | — | — | — | — | 0.1 | — | — | 0.1 | — | 0.1 | 0.1 | |
| Amortization of net actuarial losses included in net periodic pension cost | — | — | — | — | 10.5 | — | — | 10.5 | 0.1 | 10.6 | 10.5 | 0.1 |
| Deferred gains and losses on derivatives, net | — | — | — | — | — | — | 7.7 | 7.7 | — | 7.7 | 7.7 | |
| Deferred gains and losses on derivatives held by affiliates, net | — | — | — | — | — | — | (4.4) | (4.4) | — | (4.4) | (4.4) | |
| Change in cumulative translation adjustment | — | — | — | — | — | 182.5 | — | 182.5 | 0.3 | 182.8 | 182.5 | 0.3 |
| Balance, December 31, 2007 | 91,609,895 | 0.9 | 1, 036.9 | 997.3 | (86.8) | 160.5 | 5.3 | 79.0 | 6.0 | 2,120.1 | 501.8 | 0.4 |
| Net income | — | — | — | 385.9 | — | — | — | — | — | 385.9 | 385.9 | — |
| Issuance of restricted stock | 136,457 | — | 1.6 | — | — | — | — | — | — | 1.6 | | |
| Issuance of performance award stock | 62,387 | — | (2.6) | — | — | — | — | — | — | (2.6) | | |
| Stock options and SSARs exercised | 35,454 | — | (0.3) | — | — | — | — | — | — | (0.3) | | |
| Stock compensation | — | — | 31.8 | — | — | — | — | — | — | 31.8 | | |
| Defined benefit pension plans, net of taxes: | | | | | | | | | | | | |
| Prior service cost arising during year | — | — | — | — | (0.2) | — | — | (0.2) | — | (0.2) | (0.2) | |
| Net actuarial loss arising during year | — | — | — | — | (57.6) | — | — | (57.6) | — | (57.6) | (57.6) | |
| Amortization of net actuarial losses included in net periodic pension cost | — | — | — | — | 5.6 | — | — | 5.6 | — | 5.6 | 5.6 | |
| Effects of changing pension plan measurement date: | | | | | | | | | | | | |
| Service cost, interest cost and expected return on plan assets for October 1 — December 31, 2007 | — | — | — | (0.2) | — | — | — | — | — | (0.2) | | |
| Amortization of net actuarial losses for October 1 — December 31, 2007 | — | — | — | (0.9) | 0.9 | — | — | 0.9 | — | — | 0.9 | |
| Deferred gains and losses on derivatives, net | — | — | — | — | — | — | (44.4) | (44.4) | — | (44.4) | (44.4) | |
| Deferred gains and losses on derivatives held by affiliates, net | — | — | — | — | — | — | (1.0) | (1.0) | — | (1.0) | (1.0) | |
| Change in cumulative translation adjustment | — | — | — | — | — | (418.4) | — | (418.4) | (0.3) | (418.7) | (418.4) | (0.3) |
| Balance, December 31, 2008 | 91,844,193 | 0.9 | 1,067.4 | 1,382.1 | (138.1) | (257.9) | (40.1) | (436.1) | 5.7 | 2,020.0 | (129.2) | (0.3) |
| Net income | — | — | — | 135.7 | — | — | — | — | — | 135.7 | 135.7 | — |
| Issuance of restricted stock | 26,388 | — | 0.6 | — | — | — | — | — | — | 0.6 | | |
| Issuance of performance award stock | 581,393 | — | (5.2) | — | — | — | — | — | — | (5.2) | | |
| Stock options and SSARs exercised | 1,691 | — | — | — | — | — | — | — | — | — | | |
| Stock compensation | — | — | 7.4 | — | — | — | — | — | — | 7.4 | | |
| Investments by noncontrolling interests | — | — | — | — | — | — | — | — | 1.3 | 1.3 | | |
| Defined benefit pension plans, net of taxes: | | | | | | | | | | | | |
| Net actuarial loss arising during year | — | — | — | — | (75.6) | — | — | (75.6) | (0.1) | (75.7) | (75.6) | (0.1) |
| Amortization of net actuarial losses included in net periodic pension cost | — | — | — | — | 5.4 | — | — | 5.4 | 0.1 | 5.5 | 5.4 | 0.1 |
| Deferred gains and losses on derivatives, net | — | — | — | — | — | — | 35.4 | 35.4 | — | 35.4 | 35.4 | |
| Deferred gains and losses on derivatives held by affiliates, net | — | — | — | — | — | — | 0.6 | 0.6 | — | 0.6 | 0.6 | |
| Reclassification to temporary equity- | | | | | | | | | | | | |
| Equity component of convertible senior subordinated notes | — | — | (8.3) | — | — | — | — | — | — | (8.3) | | |
| Change in cumulative translation adjustment | — | — | — | — | — | 282.9 | — | 282.9 | 0.6 | 283.5 | 282.9 | 0.6 |
| Balance, December 31, 2009 | 92,453,665 | $ 0.9 | $ 1,061.9 | $ 1,517.8 | $ (208.3) | $ 25.0 | $ (4.1) | $ (187.4) | $ 7.6 | $ 2,400.8 | $ 384.4 | $ 0.6 |

See accompanying notes to Consolidated Financial Statements.

**AGCO CORPORATION**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In millions)**

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Cash flows from operating activities: | | | |
| Net income | $ 135.7 | $ 385.9 | $ 232.9 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Net income attributable to noncontrolling interests | — | — | — |
| Depreciation | 129.6 | 127.4 | 115.6 |
| Deferred debt issuance cost amortization | 2.8 | 3.2 | 4.7 |
| Amortization of intangibles | 18.0 | 19.1 | 17.9 |
| Amortization of debt discount | 15.0 | 14.1 | 13.4 |
| Stock compensation | 8.0 | 33.3 | 25.7 |
| Equity in net earnings of affiliates, net of cash received | (20.7) | (11.0) | (3.5) |
| Deferred income tax (benefit) provision | (21.9) | 7.3 | 2.5 |
| Loss (gain) on sale of property, plant and equipment | 1.4 | (0.2) | (2.9) |
| Changes in operating assets and liabilities, net of effects from purchase of businesses: | | | |
| Accounts and notes receivable, net | 265.9 | (208.4) | (3.0) |
| Inventories, net | 292.8 | (374.2) | 10.7 |
| Other current and noncurrent assets | 38.5 | (75.6) | (41.4) |
| Accounts payable | (411.3) | 284.4 | 54.1 |
| Accrued expenses | (82.3) | 127.4 | 86.4 |
| Other current and noncurrent liabilities | (19.8) | (41.4) | (8.8) |
| Total adjustments | 216.0 | (94.6) | 271.4 |
| Net cash provided by operating activities | 351.7 | 291.3 | 504.3 |
| Cash flows from investing activities: | | | |
| Purchases of property, plant and equipment | (215.3) | (251.3) | (141.4) |
| Proceeds from sale of property, plant and equipment | 2.6 | 4.9 | 6.0 |
| Sale(purchase)of businesses, net of cash acquired | 0.5 | — | (17.8) |
| Investments in unconsolidated affiliates, net | (17.6) | (0.6) | (68.0) |
| Restricted cash and other | 37.1 | (32.5) | (2.7) |
| Net cash used in investing activities | (192.7) | (279.5) | (223.9) |
| Cash flows from financing activities: | | | |
| Proceeds from debt obligations | 282.3 | 76.5 | 208.8 |
| Repayments of debt obligations | (343.6) | (38.1) | (329.5) |
| Proceeds from issuance of common stock | — | 0.3 | 8.2 |
| Payment of minimum tax withholdings on stock compensation | (5.2) | (3.2) | — |
| Payment of debt issuance costs | (0.1) | (1.4) | (0.3) |
| Investments by noncontrolling interests | 1.3 | — | — |
| Net cash (used in) provided by financing activities | (65.3) | 34.1 | (112.8) |
| Effects of exchange rate changes on cash and cash equivalents | 46.8 | (116.1) | 13.7 |
| Increase (decrease) increase in cash and cash equivalents | 140.5 | (70.2) | 181.3 |
| Cash and cash equivalents, beginning of year | 512.2 | 582.4 | 401.1 |
| Cash and cash equivalents, end of year | $ 652.7 | $ 512.2 | $ 582.4 |

See accompanying notes to Consolidated Financial Statements.

**AGCO CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## 1. Operations and Summary of Significant Accounting Policies

***Business***

AGCO Corporation ("AGCO" or the "Company") is a leading manufacturer and distributor of agricultural equipment and related replacement parts throughout the world. The Company sells a full range of agricultural equipment, including tractors, combines, hay tools, sprayers, forage equipment and implements. The Company's products are widely recognized in the agricultural equipment industry and are marketed under a number of well-known brand names including: Challenger®, Fendt®, Massey Ferguson® and Valtra®. The Company distributes most of its products through a combination of approximately 2,700 independent dealers and distributors. In addition, the Company provides retail financing in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland and Austria through its retail finance joint ventures with Coöperative Centrale Raiffeisen-Boerenleenbank B.A., or "Rabobank."

***Basis of Presentation***

The Consolidated Financial Statements represent the consolidation of all wholly-owned companies, majority-owned companies and joint ventures where the Company has been determined to be the primary beneficiary under Accounting Standard Codification ("ASC") 810, "Consolidation" ("ASC 810"). The Company records investments in all other affiliate companies using the equity method of accounting when it has significant influence. Other investments including those representing an ownership of less than 20% are recorded at cost. All significant intercompany balances and transactions have been eliminated in the Consolidated Financial Statements.

***Joint Ventures***

The Company analyzed the provisions of ASC 810 as they relate to the accounting for its investments in joint ventures and determined that it is the primary beneficiary of one of its joint ventures, GIMA. GIMA is a joint venture between AGCO and Claas Tractor SAS ("Claas") 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 and has an investment of approximately €4.2 million in the joint venture. Both parties purchase all of the production output of the joint venture. Purchases made by the Company from GIMA during 2009 were approximately $211.0 million. In addition, the Company charges GIMA with respect to the lease of a portion of its facility in France and related utilities and for certain administrative and back office support services. The amount paid by GIMA to the Company for lease costs and support services during 2009 was approximately $19.9 million. GIMA has overdraft facilities with two third-party financial institutions of up to €6.0 million (and no amounts were outstanding with respect to the overdraft facilities as of December 31, 2009). Such facilities are not secured by any of GIMA's assets, and neither joint venture partner provides a guarantee with respect to the facilities. The joint venture partners provide operating cash requirements to the joint venture on a 50/50 basis. Cash flow requirements are generally structurally financed by the purchases of product by both parties (on a cost plus basis) based upon the level of purchases from both partners. Capital expenditures and additional operating cash flow requirements by the joint venture are funded on a 50/50 basis by the joint venture partners. There have been no additional capital infusions into the joint venture since inception. Per the joint venture agreement, both partners would have to provide additional capital infusions if the joint venture's retained losses exceed more than half of its share capital balance. This circumstance would be unlikely given the structural setup of the joint venture and the financing of the joint venture through purchases of all of its product by both partners on a cost plus basis. In analyzing the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 46(R), "Consolidation of Variable Interest Entities," ("FIN 46(R)"), the Company determined that it was the primary beneficiary of the joint venture due to the fact that the Company purchases a majority of the production output, and thus absorbs a majority of the gains or losses associated with the joint venture. The equity interest of Claas is reported as a noncontrolling interest and is included as a

component of equity in the accompanying Consolidated Balance Sheets as of December 31, 2009 and 2008. Refer to “Recent Accounting Pronouncements” regarding the impact to the Company’s consolidation of GIMA for the year ended December 31, 2010 pursuant to the adoption of Statement of Financial Accounting Standards (“SFAS”) No. 167, “Amendments to FASB Interpretation No. 46(R)” (“SFAS No. 167”), as subsequently codified under ASC 810.

Rabobank is a 51% owner in the Company’s retail finance joint ventures which are located in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland and Austria. The majority of the assets of the Company’s retail finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies, primarily through lines of credit. The Company does not guarantee the debt obligations of the retail finance joint ventures other than an insignificant portion of the retail portfolio in Brazil that is held outside the joint venture by Rabobank Brazil (Note 13). The Company’s retail finance joint ventures provide retail financing and wholesale financing to its dealers. The terms of the financing arrangements offered to the Company’s dealers are similar to arrangements the retail finance joint ventures provide to unaffiliated third parties. The Company maintains a remarketing agreement with its U.S. retail finance joint venture, AGCO Finance LLC (Note 12). In addition, as part of sales incentives provided to end users, the Company may from time to time subsidize interest rates of retail financing provided by its retail joint ventures. In addition, the Company transfers substantially all of its wholesale interest-bearing and non-interest bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., on an ongoing basis. The transfer of the receivables is without recourse to the Company, and the Company does not service the receivables. The Company does not maintain any direct retained interest in the receivables (Note 4). In analyzing the provisions of ASC 810, the Company determined that the retail finance joint ventures did not meet the consolidation requirements and should be accounted for under the voting interest model. In making this determination, the Company evaluated the sufficiency of the equity at risk for each retail finance joint venture, the ability of the joint venture investors to make decisions about the joint ventures’ activities that have a significant effect on the success of the entities and their economic performance, the obligations to absorb expected losses of the joint ventures, and the rights to receive expected residual returns.

***Revenue Recognition***

Sales of equipment and replacement parts are recorded by the Company when title and risks of ownership have been transferred to an independent dealer, distributor or other customer. Payment terms vary by market and product with fixed payment schedules on all sales. The terms of sale generally require that a purchase order or order confirmation accompany all shipments. Title generally passes to the dealer or distributor upon shipment, and the risk of loss upon damage, theft or destruction of the equipment is the responsibility of the dealer, distributor or third-party carrier. In certain foreign countries, the Company retains a form of title to goods delivered to dealers until the dealer makes payment so that the Company can recover the goods in the event of customer default on payment. This occurs as the laws of some foreign countries do not provide for a seller’s retention of a security interest in goods in the same manner as established in the United States Uniform Commercial Code. The only right the Company retains with respect to the title are those enabling recovery of the goods in the event of customer default on payment. The dealer or distributor may not return equipment or replacement parts while its contract with the Company is in force. Replacement parts may be returned only under promotional and annual return programs. Provisions for returns under these programs are made at the time of sale based on the terms of the program and historical returns experience. The Company may provide certain sales incentives to dealers and distributors. Provisions for sales incentives are made at the time of sale for existing incentive programs. These provisions are revised in the event of subsequent modification to the incentive program. See “Accounts and Notes Receivable” for further discussion.

In the United States and Canada, all equipment sales to dealers are immediately due upon a retail sale of the equipment by the dealer. If not previously paid by the dealer in the United States and Canada, installment payments are required generally beginning after the interest-free period with the remaining outstanding equipment balance generally due within 12 months after shipment. Interest generally is charged on the outstanding balance six to 18 months after shipment. Sales terms of some highly seasonal products provide for payment and due dates based on a specified date during the year regardless of the shipment date. Equipment sold to dealers in the United States and Canada is paid in full on average within 12 months of shipment. Sales of replacement parts generally are payable within 30 days of shipment with terms for some larger seasonal stock orders generally requiring payment within six months of shipment.

In other international markets, equipment sales are generally payable in full within 30 to 180 days of shipment. Payment terms for some highly seasonal products have a specified due date during the year regardless of the shipment date. Sales of replacement parts generally are payable within 30 to 90 days of shipment with terms for some larger seasonal stock orders generally payable within six months of shipment.

In certain markets, particularly in North America, there is a time lag, which varies based on the timing and level of retail demand, between the date the Company records a sale and when the dealer sells the equipment to a retail customer.

***Foreign Currency Translation***

The financial statements of the Company's foreign subsidiaries are translated into United States currency in accordance with ASC 830, "Foreign Currency Matters." Assets and liabilities are translated to United States dollars at period-end exchange rates. Income and expense items are translated at average rates of exchange prevailing during the period. Translation adjustments are included in "Accumulated other comprehensive loss" in stockholders' equity. Gains and losses, which result from foreign currency transactions, are included in the accompanying Consolidated Statements of Operations.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates made by management primarily relate to accounts and notes receivable, inventories, deferred income tax valuation allowances, intangible assets and certain accrued liabilities, principally relating to reserves for volume discounts and sales incentives, warranty obligations, product liability and workers' compensation obligations, and pensions and postretirement benefits.

***Cash and Cash Equivalents***

Cash at December 31, 2009 and 2008 of $328.6 million and $92.3 million, respectively, consisted primarily of cash on hand and bank deposits. The Company considers all investments with an original maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 2009 and 2008 of $324.1 million and $419.9 million, respectively, consisted primarily of money market deposits, certificates of deposits and overnight investments.

***Restricted Cash***

During 2009 and 2008, the Company deposited cash with a financial institution as security against outstanding foreign currency contracts that matured throughout 2009. As of December 31, 2008, the amount deposited was approximately $33.8 million and was classified as "Restricted cash" in the Company's

Consolidated Balance Sheets. This amount was recovered during 2009 as the contracts matured. As of December 31, 2009, there are no collateral requirements on any hedge transactions.

***Accounts and Notes Receivable***

Accounts and notes receivable arise from the sale of equipment and replacement parts to independent dealers, distributors or other customers. Payments due under the Company's terms of sale generally range from one to 12 months and are not contingent upon the sale of the equipment by the dealer or distributor to a retail customer. Under normal circumstances, payment terms are not extended and equipment may not be returned. In certain regions, including the United States and Canada, the Company is obligated to repurchase equipment and replacement parts upon cancellation of a dealer or distributor contract. These obligations are required by national, state or provincial laws and require the Company to repurchase a dealer or distributor's unsold inventory, including inventory for which the receivable has already been paid.

For sales in most markets outside of the United States, Canada and a majority of markets in South America, the Company does not normally charge interest on outstanding receivables with its dealers and distributors. For sales to certain dealers or distributors in the United States, Canada and a majority of markets in South America, where approximately 37.9% of the Company's net sales were generated in 2009, interest is charged at or above prime lending rates on outstanding receivable balances after interest-free periods. These interest-free periods vary by product and generally range from one to 12 months, with the exception of certain seasonal products, which bear interest after various periods up to 23 months depending on the time of year of the sale and the dealer's or distributor's sales volume during the preceding year. For the year ended December 31, 2009, 18.5% and 2.9% of the Company's net sales had maximum interest-free periods ranging from one to six months and seven to 12 months, respectively. Net sales with maximum interest-free periods ranging from 13 to 23 months were approximately 0.3% of the Company's net sales during 2009. Actual interest-free periods are shorter than above because the equipment receivable from dealers or distributors in the United States and Canada is due immediately upon sale of the equipment to a retail customer. Under normal circumstances, interest is not forgiven and interest-free periods are not extended. The Company has an agreement to permit transferring, on an ongoing basis, substantially all of it wholesale interest-bearing and non-interest bearing accounts receivable in North America to its U.S. and Canadian retail finance joint ventures. Upon transfer, the receivables maintain standard payment terms, including required regular principal payments on amounts outstanding, and interest charges at market rates. Qualified dealers may obtain additional financing through the Company's U.S. and Canadian retail finance joint ventures at the joint ventures' discretion.

The Company provides various incentive programs with respect to its products. These incentive programs include reductions in invoice prices, reductions in retail financing rates, dealer commissions, dealer incentive allowances and volume discounts. In most cases, incentive programs are established and communicated to the Company's dealers on a quarterly basis. The incentives are paid either at the time of invoice (through a reduction of invoice price), at the time of the settlement of the receivable, at the time of retail financing, at the time of warranty registration, or at a subsequent time based on dealer purchases. The incentive programs are product line specific and generally do not vary by dealer. The cost of sales incentives associated with dealer commissions and dealer incentive allowances is estimated based upon the terms of the programs and historical experience, is based on a percentage of the sales price, and is recorded at the later of (a) the date at which the related revenue is recognized, or (b) the date at which the sales incentive is offered. The related provisions and accruals are made on a product or product line basis and are monitored for adequacy and revised at least quarterly in the event of subsequent modifications to the programs. Volume discounts are estimated and recognized based on historical experience, and related reserves are monitored and adjusted based on actual dealer purchases and the dealers' progress towards achieving specified cumulative target levels. The Company records the cost of interest subsidy payments, which is a reduction in the retail financing rates, at the later of (a) the date at which the related revenue is recognized, or (b) the date at which the sales incentive is offered.

Estimates of these incentives are based on the terms of the programs and historical experience. All incentive programs are recorded and presented as a reduction of revenue due to the fact that the Company does not receive an identifiable benefit in exchange for the consideration provided. Reserves for incentive programs that will be paid either through the reduction of future invoices or through credit memos are recorded as “accounts receivable allowances” within the Company’s Consolidated Balance Sheet. Reserves for incentive programs that will be paid in cash, as is the case with most of the Company’s volume discount programs as well as sales incentives associated with accounts receivable sold to our U.S. and Canadian retail finance joint ventures, are recorded within “Accrued expenses” within the Company’s Consolidated Balance Sheet. As a result of the Company’s new accounts receivable sales agreements in the U.S. and Canada with AGCO Finance LLC and AGCO Finance Canada, Ltd. entered into in December 2009, cash payments will be made to the U.S. and Canadian retail finance joint ventures related to outstanding accounts receivable sold. The Company, therefore, reclassified sales inventive discount reserves associated with these accounts receivable sold in December 2009 from “accounts receivable allowances” to “Accrued expenses” within the Company’s Consolidated Balance Sheets. The balance of such sales discounts reserves classified in “accrued expenses” was approximately $94.5 million as of December 31, 2009. Refer to Note 4 for further information.

Accounts and notes receivable are shown net of allowances for sales incentive discounts available to dealers and for doubtful accounts. Cash flows related to the collection of receivables are reported within “Cash flows from operating activities” within the Company’s Consolidated Statements of Cash Flows. Accounts and notes receivable allowances at December 31, 2009 and 2008 were as follows (in millions):

| | 2009 | 2008 |
|---|---|---|
| Sales incentive discounts | $ 3.0 | $ 125.1 |
| Doubtful accounts | 35.0 | 28.1 |
| | $ 38.0 | $ 153.2 |

The Company transfers certain accounts receivable to various financial institutions primarily under its accounts receivable securitization facility in Europe and its accounts receivable agreements with its retail finance joint ventures (Note 4). The Company records such transfers as sales of accounts receivable when it is considered to have surrendered control of such receivables under the provisions of ASC 860, “Transfers and Servicing” (“ASC 860”).

***Inventories***

Inventories are valued at the lower of cost or market using the first-in, first-out method. Market is current replacement cost (by purchase or by reproduction dependent on the type of inventory). In cases where market exceeds net realizable value (i.e., estimated selling price less reasonably predictable costs of completion and disposal), inventories are stated at net realizable value. Market is not considered to be less than net realizable value reduced by an allowance for an approximately normal profit margin. At December 31, 2009 and 2008, the Company had recorded $90.5 million and $106.0 million, respectively, as an adjustment for surplus and obsolete inventories. These adjustments are reflected within “Inventories, net.”

Inventories, net at December 31, 2009 and 2008 were as follows (in millions):

| | 2009 | 2008 |
|---|---|---|
| Finished goods | $ 480.0 | $ 484.9 |
| Repair and replacement parts | 383.1 | 396.1 |
| Work in process | 86.5 | 130.5 |
| Raw materials | 237.7 | 378.4 |
| Inventories, net | $ 1,187.3 | $ 1,389.9 |

Cash flows related to the sale of inventories are reported within “Cash flows from operating activities” within the Company’s Consolidated Statements of Cash Flows.

***Property, Plant and Equipment***

Property, plant and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over the estimated useful lives of ten to 40 years for buildings and improvements, three to 15 years for machinery and equipment and three to ten years for furniture and fixtures. Expenditures for maintenance and repairs are charged to expense as incurred.

Property, plant and equipment, net at December 31, 2009 and 2008 consisted of the following (in millions):

| | 2009 | 2008 |
|---|---|---|
| Land | $ 60.1 | $ 54.5 |
| Buildings and improvements | 363.1 | 297.3 |
| Machinery and equipment | 1,145.1 | 969.9 |
| Furniture and fixtures | 202.3 | 172.7 |
| Gross property, plant and equipment | 1,770.6 | 1,494.4 |
| Accumulated depreciation and amortization | (827.6) | (683.3) |
| Property, plant and equipment, net | $ 943.0 | $ 811.1 |

***Goodwill and Other Intangible Assets***

ASC 350, “Intangibles — Goodwill and Other” establishes a method of testing goodwill and other indefinite-lived intangible assets for impairment on an annual basis 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. The Company’s annual assessments involve determining an estimate of the fair value of the Company’s reporting units in order to evaluate whether an impairment of the current carrying amount of goodwill and other indefinite-lived intangible assets exists. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired, and thus the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. Fair values are derived based on an evaluation of past and expected future performance of the Company’s reporting units. A reporting unit is an operating segment or one level below an operating segment, for example, a component. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and the Company’s executive management team regularly reviews the operating results of that component. In addition, the Company combines and aggregates two or more components of an operating segment as a single reporting unit if the components have similar economic characteristics. The Company’s reportable segments are not its reporting units, with the exception of its Asia/Pacific geographical segment.

The second step of the goodwill impairment test, used to measure the amount of impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The loss recognized cannot exceed the carrying amount of goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, the Company allocates the fair value of a reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if

the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the price paid to acquire the reporting unit. The excess of the fair value of a reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill.

The Company utilizes a combination of valuation techniques, including a discounted cash flow approach and a market multiple approach, when making its annual and interim assessments. As stated above, goodwill is tested for impairment on an annual basis and more often if indications of impairment exist. The results of the Company's analyses conducted as of October 1, 2009, 2008 and 2007 indicated that no reduction in the carrying amount of goodwill was required.

Changes in the carrying amount of goodwill during the years ended December 31, 2009, 2008 and 2007 are summarized as follows (in millions):

| | North America | South America | Europe/Africa/ Middle East | Consolidated |
|---|---|---|---|---|
| Balance as of December 31, 2006 | $ 3.1 | $ 146.4 | $ 442.6 | $ 592.1 |
| Acquisitions | — | 7.5 | — | 7.5 |
| Adjustments related to income taxes | — | — | (7.9) | (7.9) |
| Foreign currency translation | — | 29.8 | 44.1 | 73.9 |
| Balance as of December 31, 2007 | 3.1 | 183.7 | 478.8 | 665.6 |
| Adjustments related to income taxes | — | — | (16.8) | (16.8) |
| Foreign currency translation | — | (42.1) | (19.7) | (61.8) |
| Balance as of December 31, 2008 | 3.1 | 141.6 | 442.3 | 587.0 |
| Adjustments related to income taxes | — | — | (9.2) | (9.2) |
| Foreign currency translation | — | 45.6 | 10.6 | 56.2 |
| Balance as of December 31, 2009 | $ 3.1 | $ 187.2 | $ 443.7 | $ 634.0 |

During 2009, 2008 and 2007, the Company reduced goodwill for financial reporting purposes by approximately $9.2 million, $16.8 million and $7.7 million, respectively, related to the realization of tax benefits associated with the excess tax basis deductible goodwill resulting from the Company's acquisition of Valtra.

The Company amortizes certain acquired intangible assets primarily on a straight-line basis over their estimated useful lives, which range from three to 30 years. The acquired intangible assets have a weighted average useful life as follows:

| Intangible Asset | Weighted-Average Useful Life |
|---|---|
| Trademarks and tradenames | 30 years |
| Technology and patents | 7 years |
| Customer relationships | 10 years |

For the years ended December 31, 2009, 2008 and 2007, acquired intangible asset amortization was $18.0 million, $19.1 million and $17.9 million, respectively. The Company estimates amortization of existing intangible assets will be $18.7 million for 2010, $11.3 million for 2011, $11.3 million for 2012, $11.2 million for 2013 and $1.1 million for 2014.

The Company has previously determined that two of its trademarks have an indefinite useful life. The Massey Ferguson trademark has been in existence since 1952 and was formed from the merger of Massey-Harris (established in the 1890's) and Ferguson (established in the 1930's). The Massey Ferguson brand is currently sold in over 140 countries worldwide, making it one of the most widely sold tractor brands in the

world. The Company has also identified the Valtra trademark as an indefinite-lived asset. The Valtra trademark has been in existence since the late 1990's, but is a derivative of the Valmet trademark which has been in existence since 1951. Valtra and Valmet are used interchangeably in the marketplace today and Valtra is recognized to be the tractor line of the Valmet name. The Valtra brand is currently sold in approximately 50 countries around the world. Both the Massey Ferguson brand and the Valtra brand are primary product lines of the Company's business and the Company plans to use these trademarks for an indefinite period of time. The Company plans to continue to make investments in product development to enhance the value of these brands into the future. There are no legal, regulatory, contractual, competitive, economic or other factors that the Company is aware of that the Company believes would limit the useful lives of the trademarks. The Massey Ferguson and Valtra trademark registrations can be renewed at a nominal cost in the countries in which the Company operates.

Changes in the carrying amount of acquired intangible assets during 2009 and 2008 are summarized as follows (in millions):

| | Trademarks and Tradenames | Customer Relationships | Patents and Technology | Total |
|---|---|---|---|---|
| Gross carrying amounts: | | | | |
| Balance as of December 31, 2007 | $ 33.4 | $ 103.0 | $ 55.2 | $ 191.6 |
| Foreign currency translation | (0.2) | (14.6) | (2.3) | (17.1) |
| Balance as of December 31, 2008 | 33.2 | $ 88.4 | $ 52.9 | $ 174.5 |
| Foreign currency translation | 0.2 | 14.9 | 1.4 | 16.5 |
| Balance as of December 31, 2009 | $ 33.4 | $ 103.3 | $ 54.3 | $ 191.0 |

| | Trademarks and Tradenames | Customer Relationships | Patents and Technology | Total |
|---|---|---|---|---|
| Accumulated amortization: | | | | |
| Balance as of December 31, 2007 | $ 7.2 | $ 42.6 | $ 32.3 | $ 82.1 |
| Amortization expense | 1.3 | 10.2 | 7.6 | 19.1 |
| Foreign currency translation | (0.1) | (7.4) | (1.7) | (9.2) |
| Balance as of December 31, 2008 | 8.4 | 45.4 | 38.2 | 92.0 |
| Amortization expense | 1.4 | 9.4 | 7.2 | 18.0 |
| Foreign currency translation | 0.1 | 8.3 | 1.1 | 9.5 |
| Balance as of December 31, 2009 | $ 9.9 | $ 63.1 | $ 46.5 | $ 119.5 |

| | Trademarks and Tradenames |
|---|---|
| Indefinite-lived intangible assets: | |
| Balance as of December 31, 2007 | $ 96.2 |
| Foreign currency translation | (1.8) |
| Balance as of December 31, 2008 | 94.4 |
| Foreign currency translation | 0.9 |
| Balance as of December 31, 2009 | $ 95.3 |

***Long-Lived Assets***

During 2009, 2008 and 2007, the Company reviewed its long-lived assets for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. Under ASC 360, an impairment loss is recognized when the undiscounted future cash flows estimated to be generated by the asset to be held and used are not sufficient to recover the unamortized balance of the asset. An impairment loss would be recognized based on the difference between the carrying values and estimated fair value. The estimated fair value is determined based on either the discounted future cash flows or other appropriate fair value methods with the amount of any such deficiency charged to income in the current year. If the asset being tested for recoverability was acquired in a business combination, intangible assets resulting from the acquisition that are related to the asset are included in the assessment. Estimates of future cash flows are based on many factors, including current operating results, expected market trends and competitive influences. The Company also evaluates the amortization periods assigned to its intangible assets to determine whether events or changes in circumstances warrant revised estimates of useful lives. Assets to be disposed of by sale are reported at the lower of the carrying amount or fair value, less estimated costs to sell.

***Accrued Expenses***

Accrued expenses at December 31, 2009 and 2008 consisted of the following (in millions):

| | 2009 | 2008 |
|---|---|---|
| Reserve for volume discounts and sales incentives | $ 264.6 | $ 169.8 |
| Warranty reserves | 161.8 | 164.3 |
| Accrued employee compensation and benefits | 144.4 | 183.9 |
| Accrued taxes | 112.8 | 135.9 |
| Other | 151.2 | 145.9 |
| | $ 834.8 | $ 799.8 |

***Warranty Reserves***

The warranty reserve activity for the years ended December 31, 2009, 2008 and 2007 consisted of the following (in millions):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Balance at beginning of the year | $ 183.4 | $ 167.1 | $ 136.9 |
| Accruals for warranties issued during the year | 141.6 | 170.3 | 148.5 |
| Settlements made (in cash or in kind) during the year | (150.9) | (142.8) | (129.9) |
| Foreign currency translation | 7.5 | (11.2) | 11.6 |
| Balance at the end of the year | $ 181.6 | $ 183.4 | $ 167.1 |

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. Approximately $19.8 million and $19.1 million of warranty reserves are included in "Other noncurrent liabilities" in the Company's Consolidated Balance Sheet as of December 31, 2009 and 2008, respectively.

***Insurance Reserves***

Under the Company's insurance programs, coverage is obtained for significant liability limits as well as those risks required to be insured by law or contract. It is the policy of the Company to self-insure a portion

of certain expected losses related primarily to workers' compensation and comprehensive general, product and vehicle liability. Provisions for losses expected under these programs are recorded based on the Company's estimates of the aggregate liabilities for the claims incurred.

***Stock Incentive Plans***

Stock compensation expense was recorded as follows (in millions). Refer to Note 10 for additional information regarding the Company's stock incentive plans during 2009, 2008 and 2007:

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Cost of goods sold | $ 0.1 | $ 1.5 | $ 1.0 |
| Selling, general and administrative expenses | 8.2 | 32.0 | 25.0 |
| Total stock compensation expense | $ 8.3 | $ 33.5 | $ 26.0 |

***Research and Development Expenses***

Research and development expenses are expensed as incurred and are included in engineering expenses in the Company's Consolidated Statements of Operations.

***Advertising Costs***

The Company expenses all advertising costs as incurred. Cooperative advertising costs are normally expensed at the time the revenue is earned. Advertising expenses for the years ended December 31, 2009, 2008 and 2007 totaled approximately $51.5 million, $65.6 million and $52.5 million, respectively.

***Shipping and Handling Expenses***

All shipping and handling fees charged to customers are included as a component of net sales. Shipping and handling costs are included as a part of cost of goods sold, with the exception of certain handling costs included in selling, general and administrative expenses in the amount of $26.3 million, $25.7 million and $22.5 million for the years ended December 31, 2009, 2008 and 2007, respectively.

***Interest Expense, Net***

Interest expense, net for the years ended December 31, 2009, 2008 and 2007 consisted of the following (in millions):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Interest expense | $ 65.7 | $ 67.4 | $ 63.9 |
| Interest income | (22.4) | (34.2) | (26.4) |
| | $ 43.3 | $ 33.2 | $ 37.5 |

***Income Taxes***

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The

effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

***Net Income Per Common Share***

Basic income per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted income per common share assumes exercise of outstanding stock options, vesting of restricted stock and performance share awards, and the appreciation of the excess conversion value of the contingently convertible senior subordinated notes using the treasury stock method when the effects of such assumptions are dilutive.

The Company's $201.3 million aggregate principal amount of 1 3/4% convertible senior subordinated notes and its $201.3 million aggregate principal amount of 1 1/4% convertible senior subordinated notes provide for (i) the settlement upon conversion in cash up to the principal amount of the converted notes with any excess conversion value settled in shares of the Company's common stock, and (ii) the conversion rate to be increased under certain circumstances if the new notes are converted in connection with certain change of control transactions. Dilution of weighted shares outstanding will depend on the Company's stock price for the excess conversion value using the treasury stock method (Note 7). A reconciliation of net income attributable to AGCO Corporation and its subsidiaries and weighted average common shares outstanding for purposes of calculating basic and diluted income per share during the years ended December 31, 2009, 2008 and 2007 is as follows (in millions, except per share data):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Basic net income per share: | | | |
| Net income attributable to AGCO Corporation and subsidiaries | $ 135.7 | $ 385.9 | $ 232.9 |
| Weighted average number of common shares outstanding | 92.2 | 91.7 | 91.5 |
| Basic net income per share attributable to AGCO Corporation and subsidiaries | $ 1.47 | $ 4.21 | $ 2.55 |
| Diluted net income per share: | | | |
| Net income attributable to AGCO Corporation and subsidiaries | $ 135.7 | $ 385.9 | $ 232.9 |
| Weighted average number of common shares outstanding | 92.2 | 91.7 | 91.5 |
| Dilutive stock options, performance share awards and restricted stock awards | 0.4 | 0.4 | 0.3 |
| Weighted average assumed conversion of contingently convertible senior subordinated notes | 1.5 | 5.6 | 4.8 |
| Weighted average number of common and common share equivalents outstanding for purposes of computing diluted income per share | 94.1 | 97.7 | 96.6 |
| Diluted net income per share attributable to AGCO and subsidiaries | $ 1.44 | $ 3.95 | $ 2.41 |

Stock-settled stock appreciation rights ("SSARs") to purchase 0.3 million and 0.4 million shares for the years ended December 31, 2009 and 2008, respectively, were outstanding but not included in the calculation of weighted average common and common equivalent shares outstanding because they had an antidilutive impact.

**Comprehensive Income (Loss)**

The Company reports comprehensive income (loss), defined as the total of net income (loss) and all other non-owner changes in equity and the components thereof in its Consolidated Statements of Stockholders' Equity. The components of other comprehensive income (loss) and the related tax effects for the years ended December 31, 2009, 2008 and 2007 are as follows (in millions):

| | AGCO Corporation and Subsidiaries 2009 | | | Noncontrolling Interests 2009 |
|---|---|---|---|---|
| | Before-tax Amount | Income Taxes | After-tax Amount | After-tax Amount |
| Defined benefit pension plans | $ (97.6) | $ 27.4 | $ (70.2) | $ — |
| Unrealized gain on derivatives | 52.7 | (17.3) | 35.4 | — |
| Unrealized gain on derivatives held by affiliates | 0.6 | — | 0.6 | — |
| Foreign currency translation adjustments | 282.9 | — | 282.9 | 0.6 |
| Total components of other comprehensive income | $ 238.6 | $ 10.1 | $ 248.7 | $ 0.6 |

| | AGCO Corporation and Subsidiaries 2008 | | | Noncontrolling Interests 2008 |
|---|---|---|---|---|
| | Before-tax Amount | Income Taxes | After-tax Amount | After-tax Amount |
| Defined benefit pension plans | $ (63.5) | $ 12.2 | $ (51.3) | $ — |
| Unrealized loss on derivatives | (65.4) | 21.0 | (44.4) | — |
| Unrealized loss on derivatives held by affiliates | (1.0) | — | (1.0) | — |
| Foreign currency translation adjustments | (418.4) | — | (418.4) | (0.3) |
| Total components of other comprehensive loss | $ (548.3) | $ 33.2 | $ (515.1) | $ (0.3) |

| | AGCO Corporation and Subsidiaries 2007 | | | Noncontrolling Interests 2007 |
|---|---|---|---|---|
| | Before-tax Amount | Income Taxes | After-tax Amount | After-tax Amount |
| Defined benefit pension plans | $ 116.5 | $ (33.4) | $ 83.1 | $ 0.1 |
| Unrealized gain on derivatives | 11.4 | (3.7) | 7.7 | — |
| Unrealized loss on derivatives held by affiliates | (4.4) | — | (4.4) | — |
| Foreign currency translation adjustments | 182.5 | — | 182.5 | 0.3 |
| Total components of other comprehensive income | $ 306.0 | $ (37.1) | $ 268.9 | $ 0.4 |

**Financial Instruments**

The carrying amounts reported in the Company's Consolidated Balance Sheets for "Cash and cash equivalents," "Accounts and notes receivable" and "Accounts payable" approximate fair value due to the immediate or short-term maturity of these financial instruments. The carrying amount of long-term debt under the Company's credit facility (Note 7) approximates fair value based on the borrowing rates currently available to the Company for loans with similar terms and average maturities. At December 31, 2009, the estimated fair values of the Company's 6$^{7}/_{8}$% senior subordinated notes, 1$^{3}/_{4}$% convertible notes (Note 7) and 1$^{1}/_{4}$% convertible notes (Note 7), based on their listed market values, were $272.2 million, $300.8 million and

$211.3 million, respectively, compared to their carrying values of $286.5 million, $193.0 million and $167.5 million, respectively. At December 31, 2008, the estimated fair values of the Company's $6^{7}/_{8}$% senior subordinated notes, $1^{3}/_{4}$% convertible notes (Note 7) and $1^{1}/_{4}$% convertible notes (Note 7), based on their listed market values, were $171.5 million, $230.4 million and $145.4 million, respectively, compared to their carrying values of $279.4 million, $185.3 million and $160.3 million, respectively.

The Company uses foreign currency contracts to hedge the foreign currency exposure of certain receivables and payables. The contracts are for periods consistent with the exposure being hedged and generally have maturities of one year or less. These contracts are classified as non-designated derivative instruments. The Company also enters into foreign currency contracts designated as cash flow hedges of expected sales. At December 31, 2009 and 2008, the Company had foreign currency contracts outstanding with gross notional amounts of $1,247.7 million and $807.5 million, respectively. The Company had unrealized gains (losses) of approximately $12.9 million and $(27.2) million on foreign currency contracts at December 31, 2009 and 2008, respectively. At December 31, 2009 and 2008, approximately $11.3 million and $20.7 million, respectively, of unrealized gains were reflected in the Company's results of operations, as the gains related to non-designated contracts. The Company's foreign currency contracts mitigate risk due to exchange rate fluctuations because gains and losses on these contracts generally offset gains and losses on the exposure being hedged. The Company had $1.4 million and $54.1 million of unrealized losses as of December 31, 2009 and 2008, respectively, related to designated cash flow hedges that were reflected in other comprehensive loss. Refer to Note 11 for further information.

The notional amounts of the foreign currency contracts do not represent amounts exchanged by the parties and therefore are not a measure of the Company's risk. The amounts exchanged are calculated on the basis of the notional amounts and other terms of the contracts. The credit and market risks under these contracts are not considered to be significant. The Company's hedging policy prohibits it from entering into any foreign currency contracts for speculative trading purposes.

***Recent Accounting Pronouncements***

In June 2009, the FASB issued ASC 105, "Generally Accepted Accounting Principles" ("ASC 105"), which stipulates that the FASB Accounting Standards Codification is the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. ASC 105 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of ASC 105 did not have an impact on the Company's consolidated financial position or results of operations.

In June 2009, the FASB issued SFAS No. 167, as subsequently codified under ASC 810. SFAS No. 167 amends FIN 46(R) to eliminate the quantitative approach previously required for determining the primary beneficiary of a variable interest entity and requires a qualitative analysis to determine whether an enterprise's variable interest gives it a controlling financial interest in a variable interest entity. This standard also requires ongoing assessments of whether an enterprise is the primary beneficiary of a variable interest entity. SFAS No. 167 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2009. Earlier adoption of SFAS No. 167 is prohibited. The adoption of the standard will impact the consolidation of our joint venture, GIMA. The Company has completed a qualitative analysis of all of its joint ventures, including its GIMA joint venture, and has determined that the Company does not have a controlling financial interest in GIMA based on the shared powers of both joint venture partners to direct the activities that most significantly impact GIMA's financial performance. The deconsolidation of GIMA will result in a prospective reclassification of "Noncontrolling interests" within equity to "Investments in affiliates" in the Company's Consolidated Balance Sheets of approximately $5.1 million. The Company will reflect this reclassification during our first quarter ended March 31, 2010. The deconsolidation will also result in a reduction in the Company's "Net sales" and "Income from operations" within its Consolidated Statements of Operations, but have no overall impact to the Company's consolidated net income, and will result in a

reduction of the Company's "Total assets" and "Total liabilities" within its Consolidated Balance Sheets, but have no net impact to the Company's "Total stockholders' equity" other than the reclassification previously mentioned.

In June 2009, the FASB issued SFAS No. 166, "Accounting for Transfers of Financial Assets, an amendment to SFAS No. 140, 'Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities' " ("SFAS No. 166"), as subsequently codified under ASC 860, "Transfers and Servicing." SFAS No. 166 eliminates the concept of a qualifying special-purpose entity ("QSPE"), changes the requirements for derecognizing financial assets and requires additional disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets. SFAS No. 166 is effective for fiscal years and interim periods beginning after November 15, 2009. Earlier adoption is prohibited. The Company has evaluated the impact of the adoption of SFAS No. 166 on its accounts receivable securitization facility in Europe, its new accounts receivable sales agreements in the U.S. and Canada, as well as various other financing facilities around the world (as are more fully described in Note 4). Upon adoption of SFAS No. 166, the Company will be required to recognize accounts receivable sold through its European securitization facility within the Company's Consolidated Balance Sheets with a corresponding liability equivalent to the funded balance of the facility. The accounts receivable securitization facility in Europe is approximately €140.0 million (or approximately $200.6 million as of December 31, 2009).

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events," ("SFAS No. 165"), as included in ASC 855-10-50. SFAS No. 165 provides guidance on management's assessment of subsequent events and incorporates this guidance into accounting literature. The Standard is effective prospectively for interim and annual periods ending after June 15, 2009. The implementation of SFAS No. 165 did not have an impact on the Company's financial position or results of operations. The Company evaluated subsequent events through February 26, 2010.

In April 2009, the FASB issued FASB Staff Position ("FSP") SFAS No. 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP SFAS 157-4"). FSP SFAS 157-4, as included in ASC 820, "Fair Value Measurements and Disclosures," provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased in relation to normal market activity. Additionally, FSP SFAS 157-4 provides guidance on identifying circumstances that indicate a transaction is not orderly. FSP SFAS 157-4 requires interim disclosures of the inputs and valuation techniques used to measure fair value reflecting changes in the valuation techniques and related inputs. FSP SFAS 157-4 is effective for interim and annual reporting periods ending after June 15, 2009 and is to be applied prospectively. The adoption of FSP SFAS 157-4 did not have an impact on the Company's results of operations or financial position.

In April 2009, the FASB issued FSP SFAS No. 107-1 and Accounting Principles Board ("APB") No. 28-1, "Interim Disclosures about Fair Value of Financial Instruments" ("FSP SFAS 107-1 and APB 28-1"). FSP FAS 107-1 and APB 28-1, as included in ASC 825-10-50, "Financial Instruments," requires disclosures about fair value of financial instruments not measured on the balance sheet at fair value in interim and annual financial statements. Prior to the FSP, fair value for these assets and liabilities was only disclosed annually. FSP FAS 107-1 and APB 28-1 applies to all financial instruments within the scope of SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," and requires all entities to disclose the methods and significant assumptions used to estimate the fair value of financial instruments. FSP FAS 107-1 and APB 28-1 is effective for interim periods ending after June 15, 2009. In periods after initial adoption, the FSP requires comparative disclosures only for periods ending after initial adoption. The adoption

of FSP FAS 107-1 and APB 28-1 did not have an impact on the Company’s results of operations or financial position.

In December 2008, the FASB affirmed FSP SFAS No. 132(R)-1, “Employers’ Disclosures about Postretirement Benefit Plan Assets” (“FSP SFAS 132(R)-1”). FSP FAS 132(R)-1, as included in ASC 715-20-50, “Compensation-Retirement Benefits,” requires additional disclosures about assets held in an employer’s defined benefit pension or postretirement plan, primarily related to categories and fair value measurements of plan assets. FSP FAS 132(R)-1 is effective for fiscal years ending after December 15, 2009. The Company adopted the disclosure requirements for its fiscal year ended December 31, 2009.

In May 2008, the FASB issued FSP APB No. 14-1, “Accounting for Convertible Debt Instruments That May be Settled in Cash upon Conversion (including Partial Cash Settlement)” (“FSP APB 14-1”). The FSP, as included in ASC 470-20, “Debt,” requires that the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement), commonly referred to as an Instrument C under Emerging Issues Task Force Issue No. 90-19, “Convertible Bonds with Issuer Options to Settle for Cash upon Conversion,” be separated to account for the fair value of the debt and equity components as of the date of issuance to reflect the issuer’s nonconvertible debt borrowing rate. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008 and is to be applied retrospectively to all periods presented (retroactive restatement) pursuant to the guidance in ASC 250, “Accounting Changes and Error Corrections.” The adoption of the FSP on January 1, 2009 impacted the accounting treatment of the Company’s 1³/₄% convertible senior subordinated notes due 2033 and its 1¹/₄% convertible senior subordinated notes due 2036 by reclassifying a portion of the convertible notes balances to additional paid-in capital representing the estimated fair value of the conversion feature as of the date of issuance and creating a discount on the convertible notes that will be amortized through interest expense over the lives of the convertible notes. The resulting amortization resulted in a significant increase in interest expense and, therefore, reduced net income and basic and diluted earnings per share within the Company’s Consolidated Statements of Operations. On January 1, 2009, the Company reduced its “Retained earnings” and convertible senior subordinated notes balance included within “Long-term debt” by approximately $37.2 million and $57.0 million, respectively, and increased its “Additional paid-in capital” balance by approximately $94.2 million. Due to a tax valuation allowance established in the United States, there was no deferred tax impact upon adoption. In accordance with the provisions of FSP APB 14-1, prior periods have been retroactively restated to reflect the adoption of the standard (Note 7).

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities-an amendment of FASB Statement No. 133” (“SFAS No. 161”). SFAS No. 161, as included in ASC 815, “Derivatives and Hedging,” is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity’s financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company adopted SFAS No. 161 on January 1, 2009.

Effective January 1, 2009, the Company adopted SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements — an Amendment of ARB No. 51 ‘Consolidated Financial Statements,’ ” as included in ASC 810. In accordance with ASC 810, the Company reports all noncontrolling interests as “equity” within its Consolidated Balance Sheets. Upon adoption, the Company reclassified approximately $6.0 million and $5.6 million related to its GIMA joint venture from “Other noncurrent liabilities” to a component of equity within the Company’s Consolidated Balance Sheets for the years ended December 31, 2008 and 2007, respectively. The Company has disclosed net income for both AGCO and its subsidiaries and its noncontrolling interests within the Company’s Consolidated Statements of Operations. The calculation of earnings per share is based on amounts attributable to AGCO Corporation and its subsidiaries.

**2. Acquisition**

On September 10, 2007, the Company acquired Industria Agricola Fortaleza Limitada (“SFIL”), a Brazilian company, for approximately 38.0 million Brazilian Reais (or approximately $20.0 million). In accordance with the purchase agreement, cash of approximately 5.2 million Brazilian reais (or approximately $2.7 million) was placed in escrow on the date of acquisition. This portion of the purchase price was established to fund certain disclosed contingent obligations and to compensate the Company for potential customer bad debt losses. During 2009 and 2008, a portion of the escrowed funds was released to the sellers due to the resolution of certain contingencies and the collection of outstanding accounts receivable. The balance of escrowed funds as of December 31, 2009 and 2008 was approximately $1.6 million and $1.8 million, respectively. The escrowed funds are reflected within “Other current assets” and “Other assets” in the Company’s Consolidated Balance Sheet as of December 31, 2009 and 2008. SFIL is located in Ibirubá, Rio Grande do Sul, Brazil and manufactures and distributes a line of farm implements, including drills, planters, corn headers and front loaders. The acquisition was financed with available cash on hand.

**3. Restructuring and Other Infrequent Expenses (Income)**

The Company recorded restructuring and other infrequent expenses (income) of $13.2 million, $0.2 million and $(2.3) million for the years ended December 31, 2009, 2008 and 2007, respectively. The charges in 2009 primarily related to severance and other related costs associated with the Company’s rationalization of its operations in France, the United Kingdom, Finland, Germany, the United States and Denmark. The charges in 2008 primarily related to severance and employee relocation costs associated with the Company’s rationalization of its Valtra sales office located in France. The income in 2007 primarily related to a $3.2 million gain on the sale of a portion of the buildings, land and improvements associated with the Company’s Randers, Denmark facility. The gain was partially offset by $0.9 million of severance, employee relocation and other facility closure costs associated with the rationalization of the Company’s Valtra sales office located in France as well as the rationalization of certain parts, sales and marketing and administrative functions in Germany.

***European and North American Manufacturing and Administrative Headcount Reductions***

During 2009 and January 2010, the Company announced and initiated several actions to rationalize employee headcount at various manufacturing facilities located in France, Finland, Germany and the United States as well as at various administrative offices located in the United Kingdom and the United States. The headcount reductions were initiated in order to reduce costs and selling, general and administrative expenses in response to softening global market demand and reduced production volumes. The Company recorded approximately $12.8 million of severance and other related costs associated with such actions during 2009. Approximately $11.7 million of these costs were recorded with respect to the Company’s Europe/Africa/Middle East geographical segment and approximately $1.1 million of these costs were recorded with respect to the Company’s North American geographical segment. The severance costs recorded related to the termination of approximately 766 employees. Approximately $5.0 million of severance and other related costs had been paid as of December 31, 2009, and 497 of the 766 employees had been terminated. All of the rationalization actions are expected to be completed during 2010 and the $7.6 million of severance and other related costs accrued as of December 31, 2009 are expected to be paid during 2010. Total cash restructuring costs associated with the actions are expected to be approximately $23.0 million to $25.0 million.

***Randers, Denmark closure***

In November 2009, the Company announced its intention to close its combine assembly operations located in Randers, Denmark. The Company intends to cease operations in July 2010, and transfer such assembly to its harvesting equipment manufacturing joint venture, Laverda, located in Breganze, Italy. The

land and buildings associated with the Randers facility will be marketed for sale after the assembly operations cease. Machinery, equipment and tooling will either be transferred to Laverda or the Company's other manufacturing operations. The closure will result in the termination of approximately 90 employees. The Company recorded approximately $0.4 million of severance and other related costs in 2009 associated with the facility closure. None of the severance costs had been paid as of December 31, 2009 and none of the employees had been terminated. Employee retention payments paid to employees who will remain employed until certain future termination dates in 2010 will be accrued over the term of the retention period commencing January 2010, and are expected to be approximately $2.3 million.

During 2007, the Company sold a portion of the land, buildings and improvements related to a closed portion of the Randers facility that contained the Company's former component manufacturing operations. The Company received proceeds of approximately $4.4 million associated with this sale and recorded a gain of approximately $3.2 million associated with the sale. The gain was reflected in "Restructuring and other infrequent expenses (income)" within the Company's Consolidated Statements of Operations for the year ended December 31, 2007.

**4. Accounts Receivable Securitization**

At December 31, 2009, the Company had an accounts receivable securitization facility in Europe totaling approximately €140.0 million (or approximately $200.6 million). Outstanding funding under the European facility totaled approximately €104.6 million (or approximately $149.9 million) at December 31, 2009. At December 31, 2008, the Company had accounts receivable securitization facilities in the United States and Canada and in Europe totaling approximately $489.7 million. Outstanding funding under these facilities totaled approximately $483.2 million at December 31, 2008. The funded balance has the effect of reducing accounts receivable and short-term liabilities by the same amount. The European facility expires in October 2011, and is subject to annual renewal. On December 31, 2009, the Company expanded its European securitization facility by €40.0 million (or approximately $57.3 million). On December 22, 2009, the Company terminated and replaced its U.S. and Canadian accounts receivable securitization facilities of $280.0 million and $70.0 million, respectively, with new accounts receivable sales agreements with AGCO Finance LLC and AGCO Finance Canada, Ltd.

Wholesale accounts receivable are sold on a revolving basis to commercial paper conduits under the European facility through a wholly-owned qualifying special purpose entity (a "QSPE") in the United Kingdom. Prior to December 22, 2009, wholesale accounts receivable were sold on a revolving basis to commercial paper conduits under the U.S. and Canadian facilities through a wholly-owned special purpose U.S. subsidiary. In Europe, the commercial paper conduit that purchases a majority of the receivables is deemed to be the majority beneficial interest holder of the QSPE, and, thus, consolidation by the Company is not appropriate, as the Company does not absorb a majority of losses under such transactions. In addition, these facilities are accounted for as off-balance sheet transactions. See Note 1, "Recent Accounting Pronouncements" for discussion regarding the impact of the adoption of SFAS No. 166 and SFAS No. 167 on the Company's European securitization, which are effective January 1, 2010.

Losses on sales of receivables primarily from securitization facilities were $15.3 million in 2009, $27.3 million in 2008 and $36.1 million in 2007, and are included in "other expense, net" in the Company's Consolidated Statements of Operations. The losses were determined by calculating the estimated present value of receivables sold compared to their carrying amount. The present value is based on historical collection experience and a discount rate representing the spread over LIBOR as prescribed under the terms of the agreements. Losses on sales of receivables related to the U.S. and Canadian accounts receivable securitization

facilities were incurred and recorded through December 21, 2009. Other information related to these facilities and assumptions used in loss calculations are summarized below (dollar amounts in millions):

| | United States | | Canada | | Europe | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Unpaid balance of receivables sold at December 31 | $ — | $336.2 | $ — | $74.5 | $205.9 | $154.5 | $205.9 | $565.2 |
| Retained interest in receivables sold | $ — | $ 55.8 | $ — | $ 9.4 | $ 56.0 | $ 16.2 | $ 56.0 | $ 82.0 |
| Credit losses on receivables sold | $ — | $ 0.4 | $ — | $ 0.1 | $ — | $ — | $ — | $ 0.5 |
| Average liquidation period (months) | — | 2.7 | — | 2.7 | 2.2 | 2.1 | | |
| Discount rate | — | 3.6% | — | 4.2% | 1.5% | 4.7% | | |

The Company continues to service the receivables sold and maintains a retained interest in the receivables with respect to the European facility. No servicing asset or liability has been recorded as the estimated fair value of the servicing of the receivables approximates the servicing income. The retained interest in the receivables sold is included in the caption “Accounts and notes receivable, net” in the accompanying Consolidated Balance Sheets. The Company’s risk of loss under the European securitization facility is limited to a portion of the unfunded balance of receivables sold, which is approximately 10% of the funded amount. The Company maintains reserves for the portion of the residual interest it estimates is uncollectible. At December 31, 2009 and 2008, the fair value of the retained interest recorded was approximately $55.9 million and $81.4 million, respectively, compared to the carrying amount of $56.0 million and $82.0 million, respectively, and was based on the present value of the receivables calculated in a method consistent with the losses on sales of receivables discussed above. The retained interest fair value measurement falls within the Level 3 fair value hierarchy under ASC 820. Level 3 measurements are model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable. Assuming a 10% and 20% increase in the average liquidation period, the fair value of the residual interest would decline by less than $0.1 million and less than $0.1 million, respectively. Assuming a 10% and 20% increase in the discount rate, the fair value of the residual interest would decline by less than $0.1 million and less than $0.1 million, respectively. For 2009, the Company received approximately $1,498.7 million from sales of receivables and approximately $5.2 million from servicing fees. These amounts include sales of receivables under the U.S. and Canadian securitization facilities through December 21, 2009. For 2008, the Company received approximately $1,745.6 million from sales of receivables and approximately $4.7 million from servicing fees. For 2007, the Company received approximately $1,393.8 million from sales of receivables and $4.6 million from servicing fees.

The following table summarizes the activity with respect to the fair value of the Company’s retained interest in receivables sold during the year ended December 31, 2009 (in millions):

| | |
|---|---|
| Balance at December 31, 2008 | $ 81.4 |
| Realized gains | 0.5 |
| Purchases, issuances and settlements | (26.0) |
| Balance at December 31, 2009 | $ 55.9 |

On December 22, 2009, the Company terminated and replaced its U.S. and Canadian accounts receivable securitization facilities with new accounts receivable sales agreements that will permit the transfer, on an ongoing basis, substantially all of its wholesale interest-bearing and non-interest bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., its U.S. and Canadian retail finance joint

ventures. The Company has a 49% ownership in these joint ventures. This agreement also replaced a May 2005 agreement whereby the Company previously sold interest-bearing receivables to AGCO Finance LLC and AGCO Finance Canada, Ltd. on an ongoing basis. The new accounts receivable sales agreements provide for sales of up to $600.0 million of U.S. accounts receivable and up to C$250.0 million dollars (or approximately $234.7 million as of December 31, 2009) of Canadian accounts receivable, both of which may be increased in the future at the discretion of AGCO Finance LLC and AGCO Finance Canada, Ltd. respectively. The transfer of the receivables is without recourse to the Company. The Company does not service the receivables after the sale occurs and does not maintain any direct retained interest in the receivables. The Company has reviewed its accounting for the new facilities in accordance with ASC 860 and determined that these facilities should be accounted for as off-balance sheet transactions.

As of December 31, 2009, approximately $400.4 million of outstanding U.S. accounts receivable and approximately $147.2 million of outstanding Canadian accounts receivable had been sold to AGCO Finance LLC and AGCO Finance Canada, Ltd., respectively, of which $444.6 million of proceeds had been received from the sale. As of December 31, 2008, the balance of interest-bearing receivables that had been transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under the Company's former arrangement to transfer wholesale interest-bearing receivables, was approximately $59.0 million.

Under the terms of the new agreements, the Company will pay AGCO Finance LLC and AGCO Finance Canada, Ltd. an annual servicing fee related to the servicing of the sold receivables. The Company will also pay AGCO Finance LLC and AGCO Finance Canada, Ltd. a subsidized interest payment with respect to the new sales agreements, calculated based upon LIBOR plus a margin on any non-interest bearing accounts receivable outstanding and sold under the facilities. Losses on the sale of these receivables, reflected within "Other expense, net" in the Company's Consolidated Statements of Operations, were approximately $0.3 million during 2009. In addition, as a result of the new accounts receivables sales agreements, cash payments will be made to AGCO Finance LLC and AGCO Finance Canada Ltd. for sales incentive discounts provided to dealers related to outstanding accounts receivables sold. The Company therefore reclassified such sales incentive discounts reserves from "accounts receivable allowances" to "Accrued expenses" within the Company's Consolidated Balance Sheets. The balance of such sales discounts reserves classified in "Accrued expenses" was approximately $94.5 million as of December 31, 2009.

The Company's AGCO Finance retail finance joint ventures in Europe, Brazil and Australia also provide wholesale financing to the Company's dealers. The receivables associated with these arrangements are also without recourse to the Company. The Company does not service the receivables after the sale occurs and does not maintain any direct retained interest in the receivables. As of December 31, 2009, these retail finance joint ventures had approximately $176.9 million of outstanding accounts receivable associated with these arrangements. The Company has reviewed its accounting for these arrangements and determined that these arrangements should be accounted for as off-balance sheet transactions.

In addition, the Company sells certain trade receivables under factoring arrangements to other financial institutions around the world. The Company evaluates the sale of such receivables pursuant to the guidelines of ASC 860, and has determined that these arrangements should be accounted for as off-balance sheet transactions.

## 5. Investments in Affiliates

Investments in affiliates as of December 31, 2009 and 2008 were as follows (in millions):

| | 2009 | 2008 |
|---|---|---|
| Retail finance joint ventures | $ 258.7 | $ 187.8 |
| Manufacturing joint ventures | 78.0 | 75.0 |
| Other joint ventures | 10.8 | 12.3 |
| | $ 347.5 | $ 275.1 |

The manufacturing joint ventures as of December 31, 2009 consisted of a joint venture with a third party manufacturer to produce engines in South America and Laverda S.p.A. (“Laverda”), an operating joint venture with the Italian ARGO group that manufactures harvesting equipment. The other joint ventures represent minority investments in farm equipment manufacturers, distributors and licensees.

The Company’s equity in net earnings of affiliates for the years ended December 31, 2009, 2008 and 2007 were as follows (in millions):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Retail finance joint ventures | $ 36.4 | $ 29.7 | $ 26.6 |
| Manufacturing and other joint ventures | 2.0 | 9.1 | 3.8 |
| | $ 38.4 | $ 38.8 | $ 30.4 |

Summarized combined financial information of the Company’s retail finance joint ventures as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007 were as follows (in millions):

| | As of December 31, | |
|---|---|---|
| | 2009 | 2008 |
| Total assets | $ 6,389.3 | $ 4,780.2 |
| Total liabilities | 5,861.3 | 4,397.0 |
| Partners’ equity | 528.0 | 383.2 |

| | For the Years Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Revenues | $ 335.8 | $ 295.6 | $ 283.8 |
| Costs | 229.0 | 206.0 | 200.3 |
| Income before income taxes | $ 106.8 | $ 89.6 | $ 83.5 |

The majority of the assets of the Company’s retail finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies. The Company does not guarantee the debt obligations of the retail finance joint ventures other than a portion of the retail portfolio in Brazil that is held outside the joint venture by Rabobank Brazil (Note 13).

On September 28, 2007, the Company acquired 50% of Laverda for approximately €46.0 million (or approximately $65.6 million), thereby creating an operating joint venture between the Company and the Italian ARGO group. Laverda is located in Breganze, Italy and manufactures harvesting equipment. In addition to producing Laverda branded combines, the Breganze factory manufactures mid-range combine harvesters for AGCO’s Massey Ferguson, Fendt and Challenger brands for distribution in Europe, Africa and the Middle

East. The joint venture also includes Laverda's ownership in Fella-Werke GMBH, a German manufacturer of grass and hay machinery, and its 30% stake in Gallignani S.p.A., an Italian manufacturer of balers. The Company identified approximately $17.6 million of goodwill and $12.9 million of other identifiable intangible assets as the Company's investment was greater than the fair value of the underlying equity in the net assets received. The goodwill and intangible asset balances are included in the recorded balance of the "Investments in Affiliates" line of the Company's Consolidated Balance Sheet. The amortization of the other identifiable intangible assets is included in the Company's share of its earnings or losses from its investment within the "Equity in net earnings of affiliates" line item of the Company's Consolidated Statements of Operations. In addition, the Company allocated approximately $28.2 million of its investment as an addition to the joint venture's property, plant and equipment to reflect land, buildings, and machinery and equipment at their respective fair values as compared to their historical net book values. The depreciation expense associated with the increase in recorded amounts with respect to property, plant and equipment is also included in the Company's share of its earnings or losses from its investment. The investment balance as of December 31, 2009 and 2008 includes transaction costs and related fees incurred during 2008. The acquired other identifiable assets are summarized in the following table (in millions):

| Intangible Asset | Amount | Weighted-Average Useful Life |
|---|---|---|
| Tradenames | $ 4.3 | Indefinite |
| Technology and patents | 0.8 | 5 years |
| Distribution network | 7.8 | 17 years |
| | $ 12.9 | |

The Company determined that the Laverda and Fella tradenames have an indefinite useful life. The Laverda tradename has been in existence since 1890 and is currently sold in over 35 countries worldwide. The Fella tradename has been in existence since 1918. Both the Laverda brand and the Fella brand are primary product lines of the Company's Laverda operating joint venture, and the joint venture partners plan to use these tradenames for an indefinite period of time. The joint venture partners plan to continue to make investments in product development to enhance the value of these brands into the future. There are no legal, regulatory, contractual, competitive, economic or other factors that the joint venture partners are aware of that they believe would limit the useful lives of the tradenames. The Laverda and Fella tradename registrations can be renewed at a nominal cost in the countries in which the operating joint venture operates. The Company performed an annual impairment test of the investment in Laverda as of October 1, 2009 and 2008 and concluded that no indication of impairment existed.

Summarized financial information of the Company's Laverda operating joint venture as of December 31, 2009 and 2008 and for the year ended December 31, 2009 and 2008 was as follows (in millions):

| | As of December 31, | |
|---|---|---|
| | 2009 | 2008 |
| Total assets | $ 250.9 | $ 283.4 |
| Total liabilities | 101.7 | 141.3 |
| Partners' equity | 149.2 | 142.1 |

| | For the Years Ended December 31, | |
|---|---|---|
| | 2009 | 2008 |
| Revenues | $ 180.8 | $ 275.6 |
| Costs | 175.5 | 251.2 |
| Income before income taxes | $ 5.3 | $ 24.4 |

The investment balance in Laverda as of December 31, 2009 and 2008 was $74.6 million and $71.1 million, respectively.

The portion of the Company's retained earnings balance that represents undistributed retained earnings of equity method investees was approximately $176.6 million and $138.2 million as of December 31, 2009 and 2008, respectively.

## 6. Income Taxes

The sources of income (loss) before income taxes and equity in net earnings of affiliates were as follows for the years ended December 31, 2009, 2008 and 2007 (in millions):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| United States | $ (29.7) | $ (67.6) | $ (89.1) |
| Foreign | 183.5 | 579.3 | 403.0 |
| Income before income taxes and equity in net earnings of affiliates | $ 153.8 | $ 511.7 | $ 313.9 |

The provision for income taxes by location of the taxing jurisdiction for the years ended December 31, 2009, 2008 and 2007 consisted of the following (in millions):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Current: | | | |
| United States: | | | |
| Federal | $ (4.0) | $ (5.7) | $ (6.7) |
| State | 0.2 | — | — |
| Foreign | 82.2 | 163.0 | 115.6 |
| | 78.4 | 157.3 | 108.9 |
| Deferred: | | | |
| United States: | | | |
| Federal | (0.4) | 1.5 | 0.1 |
| State | — | — | — |
| Foreign | (21.5) | 5.8 | 2.4 |
| | (21.9) | 7.3 | 2.5 |
| | $ 56.5 | $ 164.6 | $ 111.4 |

At December 31, 2009, the Company's foreign subsidiaries had approximately $2.1 billion of undistributed earnings. These earnings are considered to be indefinitely invested, and, accordingly, no income taxes have been provided on these earnings. Determination of the amount of unrecognized deferred taxes on these earnings is not practical; however, unrecognized foreign tax credits would be available to reduce a portion of the tax liability.

A reconciliation of income taxes computed at the United States federal statutory income tax rate (35%) to the provision for income taxes reflected in the Company's Consolidated Statements of Operations for the years ended December 31, 2009, 2008 and 2007 is as follows (in millions):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Provision for income taxes at United States federal statutory rate of 35% | $ 53.9 | $ 179.1 | $ 109.9 |
| State and local income taxes, net of federal income tax benefit | 0.7 | (0.3) | (2.5) |
| Taxes on foreign income which differ from the United States statutory rate | 15.2 | 2.0 | 7.0 |
| Tax effect of permanent differences | 20.7 | (23.7) | (25.7) |
| Change in valuation allowance | (38.8) | 6.9 | 22.6 |
| Other | 4.8 | 0.6 | 0.1 |
| | $ 56.5 | $ 164.6 | $ 111.4 |

The "change in valuation allowance" for the year ended December 31, 2009 includes a $39.5 million favorable adjustment which was fully offset by a write-off of certain foreign tax assets reflected in "tax effects of permanent differences". Due to the fact that these tax assets had not been expected to be utilized in future years, the Company had previously maintained a valuation allowance against the tax assets. Accordingly, this write-off resulted in no impact to our income tax provision for the year ended December 31, 2009.

The significant components of the deferred tax assets and liabilities at December 31, 2009 and 2008 were as follows (in millions):

| | 2009 | 2008 |
|---|---|---|
| Deferred Tax Assets: | | |
| Net operating loss carryforwards | $ 215.0 | $ 210.8 |
| Sales incentive discounts | 40.4 | 51.2 |
| Inventory valuation reserves | 23.3 | 23.0 |
| Pensions and postretirement health care benefits | 86.6 | 63.7 |
| Warranty and other reserves | 92.5 | 75.6 |
| Other | 27.2 | 47.1 |
| Total gross deferred tax assets | 485.0 | 471.4 |
| Valuation allowance | (261.7) | (294.4) |
| Total net deferred tax assets | 223.3 | 177.0 |
| Deferred Tax Liabilities: | | |
| Tax over book depreciation and amortization | 178.1 | 171.3 |
| Other | 30.0 | 29.0 |
| Total deferred tax liabilities | 208.1 | 200.3 |
| Net deferred tax assets (liabilities) | $ 15.2 | $ (23.3) |
| Amounts recognized in Consolidated Balance Sheets: | | |
| Deferred tax assets — current | $ 63.6 | $ 56.6 |
| Deferred tax assets — noncurrent | 70.3 | 29.9 |
| Other current liabilities | — | (1.7) |
| Other noncurrent liabilities | (118.7) | (108.1) |
| | $ 15.2 | $ (23.3) |

The Company recorded a net deferred tax asset of $15.2 million and a net deferred tax liability of $23.3 million as of December 31, 2009 and 2008, respectively. As reflected in the preceding table, the

Company established a valuation allowance of $261.7 million and $294.4 million as of December 31, 2009 and 2008, respectively.

The change in the valuation allowance for the years ended December 31, 2009, 2008 and 2007 was a decrease of $32.7 million, an increase of $6.9 million and an increase of $29.1 million, respectively. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company assessed the likelihood that its deferred tax assets would be recovered from estimated future taxable income and available tax planning strategies and determined that the valuation allowance at December 31, 2009 and 2008 was appropriate. In making this assessment, all available evidence was considered including the current economic climate, as well as reasonable tax planning strategies. The Company believes it is more likely than not that the Company will realize the remaining deferred tax assets, net of the valuation allowance, in future years.

The Company had net operating loss carryforwards of $707.8 million as of December 31, 2009, with expiration dates as follows: 2014 — $0.9 million; and thereafter or unlimited — $706.9 million. These net operating loss carryforwards include United States net loss carryforwards of $367.0 million and foreign net operating loss carryforwards of $340.8 million. The Company paid income taxes of $67.8 million, $152.2 million and $67.0 million for the years ended December 31, 2009, 2008 and 2007, respectively.

At December 31, 2009 and December 31, 2008, the Company had $21.8 million and $20.1 million, respectively, of unrecognized income tax benefits, all of which would affect the Company's effective tax rate if recognized. At December 31, 2009 and December 31, 2008, the Company had approximately $3.5 million and $7.6 million, respectively, of accrued or deferred taxes related to uncertain income tax positions connected with ongoing income tax audits in various jurisdictions that it expects to settle or pay in the next 12 months. The Company accrues interest and penalties related to unrecognized tax benefits in its provision for income taxes. At December 31, 2009 and December 31, 2008, the Company had accrued interest and penalties related to unrecognized tax benefits of $1.9 million and $1.8 million, respectively.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits as of and during the year ended December 31, 2009 is as follows (in millions):

| | |
|---|---|
| Gross unrecognized income tax benefits at December 31, 2008 | $ 20.1 |
| Additions for tax positions of the current year | 8.4 |
| Additions for tax positions of prior years | 1.3 |
| Reductions for tax positions of prior years for: | |
| Changes in judgments | (1.7) |
| Settlements during the period | (4.0) |
| Lapses of applicable statute of limitations | (2.3) |
| Gross unrecognized income tax benefits at December 31, 2009 | $ 21.8 |

The Company and its subsidiaries file income tax returns in the United States and in various state, local and foreign jurisdictions. The Company and its subsidiaries are routinely examined by tax authorities in these jurisdictions. During 2009, agreements reached previously with tax authorities in France for various open tax years required settlement of approximately $3.0 million. Also during 2009, a $1.0 million tax position was settled in the United Kingdom. As of December 31, 2009, a number of income tax examinations in other foreign jurisdictions were currently ongoing. It is possible that certain of these ongoing examinations may be resolved within 12 months. Due to the potential for resolution of federal, state and foreign examinations, and the expiration of various statutes of limitation, it is reasonably possible that the Company's gross unrecognized tax benefits balance may materially change within the next 12 months. Due to the number of jurisdictions and issues involved and the uncertainty regarding the timing of any settlements, the Company is unable to provide a reasonable estimate of the change that may occur within the next 12 months. Although there are ongoing

examinations in various jurisdictions, the 2006 through 2009 tax years generally remain subject to examination in the United States by federal and state authorities. In the Company's significant foreign jurisdictions, primarily the United Kingdom, France, Germany, Switzerland, Finland and Brazil, the 2004 through 2009 tax years generally remain subject to examination by their respective tax authorities.

## 7. Indebtedness

Indebtedness consisted of the following at December 31, 2009 and 2008 (in millions):

| | December 31, 2009 | December 31, 2008 |
|---|---|---|
| 6 7/8% Senior subordinated notes due 2014 | $ 286.5 | $ 279.4 |
| 1 3/4% Convertible senior subordinated notes due 2033 | 193.0 | 185.3 |
| 1 1/4% Convertible senior subordinated notes due 2036 | 167.5 | 160.3 |
| Other long-term debt | 0.1 | 0.1 |
| | 647.1 | 625.1 |
| Less: Current portion of long-term debt | (0.1) | (0.1) |
| 1 3/4% Convertible senior subordinated notes due 2033 | (193.0) | — |
| Total indebtedness, less current portion | $ 454.0 | $ 625.0 |

At December 31, 2009, the aggregate scheduled maturities of long-term debt, excluding the current portion of long-term debt, are as follows (in millions):

| | |
|---|---|
| 2011 | $ — |
| 2012 | — |
| 2013 | — |
| 2014 | 286.5 |
| 2015 | — |
| Thereafter | 167.5 |
| | $ 454.0 |

***Convertible senior subordinated notes***

The following table sets forth as of December 31, 2009 and 2008 the carrying amount of the equity component, the principal amount of the liability component, the unamortized discount and the net carrying amount of the Company's 1 3/4% convertible senior subordinated notes and its 1 1/4% convertible senior subordinated notes (in millions):

| | December 31, | |
|---|---|---|
| | 2009 | 2008 |
| 1 3/4% Convertible senior subordinated notes due 2033: | | |
| Carrying amount of the equity component | $ 39.9 | $ 39.9 |
| Principal amount of the liability component | $ 201.3 | $ 201.3 |
| Less: unamortized discount | (8.3) | (16.0) |
| Net carrying amount | $ 193.0 | $ 185.3 |
| 1 1/4% Convertible senior subordinated notes due 2036: | | |
| Carrying amount of the equity component | $ 54.3 | $ 54.3 |
| Principal amount of the liability component | $ 201.3 | $ 201.3 |
| Less: unamortized discount | (33.8) | (41.0) |
| Net carrying amount | $ 167.5 | $ 160.3 |

The following table sets forth the interest expense recognized relating to both the contractual interest coupon and the amortization of the discount on the liability component for the 1 3/4% convertible senior subordinated notes and 1 1/4% convertible senior subordinated notes (in millions):

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| 1 3/4% Convertible senior subordinated notes: | | | |
| Interest expense | $ 11.3 | $ 10.9 | $ 10.4 |
| 1 1/4% Convertible senior subordinated notes: | | | |
| Interest expense | $ 9.8 | $ 9.4 | $ 9.0 |

The effective interest rate on the liability component for the 1 3/4% convertible senior subordinated notes and the 1 1/4% convertible senior subordinated notes for the years ended December 31, 2009, 2008 and 2007 was 6.1% for both notes. The unamortized discount for the 1 3/4% convertible senior subordinated notes and the 1 1/4% convertible senior subordinated notes will be amortized through December 2010 and December 2013, respectively, as these are the earliest dates the notes holders can require the Company to repurchase the notes.

Cash payments for interest were approximately $52.3 million, $50.4 million and $51.1 million for the years ended December 31, 2009, 2008 and 2007, respectively.

**AGCO CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

In accordance with the provisions of FSP APB 14-1, prior periods have been retroactively restated, which resulted in an adjustment of the following amounts (in millions, except per share amounts):

| | As Previously Reported | Adjustment | As Adjusted |
|---|---|---|---|
| Consolidated Balance Sheet as of December 31, 2008 | | | |
| Long-term debt, less current portion | $ 682.0 | $(57.0) | $ 625.0 |
| Additional paid-in capital | $ 973.2 | $ 94.2 | $1,067.4 |
| Retained earnings | $1,419.3 | $(37.2) | $1,382.1 |
| Consolidated Statement of Operations for the Year Ended December 31, 2008 | | | |
| Interest expense | $ 19.1 | $ 14.1 | $ 33.2 |
| Net income attributable to AGCO and subsidiaries | $ 400.0 | $(14.1) | $ 385.9 |
| Net income per common share attributable to AGCO and subsidiaries: | | | |
| Basic | $ 4.36 | $(0.15) | $ 4.21 |
| Diluted | $ 4.09 | $(0.14) | $ 3.95 |
| Consolidated Statement of Operations for the Year Ended December 31, 2007 | | | |
| Interest expense | $ 24.1 | $ 13.4 | $ 37.5 |
| Net income attributable to AGCO and subsidiaries | $ 246.3 | $(13.4) | $ 232.9 |
| Net income per common share attributable to AGCO and subsidiaries: | | | |
| Basic | $ 2.69 | $(0.14) | $ 2.55 |
| Diluted | $ 2.55 | $(0.14) | $ 2.41 |

The Company’s $201.3 million of $1^1/_4$% convertible senior subordinated notes due December 15, 2036, issued in December 2006, provide for (i) the settlement upon conversion in cash up to the principal amount of the notes with any excess conversion value settled in shares of the Company’s common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes are converted in connection with certain change of control transactions occurring prior to December 15, 2013. Interest is payable on the notes at $1^1/_4$% per annum, payable semi-annually in arrears in cash on June 15 and December 15 of each year. The notes are convertible into shares of the Company’s common stock at an effective price of $40.73 per share, subject to adjustment. This reflects an initial conversion rate for the notes of 24.5525 shares of common stock per $1,000 principal amount of notes. The notes contain certain anti-dilution provisions designed to protect the holders’ interests. If a change of control transaction that qualifies as a “fundamental change” occurs on or prior to December 15, 2013, under certain circumstances the Company will increase the conversion rate for the notes converted in connection with the transaction by a number of additional shares (as used in this paragraph, the “make whole shares”). A fundamental change is any transaction or event in connection with which 50% or more of the Company’s common stock is exchanged for, converted into, acquired for or constitutes solely the right to receive consideration that is not at least 90% common stock listed on a U.S. national securities exchange, or approved for quotation on an automated quotation system. The amount of the increase in the conversion rate, if any, will depend on the effective date of the transaction and an average price per share of the Company’s common stock as of the effective date. No adjustment to the conversion rate will be made if the price per share of common stock is less than $31.33 per share or more than $180.00 per share. The number of additional make whole shares range from 7.3658 shares per $1,000 principal amount at $31.33 per share to 0.0314 shares per $1,000 principal amount at $180.00 per share for the year ended

December 15, 2010, with the number of make whole shares generally declining over time. If the acquirer or certain of its affiliates in the fundamental change transaction has publicly traded common stock, the Company may, instead of increasing the conversion rate as described above, cause the notes to become convertible into publicly traded common stock of the acquirer, with principal of the notes to be repaid in cash, and the balance, if any, payable in shares of such acquirer common stock. At no time will the Company issue an aggregate number of shares of the Company's common stock upon conversion of the notes in excess of 31.9183 shares per $1,000 principal amount thereof. If the holders of the Company's common stock receive only cash in a fundamental change transaction, then holders of notes will receive cash as well. Holders may convert the notes only under the following circumstances: (1) during any fiscal quarter, if the closing sales price of the Company's 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 the Company's common stock and the conversion rate; (3) if the notes have been called for redemption; or (4) upon the occurrence of certain corporate transactions. Beginning December 15, 2013, the Company 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 the Company to repurchase the notes at a repurchase price of 100% of their principal amount, plus accrued interest, on December 15, 2013, 2016, 2021, 2026 and 2031. Holders may also require the Company to repurchase all or a portion of the notes upon a fundamental change, as defined in the indenture, at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest. The notes are senior subordinated obligations and are subordinated to all of the Company's existing and future senior indebtedness and effectively subordinated to all debt and other liabilities of the Company's subsidiaries. The notes are equal in right of payment with the Company's $6^7/_8$% senior subordinated notes due 2014 and its $1^3/_4$% convertible senior subordinated notes due 2033.

The Company's $201.3 million of $1^3/_4$% convertible senior subordinated notes due December 31, 2033, issued in June 2005, provide for (i) the settlement upon conversion in cash up to the principal amount of the notes with any excess conversion value settled in shares of the Company's common stock, and (ii) the conversion rate to be increased under certain circumstances if the notes are converted in connection with certain change of control transactions occurring prior to December 10, 2010. The notes are unsecured obligations and are convertible into cash and shares of the Company's common stock upon satisfaction of certain conditions, as discussed below. Interest is payable on the notes at $1^3/_4$% per annum, payable semi-annually in arrears in cash on June 30 and December 31 of each year. The notes are convertible into shares of the Company's common stock at an effective price of $22.36 per share, subject to adjustment. This reflects an initial conversion rate for the notes of 44.7193 shares of common stock per $1,000 principal amount of notes. The notes contain certain anti-dilution provisions designed to protect the holders' interests. If a change of control transaction that qualifies as a "fundamental change" occurs on or prior to December 31, 2010, under certain circumstances the Company will increase the conversion rate for the notes converted in connection with the transaction by a number of additional shares (as used in this paragraph, the "make whole shares"). A fundamental change is any transaction or event in connection with which 50% or more of the Company's common stock is exchanged for, converted into, acquired for or constitutes solely the right to receive consideration that is not at least 90% common stock listed on a U.S. national securities exchange or approved for quotation on an automated quotation system. The amount of the increase in the conversion rate, if any, will depend on the effective date of the transaction and an average price per share of the Company's common stock as of the effective date. No adjustment to the conversion rate will be made if the price per share of common stock is less than $17.07 per share or more than $110.00 per share. The number of additional make whole shares range from 13.863 shares per $1,000 principal amount at $17.07 per share to 0.0 shares per $1,000 principal amount at $110.00 per share for the year ended December 31, 2010, with the number of make whole shares generally declining over time. If the acquirer or certain of its affiliates in the fundamental change transaction has publicly traded common stock, the Company may, instead of increasing the conversion

rate as described above, cause the notes to become convertible into publicly traded common stock of the acquirer, with principal of the notes to be repaid in cash, and the balance, if any, payable in shares of such acquirer common stock. At no time will the Company issue an aggregate number of shares of the Company's common stock upon conversion of the notes in excess of 58.5823 shares per $1,000 principal amount thereof. If the holders of the Company's common stock receive only cash in a fundamental change transaction, then holders of notes will receive cash as well. Holders may convert the notes only under the following circumstances: (1) during any fiscal quarter, if the closing sales price of the Company's 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 the Company's common stock and the conversion rate; (3) if the notes have been called for redemption; or (4) upon the occurrence of certain corporate transactions. Beginning January 1, 2011, the Company 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 the Company 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.

As of December 31, 2009, the closing sales price of the Company's common stock had exceeded 120% of the conversion price of the $1^{3}/_{4}$% convertible senior subordinated notes for at least 20 trading days in the 30 consecutive trading days ending December 31, 2009, and, therefore, the Company classified the notes as a current liability. In accordance with Accounting Standards Update No. 2009-04, "Accounting for Redeemable Equity Instruments," the Company also classified the equity component of the $1^{3}/_{4}$% convertible senior subordinated notes as "temporary equity." The amount classified as "temporary equity" was measured as the excess of (i) the amount of cash that would be required to be paid upon conversion over (ii) the current carrying amount of the liability-classified component. The Company believes it is unlikely the holders of the notes would convert the notes under the provisions of the indenture agreement, thereby requiring the Company to repay the principal portion in cash. In the event the notes were converted, the Company believes it could repay the notes with available cash on hand, funds from the Company's $300.0 million multi-currency revolving credit facility or a combination of these sources. As of December 31, 2008, the closing sales price of the Company's common stock did not exceed 120% of the conversion price of $22.36 and $40.73 per share, respectively, for the Company's $1^{3}/_{4}$% convertible senior subordinated notes and the Company's $1^{1}/_{4}$% convertible senior subordinated notes for at least 20 trading days in the 30 consecutive trading days ending December 31, 2008, and, therefore, the Company classified both notes as long-term debt. Future classification of both notes between current and long-term debt and classification of the equity component of both notes as "temporary equity" is dependent on the closing sales price of the Company's common stock during future quarters.

The Company has arrangements with various banks to issue standby letters of credit or similar instruments, which guarantee the Company's obligations for the purchase or sale of certain inventories and for potential claims exposure for insurance coverage. At December 31, 2009 and 2008, outstanding letters of credit issued under the revolving credit facility totaled $9.3 million and $8.7 million, respectively.

***Multi-currency revolving credit facility***

The Company's $300.0 million unsecured multi-currency revolving credit facility matures on May 16, 2013. Interest accrues on amounts outstanding under the facility, at the Company's option, at either (1) LIBOR plus a margin ranging between 1.00% and 1.75% based upon the Company's total 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 0.0% and 0.50% based upon the Company's total debt ratio. The facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends, and is subject to acceleration in the event of a default, as defined in the facility. The

Company also must fulfill financial covenants in respect of a total debt to EBITDA ratio and an interest coverage ratio, as defined in the facility. As of December 31, 2009 and 2008, the Company had no outstanding borrowings under the facility. As of December 31, 2009 and 2008, the Company had availability to borrow $290.7 million and $291.3 million, respectively, under the facility.

***6 7/8% Senior subordinated notes***

The Company's €200.0 million of 6 7/8% senior subordinated notes due April 15, 2014, issued in April 2004, are unsecured obligations and are subordinated in right of payment to the Company's existing or future senior indebtedness. Interest is payable on the notes at 6 7/8% per annum, payable semi-annually on April 15 and October 15 of each year. As of and subsequent to 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. The notes include covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

## 8. Employee Benefit Plans

The Company sponsors defined benefit pension plans covering certain employees, principally in the United States, the United Kingdom, Germany, Finland, Norway, France, Switzerland, Australia and Argentina. The Company also provides certain postretirement health care and life insurance benefits for certain employees principally in the United States and Brazil.

ASC 715, "Compensation-Retirement Benefits" ("ASC 715"), requires companies to measure defined benefit plan assets and obligations as of the date of the company's fiscal year-end. The measurement provision of ASC 715 was effective for years ending after December 15, 2008. The Company adopted the measurement provisions of ASC 715 during the year ended December 31, 2008. This change only impacted the measurement of the Company's U.K. pension plan, which prior to 2008 had a measurement date of September 30. The Company adopted the second approach afforded by ASC 715 to transition the Company's U.K. pension plan to a December 31 measurement date. The impact of the adoption resulted in a reduction to the Company's opening retained earnings balance as of January 1, 2008 of approximately $1.1 million, net of taxes.

Net annual pension costs for the years ended December 31, 2009, 2008 and 2007 are set forth below (in millions):

| Pension benefits | 2009 | 2008 | 2007 |
|---|---|---|---|
| Service cost | $ 9.0 | $ 9.6 | $ 8.6 |
| Interest cost | 36.8 | 42.0 | 43.7 |
| Expected return on plan assets | (29.5) | (42.5) | (43.6) |
| Amortization of net actuarial loss | 6.5 | 8.3 | 14.9 |
| Amortization of prior service credit | (0.2) | (0.3) | (0.2) |
| Settlement loss | 0.2 | 0.6 | — |
| Net annual pension cost | $ 22.8 | $ 17.7 | $ 23.4 |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The weighted average assumptions used to determine the net annual pension costs for the Company's pension plans for the years ended December 31, 2009, 2008 and 2007 are as follows:

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| All plans: | | | |
| Weighted average discount rate | 6.6% | 5.9% | 5.1% |
| Weighted average expected long-term rate of return on plan assets | 7.0% | 7.1% | 7.1% |
| Rate of increase in future compensation | 3.0-4.0% | 3.0-4.0% | 3.0-4.0% |
| U.S.-based plans: | | | |
| Weighted average discount rate | 6.25% | 6.25% | 5.8% |
| Weighted average expected long-term rate of return on plan assets | 8.0% | 8.0% | 8.0% |
| Rate of increase in future compensation | N/A | N/A | N/A |

Net annual postretirement benefit costs for the years ended December 31, 2009, 2008 and 2007 are set forth below (in millions, except percentages):

| Postretirement benefits | 2009 | 2008 | 2007 |
|---|---|---|---|
| Service cost | $ 0.1 | $ — | $ 0.1 |
| Interest cost | 1.7 | 1.5 | 1.4 |
| Amortization of prior service credit | (0.3) | (0.3) | (0.2) |
| Amortization of unrecognized net loss | 0.3 | 0.2 | 0.1 |
| Other | — | 0.1 | 0.2 |
| Net annual postretirement benefit cost | $ 1.8 | $ 1.5 | $ 1.6 |
| Weighted average discount rate | 6.33% | 6.25% | 5.8% |

The following tables set forth reconciliations of the changes in benefit obligation, plan assets and funded status as of December 31, 2009 and 2008 (in millions):

| | Pension Benefits | | Postretirement Benefits | |
|---|---|---|---|---|
| Change in benefit obligation | 2009 | 2008 | 2009 | 2008 |
| Benefit obligation at beginning of year | $ 538.5 | $ 777.0 | $ 28.6 | $ 25.6 |
| Service cost | 9.0 | 10.6 | 0.1 | — |
| Interest cost | 36.8 | 51.5 | 1.7 | 1.5 |
| Plan participants' contributions | 1.5 | 2.0 | — | — |
| Actuarial loss (gain) | 131.0 | (82.1) | (0.8) | 3.0 |
| Amendments | — | — | — | 0.4 |
| Settlements | (1.4) | (1.8) | — | — |
| Benefits paid | (39.5) | (53.5) | (1.7) | (2.0) |
| Other | — | 1.9 | — | 0.1 |
| Foreign currency exchange rate changes | 55.4 | (167.1) | 0.2 | — |
| Benefit obligation at end of year | $ 731.3 | $ 538.5 | $ 28.1 | $ 28.6 |

| Change in plan assets | Pension Benefits 2009 | Pension Benefits 2008 | Postretirement Benefits 2009 | Postretirement Benefits 2008 |
|---|---|---|---|---|
| Fair value of plan assets at beginning of year | $ 399.3 | $ 657.8 | $ — | $ — |
| Actual return on plan assets | 57.7 | (98.9) | — | — |
| Employer contributions | 28.4 | 31.7 | 1.7 | 2.0 |
| Plan participants' contributions | 1.5 | 2.0 | — | — |
| Benefits paid | (39.5) | (53.5) | (1.7) | (2.0) |
| Settlements | (1.4) | (1.8) | — | — |
| Other | — | 1.6 | — | — |
| Foreign currency exchange rate changes | 43.2 | (139.6) | — | — |
| Fair value of plan assets at end of year | $ 489.2 | $ 399.3 | $ — | $ — |
| Funded status | $ (242.1) | $ (139.2) | $ (28.1) | $ (28.6) |
| Unrecognized net actuarial loss | 282.1 | 186.1 | 6.0 | 7.1 |
| Unrecognized prior service credit | (2.3) | (2.5) | (0.5) | (0.8) |
| Accumulated other comprehensive loss | (279.8) | (183.6) | (5.5) | (6.3) |
| Net amount recognized | $ (242.1) | $ (139.2) | $ (28.1) | $ (28.6) |
| Amounts recognized in Consolidated Balance Sheets: | | | | |
| Other long-term asset | $ 0.6 | $ — | $ — | $ — |
| Other current liabilities | (5.1) | (4.2) | (1.8) | (1.9) |
| Pensions and postretirement health care benefits (noncurrent) | (237.6) | (135.0) | (26.3) | (26.7) |
| Net amount recognized | $ (242.1) | $ (139.2) | $ (28.1) | $ (28.6) |

Accrued pension costs of approximately $3.4 million and $2.6 million have been classified as current liabilities within "Accrued expenses" in the Company's Consolidated Balance Sheets as of December 31, 2009 and 2008, respectively, related to the Company's phased retirement plan obligations in Germany.

As of December 31, 2009, the Company's accumulated other comprehensive loss included a net actuarial loss of approximately $282.1 million and a net prior service credit of approximately $2.3 million related to the Company's defined benefit pension plans. The estimated net actuarial loss and net prior service credit for defined benefit pension plans that will be amortized from the Company's accumulated other comprehensive loss during the year ended December 31, 2010 are approximately $8.7 million and $0.2 million, respectively.

As of December 31, 2009, the Company's accumulated other comprehensive loss included a net actuarial loss of approximately $6.0 million and a net prior service credit of approximately $0.5 million related to the Company's U.S. and Brazilian postretirement health care benefit plans. The estimated net actuarial loss and net prior service credit for postretirement health care benefit plans that will be amortized from the Company's accumulated other comprehensive loss during the year ended December 31, 2010 are approximately $0.2 million and $0.3 million, respectively.

The weighted average assumptions used to determine the benefit obligation for the Company's pension plans as of December 31, 2009 and 2008 are as follows:

| | 2009 | 2008 |
|---|---|---|
| All plans: | | |
| Weighted average discount rate | 5.7% | 6.6% |
| Rate of increase in future compensation | 2.5-4.5% | 3.0-4.0% |
| U.S.-based plans: | | |
| Weighted average discount rate | 5.5% | 6.25% |
| Rate of increase in future compensation | N/A | N/A |

The weighted average discount rate used to determine the benefit obligation for the Company's postretirement benefit plans for the years ended December 31, 2009 and 2008 was 5.65% and 6.33%, respectively.

The aggregate projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension and other postretirement plans with accumulated benefit obligations in excess of plan assets were $749.8 million, $681.7 million and $479.5 million, respectively, as of December 31, 2009 and $561.1 million, $509.5 million and $393.8 million, respectively, as of December 31, 2008. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the Company's U.S.-based qualified pension plans were $47.5 million, $47.5 million and $33.0 million, respectively, as of December 31, 2009, and $46.2 million, $46.2 million and $30.8 million, respectively, as of December 31, 2008. The Company's accumulated comprehensive loss as of December 31, 2009 reflects a reduction of equity of $285.3 million, net of taxes of $80.2 million, primarily related to the Company's U.K. pension plan where the projected benefit obligation exceeded the plan assets. Approximately $0.4 million of the $285.3 million reduction in equity has been reflected in noncontrolling interests, net of taxes of $0.1 million, related to the Company's GIMA joint venture, and the joint venture partner's 50% portion of the reduction in equity. The Company's accumulated comprehensive loss as of December 31, 2008 reflects a reduction of equity of $189.9 million, net of taxes of $52.9 million, primarily related to the Company's U.K. pension plan where the projected benefit obligation exceeded the plan assets. Approximately $0.4 million of the $189.9 million reduction in equity was reflected in noncontrolling interests, net of taxes of $0.1 million, related to the Company's GIMA joint venture.

For the years ended December 31, 2009 and 2008, the Company based the discount rate used to determine the projected benefit obligation for its U.S. pension plans, postretirement health care benefit plans and its Executive Nonqualified Pension Plan ("ENPP") by matching the projected cash flows of its largest pension plan to the Citigroup Pension Discount Curve. For the U.K. plan, the Company derived the discount rate based on a yield curve developed from the constituents of the Merrill Lynch AA- rated corporate bond index. The discount rate for the U.K. plan is a single weighted-average rate based on the approximate future cash flows of the plan. For countries within the Euro Zone, the Company derived an AA-rated corporate bond yield curve by selecting bonds included in the iBoxx corporate indices and creating a discount rate curve based on a series of model cash flows. Discount rates for each plan were then determined based on each plan's liability duration. The indices used in the United States, the United Kingdom and other countries were chosen to match the expected plan obligations and related expected cash flows.

***Investment strategy and concentration of risk***

The weighted average asset allocation of the Company's U.S. pension benefit plans as of December 31, 2009 and 2008 are as follows:

| Asset Category | 2009 | 2008 |
|---|---|---|
| Large and small cap domestic equity securities | 24% | 24% |
| International equity securities | 15% | 11% |
| Domestic fixed income securities | 22% | 23% |
| Other investments | 39% | 42% |
| Total | 100% | 100% |

The weighted average asset allocation of the Company's non-U.S. pension benefit plans as of December 31, 2009 and 2008 are as follows:

| Asset Category | 2009 | 2008 |
|---|---|---|
| Equity securities | 39% | 39% |
| Fixed income securities | 35% | 33% |
| Other investments | 26% | 28% |
| Total | 100% | 100% |

The fair value of assets as of December 31, 2009 is as follows (in millions):

| | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Equity securities: | | | | |
| Global equities | $ 82.6 | $ 82.6 | $ — | $ — |
| Non-U.S. equities | 4.8 | 4.8 | — | — |
| U.K. equities | 92.6 | 92.6 | — | — |
| U.S. large cap equities | 4.7 | 4.7 | — | — |
| U.S. small cap equities | 2.9 | 2.9 | — | — |
| Total equity securities | 187.6 | 187.6 | — | — |
| Fixed income: | | | | |
| Aggregate fixed income | 7.2 | 7.2 | — | — |
| International fixed income | 146.8 | 146.8 | — | — |
| Total fixed income share(1) | 154.0 | 154.0 | — | — |
| Cash and equivalents: | | | | |
| Cash | 3.3 | 0.1 | 3.2 | — |
| Total cash and equivalents | 3.3 | 0.1 | 3.2 | — |
| Alternative investments(2) | 127.6 | — | — | 127.6 |
| Miscellaneous funds(3) | 16.7 | — | — | 16.7 |
| Total assets | $ 489.2 | $ 341.7 | $ 3.2 | $ 144.3 |

(1) 45% of fixed income securities are in government treasuries; 25% in investment-grade corporate bonds; 20% in foreign bonds; and 10% in other various fixed income securities.

(2) 27% of alternative investments are in long-short equity funds; 16% in multi-strategy funds; 15% in event-driven funds; 11% in relative value funds; 11% in credit funds; and 20% are distributed in hedged and non-hedged funds.

(3) Miscellaneous funds consist of pooled funds in Australia and insurance contracts in Finland, Norway and Switzerland.

**AGCO CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following is a reconciliation of Level 3 assets as of December 31, 2009 (in millions):

| | Total | Alternative Investments | Miscellaneous Funds |
|---|---|---|---|
| Beginning balance as of December 31, 2008 | $ 122.6 | $ 110.6 | $ 12.0 |
| Actual return on plan assets: | | | |
| (a) Relating to assets still held at reporting date | 17.4 | 15.8 | 1.6 |
| (b) Relating to assets sold during period | 2.7 | 2.7 | — |
| Purchases, sales and /or settlements | (11.0) | (12.6) | 1.6 |
| Transfers in and /or out of Level 3 | — | — | — |
| Foreign currency exchange rate changes | 12.6 | 11.1 | 1.5 |
| Ending balance as of December 31, 2009 | $ 144.3 | $ 127.6 | $ 16.7 |

All tax-qualified pension fund investments in the United States are held in the AGCO Corporation Master Pension Trust. The Company's global pension fund strategy is to diversify investments across broad categories of equity and fixed income securities with appropriate use of alternative investment categories to minimize risk and volatility. The primary investment objective of the Company's pension plans is to secure participant retirement benefits. As such, the key objective in the pension plans' financial management is to promote stability and, to the extent appropriate, growth in funded status.

The investment strategy for the plans' portfolio of assets balances the requirement to generate returns with the need to control risk. The asset mix is recognized as the primary mechanism to influence the reward and risk structure of the pension fund investments in an effort to accomplish the plans' funding objectives. The overall investment strategy for the U.S.-based pension plans is to achieve a mix of approximately 20% of assets for the near-term benefit payments and 80% for longer-term growth. The overall U.S. pension funds invest in a broad diversification of asset types. The Company's U.S. target allocation of retirement fund investments is 35% large- and small-cap domestic equity securities, 15% international equity securities, 20% broad fixed income securities and 30% in alternative investments. The Company has noted that over very long periods, this mix of investments would achieve an average return in excess of 8.5%. In arriving at the choice of an expected return assumption of 8% for its U.S.-based plans, the Company has tempered this historical indicator with lower expectation for returns and equity investment in the future as well as the administrative costs of the plans. The overall investment strategy for the non-U.S. based pension plans is to achieve a mix of approximately 28% of assets for the near-term benefit payments and 72% for longer-term growth. The overall non-U.S. pension funds invest in a broad diversification of asset types. The Company's non-U.S. target allocation of retirement fund investments is 40% equity securities, 30% broad fixed income investments and 30% in alternative investments. The majority of the Company's non-U.S. pension fund investments are related to the Company's pension plan in the United Kingdom. The Company has noted that over very long periods, this mix of investments would achieve an average return in excess of 7.5%. In arriving at the choice of an expected return assumption of 7% for its U.K.-based plans, the Company has tempered this historical indicator with lower expectation for returns and equity investment in the future as well as the administrative costs of the plans.

Equity securities primarily include investments in large-cap and small-cap companies located in the across the globe. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, agency mortgages, asset-backed securities and government securities. Alternative and other assets include investments in hedge fund of funds that follow diversified investment strategies. To date, the Company has not invested pension funds in its own stock, and has no intention of doing so in the future.

**AGCO CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

Within each asset class, careful consideration is given to balancing the portfolio among industry sectors, geographies, interest rate sensitivity, dependence on economic growth, currency and other factors affecting investment returns. The assets are managed by professional investment firms. They are bound by precise mandates and are measured against specific benchmarks. Among asset managers, consideration is given, among others, to balancing security concentration, issuer concentration, investment style and reliance on particular active investment strategies.

For measuring the expected U.S. postretirement benefit obligation at December 31, 2009 and 2008, the Company assumed an 8.5% health care cost trend rate for 2010 and 2009, respectively, decreasing to 4.9% by 2060. For measuring the Brazilian postretirement benefit plan obligation at December 31, 2009 and 2008, the Company assumed a 10.0% health care cost trend rate for 2010 and 2009, respectively, decreasing to 5.5% by 2019. Changing the assumed health care cost trend rates by one percentage point each year and holding all other assumptions constant would have the following effect to service and interest cost for 2010 and the accumulated postretirement benefit obligation at December 31, 2009 (in millions):

| | One Percentage Point Increase | One Percentage Point Decrease |
|---|---|---|
| Effect on service and interest cost | $0.2 | $(0.1) |
| Effect on accumulated benefit obligation | $3.0 | $(2.6) |

The Company currently estimates its minimum contributions to its U.S.-based defined pension plans for 2010 will aggregate approximately $1.1 million. The Company currently estimates its benefit payments for 2010 to its U.S.-based postretirement health care and life insurance benefit plans will aggregate approximately $1.8 million. The Company currently estimates its minimum contributions for underfunded plans and benefit payments for unfunded plans for 2010 to its non-U.S.- based defined pension plans will aggregate approximately $29.0 million, of which approximately $21.2 million relates to its U.K. pension plan.

During 2009, approximately $40.9 million of benefit payments, including settlements, were made related to the Company's pension plans. At December 31, 2009, the aggregate expected benefit payments for all of the Company's pension plans are as follows (in millions):

| | |
|---|---|
| 2010 | $ 43.3 |
| 2011 | 42.0 |
| 2012 | 44.3 |
| 2013 | 46.6 |
| 2014 | 46.3 |
| 2015 through 2019 | 235.5 |
| | $ 458.0 |

During 2009, approximately $1.7 million of benefit payments were made related to the Company's U.S. and Brazilian postretirement benefit plans. At December 31, 2009, the aggregate expected benefit payments for the Company's U.S. and Brazilian postretirement benefit plans are as follows (in millions):

| | |
|---|---|
| 2010 | $ 1.8 |
| 2011 | 1.8 |
| 2012 | 1.9 |
| 2013 | 1.9 |
| 2014 | 2.0 |
| 2015 through 2019 | 10.0 |
| | $ 19.4 |

The ENPP provides a group of senior Company executives with retirement income for a period of 15 years based on a percentage of their average final salary and bonus, reduced by the executive's social security benefits and 401(k) employer matching contributions account. The benefit paid to the executives ranges from 2.25% to 3% of the average of the last three years of their base salary plus bonus prior to their termination of employment ("final earnings") times credited years of service, with a maximum benefit of 45% to 60% of the final earnings, depending on the level of the executive. Benefits under the ENPP vest if the participant has attained age 50 with at least ten years of service (five years of which include years of participation in the ENPP), but are not payable until the participant reaches age 65 or upon termination of services because of death or disability, adjusted to reflect payment prior to age 65.

Net annual ENPP cost and the measurement assumptions for the plans for the years ended December 31, 2009, 2008 and 2007 are set forth below (in millions, except percentages):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Service cost | $ 1.2 | $ 1.1 | $ 1.1 |
| Interest cost | 0.8 | 0.6 | 0.6 |
| Amortization of prior service cost | 0.5 | 0.5 | 0.6 |
| Recognized actuarial gain | (0.1) | (0.2) | (0.1) |
| Net annual ENPP costs | $ 2.4 | $ 2.0 | $ 2.2 |
| Discount rate | 6.25% | 6.25% | 5.8% |
| Rate of increase in future compensation | 5.0% | 5.0% | 5.0% |

**AGCO CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

The following tables set forth reconciliations of the changes in benefit obligation and funded status as of December 31, 2009 and 2008 (in millions):

| Change in benefit obligation | 2009 | 2008 |
|---|---|---|
| Benefit obligation at beginning of year | $ 12.4 | $ 10.2 |
| Service cost | 1.2 | 1.1 |
| Interest cost | 0.8 | 0.6 |
| Actuarial loss | 2.5 | 0.9 |
| Benefits paid | (0.4) | (0.4) |
| Benefit obligation at end of year | $ 16.5 | $ 12.4 |
| Funded status | $ (16.5) | $ (12.4) |
| Unrecognized net actuarial loss (gain) | 0.7 | (2.0) |
| Unrecognized prior service cost | 2.9 | 3.4 |
| Accumulated other comprehensive loss | (3.6) | (1.4) |
| Net amount recognized | $ (16.5) | $ (12.4) |
| Amounts recognized in Consolidated Balance Sheets: | | |
| Other current liabilities | $ (0.7) | $ (0.5) |
| Pensions and postretirement health care benefits (noncurrent) | (15.8) | (11.9) |
| Net amount recognized | $ (16.5) | $ (12.4) |

The weighted average discount rate used to determine the benefit obligation for the ENPP for the years ended December 31, 2009 and 2008 was 5.5% and 6.25%, respectively.

At December 31, 2009, the Company's accumulated other comprehensive loss included a net actuarial loss of approximately $0.7 million and a net prior service cost of approximately $2.9 million related to the ENPP. The estimated net actuarial loss and net prior service cost related to the ENPP that will be amortized from the Company's accumulated other comprehensive loss during the year ended December 31, 2010 are approximately $0.0 million and $0.5 million, respectively.

At December 31, 2009 and 2008, the Company recorded a reduction to equity of $3.6 million and $1.4 million, respectively, related to the unfunded projected benefit obligation of the ENPP. As the Company is not benefiting losses for tax purposes in the United States, there was no tax impact to these charges.

During 2009, approximately $0.4 million of benefit payments were made related to the ENPP. At December 31, 2009, the aggregate expected benefit payments for the ENPP are as follows (in millions):

| | |
|---|---|
| 2010 | $ 0.7 |
| 2011 | 0.8 |
| 2012 | 0.9 |
| 2013 | 1.1 |
| 2014 | 1.1 |
| 2015 through 2019 | 7.3 |
| | $ 11.9 |

The Company maintains separate defined contribution plans covering certain employees primarily in the United States, the United Kingdom and Brazil. Under the plans, the Company contributes a specified

percentage of each eligible employee's compensation. The Company contributed approximately $9.1 million, $9.2 million and $9.0 million for the years ended December 31, 2009, 2008 and 2007, respectively.

### 9. Common Stock

At December 31, 2009, the Company had 150.0 million authorized shares of common stock with a par value of $0.01 per share, with approximately 92.5 million shares of common stock outstanding; approximately 1.9 million shares reserved for issuance under the Company's Option Plan (Note 10); and approximately 0.8 million shares reserved for issuance under the Company's 2006 Long-Term Incentive Plan (the "2006 Plan") (Note 10).

The Company has a stockholder rights plan, which was adopted in April 1994 following stockholder approval. The plan provides that each share of common stock outstanding will have attached to it the right to purchase a one-hundredth of a share of Junior Cumulative Preferred Stock, with a par value $0.01 per share. The purchase price per a one-hundredth of a share is $100.00, subject to adjustment. The rights will be exercisable only if a person or group ("acquirer") acquires 20% or more of the Company's common stock or announces a tender offer or exchange offer that would result in the acquisition of 20% or more of the Company's common stock or, in some circumstances, if additional conditions are met. Once they are exercisable, the plan allows stockholders, other than the acquirer, to purchase the Company's common stock or securities of the acquirer with a then current market value of two times the exercise price of the right. The rights are redeemable for $0.01 per right, subject to adjustment, at the option of the Company's Board of Directors. The rights will expire on April 26, 2014, unless they are extended, redeemed or exchanged by the Company before that date.

### 10. Stock Incentive Plans

Under the 2006 Plan, up to 5.0 million shares of AGCO common stock may be issued. The 2006 Plan allows the Company, under the direction of the Board of Directors' Compensation Committee, to make grants of performance shares, stock appreciation rights, stock options and restricted stock awards to employees, officers and non-employee directors of the Company.

#### *Employee Plans*

The 2006 Plan provides for participants to earn from 33% to 200% of the target awards depending on the actual performance achieved, with no shares earned if performance is below the established minimum target. Awards earned under the performance share plan are paid in shares of common stock at the end of each performance period. The compensation expense associated with these awards is amortized ratably over the vesting or performance period based on the Company's projected assessment of the level of performance that will be achieved and earned.

Compensation expense recorded during 2009, 2008 and 2007 with respect to awards granted was based upon the stock price as of the grant date. The weighted average grant-date fair value of performance awards granted under the 2006 Plan during 2009, 2008 and 2007 was $21.55, $57.12 and $37.39, respectively. Based on the level of performance achieved as of December 31, 2009, 883,188 shares were earned under the 2007-2009 performance period. The 2006 Plan allows for the participant to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant's tax withholding to satisfy the participant's statutory minimum federal, state and employment taxes which would be payable at the time of grant. Approximately 551,152 shares will be issued on February 26, 2010, net of approximately 332,036 shares that will be withheld for taxes related to the earned awards. Based on the level of performance achieved as of December 31, 2008, 887,124 shares were earned under the 2006-2008 performance period and 581,393 shares were issued on March 2, 2009, net of 305,731 shares that were withheld for taxes related to the earned awards.

During 2009, the Company granted 1,238,000 awards for the three-year performance period commencing in 2009 and ending in 2011 assuming the maximum target level of performance is achieved. Performance award transactions during 2009 were as follows and are presented as if the Company were to achieve its maximum levels of performance under the plan:

| | |
|---|---|
| Shares awarded but not earned at January 1 | 1,446,168 |
| Shares awarded | 1,238,000 |
| Shares forfeited or unearned | (58,112) |
| Shares earned | (883,188) |
| Shares awarded but not earned at December 31 | 1,742,868 |

As of December 31, 2009, the total compensation cost related to unearned performance awards not yet recognized, assuming the Company's current projected assessment of the level of performance that will be achieved and earned, was approximately $1.6 million, and the weighted average period over which it is expected to be recognized is approximately one year.

On December 6, 2007, the Board of Directors of the Company approved two retention-based restricted stock awards of $2,000,000 each to the Company's Chairman, President and Chief Executive Officer. The first award was granted on December 6, 2007, and totaled 28,839 shares that will vest over a five-year period at the rate of 25% at the end of the third year, 25% at the end of the fourth year, and 50% at the end of the fifth year. The second award was granted on December 5, 2008, and totaled 99,010 shares that will vest over a four-year period at the rate of 25% at the end of the second year, 25% at the end of the third year, and 50% at the end of the fourth year. Vesting is subject to his continued employment by the Company on the date of vesting, except under certain circumstances such as a change in control. The Company is recognizing stock compensation expense ratably over the vesting period for each grant.

In addition to the performance share plan, certain executives and key managers are eligible to receive grants of SSARs or incentive stock options depending on the participant's country of employment. The SSARs provide a participant with the right to receive the aggregate appreciation in stock price over the market price of the Company's common stock at the date of grant, payable in shares of the Company's common stock. The participant may exercise his or her SSAR at any time after the grant is vested but no later than seven years after the date of grant. The SSARs vest ratably over a four-year period from the date of grant. SSAR award grants made to certain executives and key managers under the 2006 Plan are made with the base price equal to the price of the Company's common stock on the date of grant. The Company recorded stock compensation expense of approximately $2.3 million, $1.7 million and $1.2 million associated with SSAR award grants during 2009, 2008 and 2007, respectively. The compensation expense associated with these awards is being amortized ratably over the vesting period. The Company estimated the fair value of the grants using the Black-Scholes option pricing model. The Company utilized the "simplified" method for estimating the expected term of granted SSARs during the year ended December 31, 2009 as afforded by SEC Staff Accounting Bulletin ("SAB") No. 107, "Share-Based Payment (SAB Topic 14)," and SAB No. 110, "Share-Based Payment (SAB Topic 14.D.2)." The expected term used to value a grant under the simplified method is the mid-point between the vesting date and the contractual term of the option or SSAR. As the Company has only been granting SSARs under the 2006 Plan since April 2006, it does not believe it has sufficient relevant experience regarding employee exercise behavior. The weighted average grant-date fair value of SSARs granted under the

2006 Plan and the weighted average assumptions under the Black-Scholes option model were as follows for the years ended December 31, 2009, 2008 and 2007:

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2009 | 2008 | 2007 |
| Weighted average grant-date fair value | $ 7.46 | $ 17.90 | $ 16.99 |
| Weighted average assumptions under Black-Scholes option model: | | | |
| Expected life of awards (years) | 5.5 | 5.5 | 5.5 |
| Risk-free interest rate | 1.6% | 2.7% | 4.7% |
| Expected volatility | 45.3% | 38.0% | 41.4% |
| Expected dividend yield | — | — | — |

SSAR transactions during the year ended December 31, 2009 were as follows:

| | | |
|---|---|---|
| SSARs outstanding at January 1 | | 415,791 |
| SSARs granted | | 300,500 |
| SSARs exercised | | (1,500) |
| SSARs canceled or forfeited | | (6,750) |
| SSARs outstanding at December 31 | | 708,041 |
| SSAR price ranges per share: | | |
| Granted | $ | 21.45-29.23 |
| Exercised | | 23.80 |
| Canceled or forfeited | | 23.80-56.98 |
| Weighted average SSAR exercise prices per share: | | |
| Granted | $ | 21.59 |
| Exercised | | 23.80 |
| Canceled or forfeited | | 32.52 |
| Outstanding at December 31 | | 31.09 |

At December 31, 2009, the weighted average remaining contractual life of SSARs outstanding was approximately five years. As of December 31, 2009, the total compensation cost related to unvested SSARs not yet recognized was approximately $3.7 million and the weighted-average period over which it is expected to be recognized is approximately two years.

The following table sets forth the exercise price range, number of shares, weighted average exercise price, and remaining contractual lives by groups of similar price:

| | SSARs Outstanding | | | SSARs Exercisable | |
|---|---|---|---|---|---|
| Range of Exercise Prices | Number of Shares | Weighted Average Remaining Contractual Life (Years) | Weighted Average Exercise Price | Exercisable as of December 31, 2009 | Weighted Average Exercise Price |
| $21.45 - $24.61 | 420,750 | 5.2 | $ 22.16 | 86,437 | $ 23.73 |
| $26.00 - $37.38 | 182,953 | 4.2 | $ 36.90 | 79,938 | $ 37.11 |
| $51.82 - $66.20 | 104,338 | 5.1 | $ 56.92 | 26,975 | $ 56.92 |
| | 708,041 | | | 193,350 | $ 33.89 |

The total fair value of SSARs vested during 2009 was $1.6 million. There were 514,691 SSARs that were not vested as of December 31, 2009. The total intrinsic value of outstanding and exercisable SSARs as of December 31, 2009 was $4.3 million and $0.8 million, respectively.

On January 20, 2010, the Company granted 374,250 performance award shares (subject to the Company achieving future target levels of performance) and 180,000 SSARs under the 2006 Plan.

***Director Restricted Stock Grants***

The 2006 Plan provides for annual restricted stock grants of the Company's common stock to all non-employee directors. The shares are restricted as to transferability for a period of three years, but are not subject to forfeiture. In the event a director departs from the Company's Board of Directors, the non-transferability period would expire immediately. The plan allows for the director to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant's tax withholding to satisfy the statutory minimum federal, state and employment taxes which would be payable at the time of grant. The April 23, 2009 grant equated to 38,130 shares of common stock, of which 26,388 shares of common stock were issued, after shares were withheld for withholding taxes. The Company recorded stock compensation expense of approximately $0.9 million during 2009 associated with these grants. The 2010 annual restricted stock grant will be made on the date of the Company's 2010 annual stockholders' meeting, which is April 22, 2010. The April 24, 2008 grant equated to 11,320 shares of common stock, of which 8,608 shares of common stock were issued, after shares were withheld for withholding taxes. The Company recorded stock compensation expense of approximately $0.8 million during 2008 associated with these grants. The January 1, 2007 grant equated to 8,080 shares of common stock, of which 6,346 shares of common stock were issued, after shares were withheld for withholding taxes. The Company recorded stock compensation expense of approximately $0.3 million during 2007 associated with these grants.

As of December 31, 2009, of the 5.0 million shares reserved for issuance under the 2006 Plan, approximately 0.8 million shares were available for grant, assuming the maximum number of shares are earned related to the performance award grants discussed above.

**Stock Option Plan**

There have been no grants under the Company's Option Plan since 2002, and the Company does not intend to make any grants under the Option Plan in the future. All grants made expire no later than ten years from the date of grant. All of the Company's outstanding stock options are fully vested. Stock option transactions during the year ended December 31, 2009 were as follows:

| | | |
|---|---|---|
| Options outstanding at January 1 | | 53,600 |
| Options granted | | — |
| Options exercised | | (1,425) |
| Options canceled | | — |
| Options outstanding at December 31 | | 52,175 |
| Options available for grant at December 31 | | 1,935,437 |
| Option price ranges per share: | | |
| Granted | $ | — |
| Exercised | | 11.00-15.12 |
| Canceled | | — |
| Weighted average option prices per share: | | |
| Outstanding at January 1 | $ | 14.75 |
| Granted | | — |
| Exercised | | 12.23 |
| Canceled | | — |
| Outstanding at December 31 | | 14.82 |

At December 31, 2009, the outstanding and exercisable options had a weighted average remaining contractual life of approximately two years and an aggregate intrinsic value of approximately $0.9 million.

The following table sets forth the exercise price range, number of shares, weighted average exercise price, and remaining contractual lives by groups of similar price:

| | Options Outstanding and Exercisable as of December 31, 2009 | | | |
|---|---|---|---|---|
| Range of Exercise Prices | Number of Shares | Weighted Average Remaining Contractual Life (Years) | | Weighted Average Exercise Price |
| $10.06 - $11.63 | 13,900 | 0.8 | $ | 11.51 |
| $15.12 - $20.85 | 38,275 | 2.0 | $ | 16.02 |
| | 52,175 | | $ | 14.82 |

The total intrinsic value of options exercised during the years ended December 31, 2009, 2008 and 2007 was approximately $0.0 million, $0.8 million and $8.3 million, respectively. Cash proceeds received from stock option exercises during 2009, 2008 and 2007 was approximately $0.0 million, $0.3 million and $8.2 million, respectively. The Company realized an insignificant tax benefit from the exercise of these options.

## 11. Derivative Instruments and Hedging Activities

All derivatives are recognized on the Company's Consolidated Balance Sheets at fair value. On the date the derivative contract is entered into, the Company designates the derivative as either (1) a fair value hedge of a recognized liability, (2) a cash flow hedge of a forecasted transaction, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument.

The Company formally documents all relationships between hedging instruments and hedged items, as well as the risk management objectives and strategy for undertaking various hedge transactions. The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flow of hedged items. When it is determined that a derivative is no longer highly effective as a hedge, hedge accounting is discontinued on a prospective basis.

### Foreign Currency Risk

The Company has significant manufacturing operations in the United States, France, Germany, Finland and Brazil, and it purchases a portion of its tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. The Company also sells products in over 140 countries throughout the world. The Company's most significant transactional foreign currency exposures are the Euro, Brazilian real and the Canadian dollar in relation to the United States dollar, and the Euro in relation to the British pound.

The Company attempts to manage its transactional foreign currency exposure by hedging foreign currency cash flow forecasts and commitments arising from the anticipated settlement of receivables and payables and from future purchases and sales. Where naturally offsetting currency positions do not occur, the Company hedges certain, but not all, of its exposures through the use of foreign currency contracts. The Company's translation exposure resulting from translating the financial statements of foreign subsidiaries into United States dollars is not hedged. When practical, the translation impact is reduced by financing local operations with local borrowings.

The foreign currency contracts are primarily forward and options contracts. These contracts' fair value measurements fall within the Level 2 fair value hierarchy under ASC 820. Level 2 fair value measurements are generally based upon quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets. The fair value of foreign currency forward contracts is based on a valuation model that discounts cash flows resulting from the differential between the contract price and the market-based forward rate. The fair value of foreign currency option contracts is based on a valuation model that utilizes spot and forward currency rates, interest rates and currency pair volatility.

The Company's senior management establishes the Company's foreign currency and interest rate risk management policies. These policies are reviewed periodically by the Audit Committee of the Company's Board of Directors. The policy allows for the use of derivative instruments to hedge exposures to movements in foreign currency and interest rates. The Company's policy prohibits the use of derivative instruments for speculative purposes.

#### *Cash Flow Hedges*

During 2009, 2008 and 2007, the Company designated certain foreign currency contracts as cash flow hedges of expected future sales and purchases. The effective portion of the fair value gains or losses on these cash flow hedges were recorded in other comprehensive income (loss) and subsequently reclassified into cost of goods sold during the period the sales and purchases are recognized. These amounts offset the effect of the

changes in foreign currency rates on the related sale and purchase transactions. The amount of the (loss) gain recorded in other comprehensive income (loss) that was reclassified to cost of goods sold during the years ended December 31, 2009, 2008 and 2007 was approximately $(14.5) million, $14.1 million and $4.1 million, respectively, on an after-tax basis. The amount of the (loss) gain recorded to other comprehensive income (loss) related to the outstanding cash flow hedges as of December 31, 2009, 2008 and 2007 was approximately $(1.3) million, $(36.7) million and $7.7 million, respectively, on an after-tax basis. The outstanding contracts as of December 31, 2009 range in maturity through December 2010.

The following table summarizes the activity in accumulated other comprehensive (loss) income related to the derivatives held by the Company during the years ended December 31, 2009, 2008 and 2007 (in millions):

| | Before-Tax Amount | Income Tax | After-Tax Amount |
|---|---|---|---|
| Accumulated derivative net gains as of December 31, 2006 | $ 0.1 | $ — | $ 0.1 |
| Net changes in fair value of derivatives | 15.4 | 3.7 | 11.7 |
| Net gains reclassified from accumulated other comprehensive income into income | (4.1) | — | (4.1) |
| Accumulated derivative net gains as of December 31, 2007 | 11.4 | 3.7 | 7.7 |
| Net changes in fair value of derivatives | (49.5) | (19.2) | (30.3) |
| Net gains reclassified from accumulated other comprehensive loss into income | (16.0) | (1.9) | (14.1) |
| Accumulated derivative net losses as of December 31, 2008 | (54.1) | (17.4) | (36.7) |
| Net changes in fair value of derivatives | 34.6 | 13.7 | 20.9 |
| Net losses reclassified from accumulated other comprehensive loss into income | 18.1 | 3.6 | 14.5 |
| Accumulated derivative net losses as of December 31, 2009 | $ (1.4) | $ (0.1) | $ (1.3) |

As of December 31, 2009, the Company had outstanding foreign currency contracts with a notional amount of approximately $139.3 million that were entered into to hedge forecasted sale and purchase transactions.

***Derivative Transactions Not Designated as Hedging Instruments***

During 2009, 2008 and 2007, the Company entered into foreign currency contracts to hedge receivables and payables on the Company and its subsidiaries' balance sheets that are denominated in foreign currencies other than the functional currency. These contracts were classified as non-designated derivative instruments.

As of December 31, 2009, the Company had outstanding foreign currency contracts with a notional amount of approximately $1,107.0 million that were entered into to hedge receivables and payables that are denominated in foreign currencies other than the functional currency. These contracts were classified as non-designated derivative instruments and changes in the fair value of these contracts are reported in other expense, net. For the years ended December 31, 2009, 2008 and 2007, the Company recorded a net gain of approximately $51.0 million, a net loss of approximately $85.2 million and a net gain of approximately $1.5 million, respectively, under the caption of other expense, net related to these contracts. Gains and losses on such contracts are historically substantially offset by losses and gains on the remeasurement of the underlying asset or liability being hedged.

The table below sets forth the fair value of derivative instruments as of December 31, 2009 (in millions):

| | Asset Derivatives As of December 31, 2009 | | Liability Derivatives As of December 31, 2009 | |
|---|---|---|---|---|
| | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Derivative instruments designated as hedging instruments: | | | | |
| Foreign currency contracts | Other current assets | $ 2.5 | Other current liabilities | $ — |
| Derivative instruments not designated as hedging instruments: | | | | |
| Foreign currency contracts | Other current assets | $ 14.9 | Other current liabilities | 3.6 |
| Total derivative instruments | | $ 17.4 | | $ 3.6 |

***Counterparty Risk***

The Company generally has not required collateral from counterparties, nor has the Company historically been asked to post collateral with respect to hedging transactions except that during 2009 and 2008, the Company deposited cash with a financial institution as security against outstanding foreign currency contracts that matured throughout 2009. As of December 31, 2008, the amount deposited was approximately $33.8 million, and was classified as "Restricted cash" in the Company's Consolidated Balance Sheets. This amount was recovered during 2009 as the contracts matured. As of December 31, 2009, there were no collateral requirements on any hedge transactions. The Company does not have any agreements with contingent features that require the Company to post collateral if there is a change in the credit rating of the Company by the credit rating agencies.

The Company monitors the counterparty risk and credit ratings of all the counterparties regularly. The Company believes that its exposures are appropriately diversified across counterparties and that these counterparties are creditworthy financial institutions. If the Company perceives any risk with a counterparty, then the Company would cease to do business with that counterparty. There have been no negative impacts to the Company from any non-performance of any counterparties.

**12. Commitments and Contingencies**

The future payments required under the Company's significant commitments as of December 31, 2009 are as follows (in millions):

| | Payments Due By Period | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | 2013 | 2014 | Thereafter | Total |
| Interest payments related to indebtedness(1) | $ 25.7 | $ 22.2 | $ 22.2 | $ 22.2 | $ 6.6 | $ — | $ 98.9 |
| Capital lease obligations | 2.1 | 1.3 | 0.5 | 0.1 | 0.1 | — | 4.1 |
| Operating lease obligations | 41.5 | 30.3 | 20.7 | 13.1 | 8.1 | 40.5 | 154.2 |
| Unconditional purchase obligations(2) | 58.6 | 16.2 | 7.5 | — | — | — | 82.3 |
| Other short-term and long-term obligations(3) | 41.8 | 29.3 | 29.3 | 24.1 | 24.2 | 120.4 | 269.1 |
| Total contractual cash obligations | $ 169.7 | $ 99.3 | $ 80.2 | $ 59.5 | $ 39.0 | $ 160.9 | $ 608.6 |

(1) Estimated interest payments are calculated assuming current interest rates over minimum maturity periods specified in debt agreements. Debt may be repaid sooner or later than such minimum maturity periods.

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

(3) Other short-term and long-term obligations include estimates of future minimum contribution requirements under the Company's U.S. and non-U.S. defined benefit pension and postretirement plans. These estimates are based on current legislation in the countries the Company operates within and are subject to change. Other short-term and long-term obligations also include income tax liabilities related to uncertain income tax positions connected with ongoing income tax audits in various jurisdictions. In addition, short-term obligations include amounts due to financial institutions related to sales of certain receivables that did not meet the off-balance sheet criteria under ASC 860.

| | Amount of Commitment Expiration Per Period | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | 2013 | 2014 | Thereafter | Total |
| Guarantees | $ 64.3 | $ 5.0 | $ 4.0 | $ 0.7 | $ 0.1 | $ — | $ 74.1 |

***Off-Balance Sheet Arrangements***

*Guarantees*

The Company maintains a remarketing agreement with its U.S. retail finance joint venture, AGCO Finance LLC, whereby the Company is obligated to repurchase repossessed inventory at market values. The Company has an agreement with AGCO Finance LLC which limits the Company's purchase obligations under this arrangement to $6.0 million in the aggregate per calendar year. The Company believes that any losses that might be incurred on the resale of this equipment will not materially impact the Company's financial position or results of operations, due to the fair value of the underlying equipment.

At December 31, 2009, the Company guaranteed indebtedness owed to third parties of approximately $74.1 million, primarily related to dealer and end user financing of equipment. Such guarantees generally obligate the Company to repay outstanding finance obligations owed to financial institutions if dealers or end users default on such loans through 2012. The Company believes the credit risk associated with these guarantees is not material to its financial position. Losses under such guarantees have historically been insignificant. In addition, the Company would be able to recover any amounts paid under such guarantees from the sale of the underlying financed farm equipment, as the fair value of such equipment would be sufficient to offset a substantial portion of the amounts paid.

**AGCO CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

*Other*

At December 31, 2009, the Company had foreign currency contracts to buy an aggregate of approximately $145.8 million of United States dollar equivalents and foreign currency contracts to sell an aggregate of approximately $935.5 million United States dollar equivalents. The outstanding contracts as of December 31, 2009 range in maturity through December 2010 (Note 11).

The Company sells substantially all of its wholesale accounts receivable in North America to the Company's U.S. and Canadian retail finance joint ventures. The Company also sells certain accounts receivable under its European securitization facility and, from time to time, certain accounts receivable under factoring arrangements to financial institutions around the world. The Company evaluates the sale of such receivables pursuant to the guidelines of ASC 860 and has determined that these facilities should be accounted for as off-balance sheet transactions.

Total lease expense under noncancelable operating leases was $48.5 million, $45.3 million and $38.9 million for the years ended December 31, 2009, 2008 and 2007, respectively.

*Contingencies*

As a result of Brazilian tax legislative changes impacting value added taxes ("VAT"), the Company recorded a reserve of approximately $11.6 million and $13.9 million against its outstanding balance of Brazilian VAT taxes receivable as of December 31, 2009 and 2008, respectively, due to the uncertainty as to the Company's ability to collect the amounts outstanding.

In September 2009, the Company resolved inquiries by the Securities and Exchange Commission ("SEC") and the Department Of Justice ("DOJ") relating to the Company's sales of equipment to the Iraq government between 2000 and 2002 under the United Nations Oil for Food Program. As part of this resolution, the Company entered into a consent agreement with the SEC and a deferred prosecution agreement with the DOJ and paid approximately $19.9 million to the government consisting of disgorgement of profits arising from the sales together with related fines, penalties and interest. The Company also paid $0.6 million to the Danish authorities to resolve a related inquiry. No further governmental inquiries are pending relating to the United Nations Oil for Food Program.

On June 27, 2008, the Republic of Iraq filed a civil action in a federal court in New York, Case No. 08 CIV 59617, naming as defendants three of the Company's foreign subsidiaries that participated in the United Nations Oil for Food Program. Ninety-one other entities or companies were also named as defendants in the civil action due to their participation in the United Nations Oil for Food Program. The complaint purports to assert claims against each of the defendants seeking damages in an unspecified amount. Although the Company's subsidiaries intend to vigorously defend against this action, it is not possible at this time to predict the outcome of this action or its impact, if any, on the Company, although if the outcomes were adverse, the Company could be required to pay damages.

In August 2008, as part of a routine audit, the Brazilian taxing authorities disallowed deductions relating to the amortization of certain goodwill recognized in connection with a reorganization of the Company's Brazilian operations and the related transfer of certain assets to the Company's Brazilian subsidiaries. The amount of the tax disallowance through December 31, 2009, not including interest and penalties, was approximately 90.6 million Brazilian reais (or approximately $51.9 million). The amount ultimately in dispute will be greater because of interest and penalties. The Company has been advised by its legal and tax advisors that its position with respect to the deductions is allowable under the tax laws of Brazil. The Company is contesting the disallowance and believes that it is not likely that the assessment, interest or penalties will be required to be paid. However, the ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which could take several years.

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

**13. Related Party Transactions**

Rabobank, a AAA rated financial institution based in The Netherlands, is a 51% owner in the Company's retail finance joint ventures, which are located in the United States, Canada, Brazil, Germany, France, the United Kingdom, Australia, Ireland and Austria. Rabobank is also the principal agent and participant in the Company's revolving credit facility and its securitization facility in Europe (Notes 4 and 7). The majority of the assets of the Company's retail finance joint ventures represent finance receivables. The majority of the liabilities represent notes payable and accrued interest. Under the various joint venture agreements, Rabobank or its affiliates provide financing to the joint venture companies, primarily through lines of credit. The Company does not guarantee the debt obligations of the retail finance joint ventures other than a portion of the retail portfolio in Brazil that is held outside the joint venture by Rabobank Brazil (Note 12). Prior to 2005, the Company's joint venture in Brazil had an agency relationship with Rabobank whereby Rabobank provided the funding. In February 2005, the Company made a $21.3 million investment in its retail finance joint venture with Rabobank Brazil. With the additional investment, the joint venture's organizational structure is now more comparable to the Company's other retail finance joint ventures and will result in the gradual elimination of the Company's solvency guarantee to Rabobank for the portfolio that was originally funded by Rabobank Brazil. As of December 31, 2009, the solvency requirement for the portfolio held by Rabobank was approximately $3.7 million.

The Company's retail finance joint ventures provide retail financing and wholesale financing to its dealers. The terms of the financing arrangements offered to the Company's dealers are similar to arrangements the retail finance joint ventures provide to unaffiliated third parties. In addition, the Company transfers, on an ongoing basis, substantially all of its wholesale interest-bearing and non-interest bearing accounts receivable in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., our retail finance joint ventures in North America (Note 4). The Company maintains a remarketing agreement with its U.S. retail finance joint ventures, AGCO Finance LLC (Note 12). In addition, as part of sales incentives provided to end users, the Company may from time to time subsidize interest rates of retail financing provided by its retail finance joint ventures. The cost of those programs is recognized at the time of sale to the Company's dealers.

**14. Segment Reporting**

The Company has four reportable segments: North America; South America; Europe/Africa/Middle East; and Asia/Pacific. Each regional segment distributes a full range of agricultural equipment and related replacement parts. The Company evaluates segment performance primarily based on income from operations. Sales for each regional segment are based on the location of the third-party customer. All intercompany transactions between the segments have been eliminated. The Company's selling, general and administrative expenses and engineering expenses, excluding corporate expense, 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 years ended December 31, 2009, 2008 and 2007 are as follows (in millions):

| Years Ended December 31, | North America | South America | Europe/Africa/ Middle East | Asia/ Pacific | Consolidated |
|---|---|---|---|---|---|
| **2009** | | | | | |
| Net sales | $1,442.7 | $1,167.1 | $3,782.1 | $238.5 | $6,630.4 |
| Income from operations | 21.9 | 64.6 | 222.3 | 21.2 | 330.0 |
| Depreciation | 24.1 | 15.7 | 86.9 | 2.9 | 129.6 |
| Assets | 583.9 | 515.1 | 1,566.6 | 140.8 | 2,806.4 |
| Capital expenditures | 33.3 | 29.4 | 152.3 | 0.3 | 215.3 |
| **2008** | | | | | |
| Net sales | $1,794.3 | $1,496.5 | $4,905.4 | $228.4 | $8,424.6 |
| Income from operations | 8.6 | 134.2 | 517.1 | 28.3 | 688.2 |
| Depreciation | 26.8 | 20.0 | 77.8 | 2.8 | 127.4 |
| Assets | 685.0 | 489.2 | 1,751.0 | 86.6 | 3,011.8 |
| Capital expenditures | 31.4 | 25.1 | 194.7 | 0.1 | 251.3 |
| **2007** | | | | | |
| Net sales | $1,488.1 | $1,090.6 | $4,067.1 | $182.3 | $6,828.1 |
| (Loss) income from operations | (35.7) | 101.3 | 398.0 | 19.9 | 483.5 |
| Depreciation | 25.2 | 18.7 | 68.9 | 2.8 | 115.6 |
| Assets | 662.6 | 443.1 | 1,470.4 | 75.8 | 2,651.9 |
| Capital expenditures | 22.2 | 11.3 | 107.7 | 0.2 | 141.4 |

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

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Segment income from operations | $ 330.0 | $ 688.2 | $ 483.5 |
| Corporate expenses | (71.3) | (71.9) | (48.1) |
| Stock compensation | (8.2) | (32.0) | (25.0) |
| Restructuring and other infrequent (expenses) income | (13.2) | (0.2) | 2.3 |
| Amortization of intangibles | (18.0) | (19.1) | (17.9) |
| Consolidated income from operations | $ 219.3 | $ 565.0 | $ 394.8 |
| Segment assets | $ 2,806.4 | $ 3,011.8 | $ 2,651.9 |
| Cash and cash equivalents | 652.7 | 512.2 | 582.4 |
| Restricted cash | — | 33.8 | — |
| Receivables from affiliates | 55.6 | 4.8 | 1.7 |
| Investments in affiliates | 347.5 | 275.1 | 284.6 |
| Deferred tax assets, other current and noncurrent assets | 399.2 | 353.2 | 395.7 |
| Intangible assets, net | 166.8 | 176.9 | 205.7 |
| Goodwill | 634.0 | 587.0 | 665.6 |
| Consolidated total assets | $ 5,062.2 | $ 4,954.8 | $ 4,787.6 |

**AGCO CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)**

Net sales by customer location for the years ended December 31, 2009, 2008 and 2007 were as follows (in millions):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Net sales: | | | |
| United States | $ 1,103.6 | $ 1,349.7 | $ 1,173.8 |
| Canada | 250.8 | 304.9 | 209.4 |
| Germany | 838.4 | 954.8 | 757.6 |
| France | 847.6 | 998.8 | 794.6 |
| United Kingdom and Ireland | 330.8 | 406.9 | 393.9 |
| Finland and Scandinavia | 653.0 | 896.9 | 797.4 |
| Other Europe | 928.2 | 1,472.8 | 1,140.0 |
| South America | 1,155.6 | 1,470.3 | 1,072.9 |
| Middle East and Africa | 184.1 | 175.2 | 183.6 |
| Asia | 72.2 | 66.8 | 65.2 |
| Australia and New Zealand | 166.3 | 161.6 | 117.1 |
| Mexico, Central America and Caribbean | 99.8 | 165.9 | 122.6 |
| | $ 6,630.4 | $ 8,424.6 | $ 6,828.1 |

Net sales by product for the years ended December 31, 2009, 2008 and 2007 were as follows (in millions):

| | 2009 | 2008 | 2007 |
|---|---|---|---|
| Net sales: | | | |
| Tractors | $ 4,393.4 | $ 5,620.7 | $ 4,647.6 |
| Combines | 377.3 | 481.8 | 319.9 |
| Application equipment | 252.2 | 363.8 | 296.8 |
| Other machinery | 667.6 | 909.8 | 680.2 |
| Replacement parts | 939.9 | 1,048.5 | 883.6 |
| | $ 6,630.4 | $ 8,424.6 | $ 6,828.1 |

Property, plant and equipment and amortizable intangible assets by country as of December 31, 2009 and 2008 was as follows (in millions):

| | 2009 | 2008 |
|---|---|---|
| United States | $ 138.6 | $ 129.0 |
| Finland | 195.8 | 206.8 |
| Germany | 297.9 | 237.0 |
| Brazil | 179.3 | 128.3 |
| France | 98.9 | 103.2 |
| Other | 104.0 | 89.3 |
| | $ 1,014.5 | $ 893.6 |

**Item 9.** ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

**Item 9A.** ***Controls and Procedures***

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that the Company's disclosure controls or the Company's internal controls will prevent all errors and all fraud. However, our principal executive officer and principal financial officer have concluded the Company's disclosure controls and procedures are effective at the reasonable assurance level. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. We will conduct periodic evaluations of our internal controls to enhance, where necessary, our procedures and controls.

**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 Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2009, have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

**Management's Annual Report on Internal Control over Financial Reporting**

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements for external purposes in accordance with generally accepted accounting principles. In assessing the effectiveness of the Company's internal controls over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "*Internal Control — Integrated Framework*."

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2009. Based on this assessment, management believes that, as of December 31, 2009, the Company's internal control over financial reporting is effective based on the criteria referred to above.

**Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. However, as a result of the Company's processes to comply with the Sarbanes-Oxley Act of 2002, enhancements to the Company's internal control over financial reporting were implemented as management addressed and remediated deficiencies that had been identified.

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders
AGCO Corporation:

We have audited AGCO Corporation's internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). AGCO Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, AGCO Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of AGCO Corporation as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2009, and our report dated February 26, 2010 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Atlanta, Georgia
February 26, 2010

**Item 9B.** ***Other Information***

None.

## PART III

The information called for by Items 10, 11, 12, 13 and 14, if any, will be contained in our Proxy Statement for the 2010 Annual Meeting of Stockholders which we intend to file in March 2010.

**Item 10.** ***Directors, Executive Officers and Corporate Governance***

The information with respect to directors and committees required by this Item set forth in our Proxy Statement for the 2010 Annual Meeting of Stockholders in the sections entitled "Election of Directors," "Directors Continuing in Office" and "Board of Directors and Certain Committees of the Board" is incorporated herein by reference. The information with respect to executive officers required by this Item set forth under the heading "Executive Officers of the Registrant" in Part I of this Form 10-K and our Proxy Statement for the 2010 Annual Meeting of Stockholders in the section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference.

The information under the heading "Available Information" set forth in Part I of this Form 10-K is incorporated herein by reference. The code of conduct referenced therein applies to our principal executive officer, principal financial officer, principal accounting officer and controller and the persons performing similar functions.

**Item 11.** ***Executive Compensation***

The information with respect to executive compensation and its establishment required by this Item set forth in our Proxy Statement for the 2010 Annual Meeting of Stockholders in the sections entitled "Board of Directors and Certain Committees of the Board," "Compensation Committee Interlocks and Insider Participation," "Executive Compensation" and "Compensation Committee Report" is incorporated herein by reference.

**Item 12.** ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

**(a) Securities Authorized for Issuance Under Equity Compensation Plans**

AGCO maintains its 2006 Plan and its Option Plan pursuant to which we may grant equity awards to eligible persons. For additional information, see Note 10, "Stock Incentive Plans", in the Notes to Consolidated Financial Statements included in this filing. The following table gives information about equity awards under our Plans.

| Plan Category | (a) Number of Securities to be Issued upon Exercise of Outstanding Awards Under the Plans | (b) Weighted-Average Exercise Price of Outstanding Awards Under the Plans | (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) |
|---|---|---|---|
| Equity compensation plans approved by security holders | 2,503,084 | $ 32.93 | 2,749,780 |
| Equity compensation plans not approved by security holders | — | — | — |
| Total | 2,503,084 | $ 32.93 | 2,749,780 |

**(b) Security Ownership of Certain Beneficial Owners and Management**

The information required by this Item set forth in our Proxy Statement for the 2010 Annual Meeting of Stockholders in the section entitled "Principal Holders of Common Stock" is incorporated herein by reference.

**Item 13.** ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this Item set forth in our Proxy Statement for the 2010 Annual Meeting of Stockholders in the section entitled "Certain Relationships and Related Transactions" is incorporated herein by reference.

**Item 14.** ***Principal Accountant Fees and Services***

The information required by this Item set forth in our 2010 Proxy Statement for the Annual Meeting of Stockholders in the sections entitled "Audit Committee Report" and "Board of Directors and Certain Committees of the Board" is incorporated herein by reference.

**PART IV**

**Item 15.** ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as part of this Form 10-K:

(1) The Consolidated Financial Statements, Notes to Consolidated Financial Statements, Report of Independent Registered Public Accounting Firm for AGCO Corporation and its subsidiaries are presented under Item 8 of this Form 10-K.

(2) Financial Statement Schedules:

The following Consolidated Financial Statement Schedule of AGCO Corporation and its subsidiaries are included herein and follow this report.

| Schedule | Description |
|---|---|
| Schedule II | Valuation and Qualifying Accounts |

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

(3) The following exhibits are filed or incorporated by reference as part of this report. Each management contract or compensation plan required to be filed as an exhibit is identified by an asterisk (*).

| Exhibit Number | Description of Exhibit | The Filings Referenced for Incorporation by Reference are Agco Corporation |
|---|---|---|
| 3.1 | Certificate of Incorporation | June 30, 2002, Form 10-Q, Exhibit 3.1 |
| 3.2 | By-Laws | December 31, 2008, Form 10-K, Exhibit 3.2 |
| 4.1 | Rights Agreement | March 31, 1994, Form 10-Q; August 8, 1999, Form 8-A/A, Exhibit 4.1 April 23, 2004, Form 8-A/A, Exhibit 4.1 |
| 4.2 | Indenture dated as of December 23, 2003 | January 7, 2004, Form 8-K, Exhibit 4.1; May 26, 2005, Registration Statement No. 333-125255, Exhibit 4.2 |
| 4.3 | Indenture dated as of April 23, 2004 | April 15, 2004, Form 8-K, Exhibit 4.1 |
| 4.4 | Indenture dated as of December 4, 2006 | December 4, 2006, Form 8-K, Exhibit 10.1 |
| 10.1 | 2006 Long Term Incentive Plan* | June 30, 2008, Form 10-Q, Exhibit 10.3 |
| 10.2 | Form of Non-Qualified Stock Option Award Agreement* | March 31, 2006, Form 10-Q, Exhibit 10.2 |
| 10.3 | Form of Incentive Stock Option Award Agreement* | March 31, 2006, Form 10-Q, Exhibit 10.3 |
| 10.4 | Form of Stock Appreciation Rights Agreement* | March 31, 2006, Form 10-Q, Exhibit 10.4 |
| 10.5 | Form of Restricted Stock Agreement* | March 31, 2006, Form 10-Q, Exhibit 10.5 |
| 10.6 | Form of Performance Share Award* | March 31, 2006, Form 10-Q, Exhibit 10.6 |

| Exhibit Number | Description of Exhibit | The Filings Referenced for Incorporation by Reference are Agco Corporation |
|---|---|---|
| 10.7 | 2001 Stock Option Plan* | March 31, 2001, Form 10-Q, Exhibit 10.2 |
| 10.8 | 1991 Stock Option Plan* | December 31, 1998, Form 10-K, Exhibit 10.8 |
| 10.9 | Form of Stock Option Agreements* | Registration Statement #33-43437 |
| 10.10 | Management Incentive Plan* | June 30, 2008, Form 10-Q, Exhibit 10.4 |
| 10.11 | Executive Non-qualified Pension Plan* | June 30, 2008, Form 10-Q, Exhibit 10.2 |
| 10.12 | Employment and Severance Agreement with Martin H. Richenhagen* | Filed herewith |
| 10.13 | Employment and Severance Agreement with Andrew H. Beck* | June 30, 2008, Form 10-Q, Exhibit 10.5 |
| 10.14 | Employment and Severance Agreement with Andre M. Carioba* | December 31, 2008, Form 10-K, Exhibit 10.15 |
| 10.15 | Employment and Severance Agreement with Gary L. Collar* | June 30, 2008, Form 10-Q, Exhibit 10.6 |
| 10.16 | Employment and Severance Agreement with Hubertus Muehlhaeuser* | June 30, 2008, Form 10-Q, Exhibit 10.7 |
| 10.17 | Employment and Severance Agreement with Hans-Bernd Veltmaat* | Filed herewith |
| 10.18 | Credit Agreement dated as of May 16, 2008 | May 22, 2008, Form 8-K, Exhibit 10.1; Filed herewith |
| 10.19 | U.S. Receivables Purchase Agreement, dated December 22, 2009 | December 23, 2009, Form 8-K, Exhibit 10.1 |
| 10.20 | Canadian Receivables Purchase Agreement, dated December 22, 2009 | December 23, 2009, Form 8-K, Exhibit 10.2 |
| 10.21 | European Receivables Transfer Agreement, dated October 13, 2006 | September 30, 2006, Form 10-Q, Exhibit 10.1; Filed herewith |
| 10.22 | French Receivables Purchase Agreement, dated February 19, 2010 | Filed herewith |
| 10.23 | Current Director Compensation | Filed herewith |
| 21.0 | Subsidiaries of the Registrant | Filed herewith |
| 23.1 | Consent of KPMG LLP | Filed herewith |
| 24.0 | Powers of Attorney | Filed herewith |
| 31.1 | Certification of Martin Richenhagen | Filed herewith |
| 31.2 | Certification of Andrew H. Beck | Filed herewith |
| 32.1 | Certification of Martin Richenhagen and Andrew H. Beck | Filed herewith |

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AGCO Corporation

By: /s/ MARTIN RICHENHAGEN
Martin Richenhagen
*Chairman of the Board, President and Chief Executive Officer*

Dated: February 26, 2010

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

| Signature | Title | Date |
|---|---|---|
| /s/ MARTIN RICHENHAGEN<br>Martin Richenhagen | Chairman, President and Chief Executive Officer | February 26, 2010 |
| /s/ ANDREW H. BECK<br>Andrew H. Beck | Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) | February 26, 2010 |
| /s/ P. GEORGE BENSON *<br>P. George Benson | Director | February 26, 2010 |
| /s/ HERMAN CAIN *<br>Herman Cain | Director | February 26, 2010 |
| /s/ WOLFGANG DEML *<br>Wolfgang Deml | Director | February 26, 2010 |
| /s/ FRANCISCO R. GROS *<br>Francisco R. Gros | Director | February 26, 2010 |
| /s/ GERALD B. JOHANNESON *<br>Gerald B. Johanneson | Director | February 26, 2010 |
| /s/ THOMAS W. LASORDA*<br>Thomas W. Lasorda | Director | February 26, 2010 |
| /s/ GEORGE E. MINNICH *<br>George E. Minnich | Director | February 26, 2010 |
| /s/ CURTIS E. MOLL *<br>Curtis E. Moll | Director | February 26, 2010 |

| Signature | Title | Date |
|---|---|---|
| /s/ GERALD L. SHAHEEN *<br>Gerald L. Shaheen | Director | February 26, 2010 |
| /s/ HENDRIKUS VISSER *<br>Hendrikus Visser | Director | February 26, 2010 |
| *By: /s/ ANDREW H. BECK<br>Andrew H. Beck<br>*Attorney-in-Fact* | | February 26, 2010 |

**ANNUAL REPORT ON FORM 10-K**
**ITEM 15 (A)(2)**
**FINANCIAL STATEMENT SCHEDULE**
**YEAR ENDED DECEMBER 31, 2009**

## AGCO CORPORATION AND SUBSIDIARIES

## SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
**(In millions)**

| Description | Balance at Beginning of Period | Additions: Acquired Businesses | Additions: Charged to Costs and Expenses | Deductions | Foreign Currency Translation | Balance at End of Period(2) |
|---|---|---|---|---|---|---|
| Year ended December 31, 2009 | | | | | | |
| Allowances for sales incentive discounts | $ 125.1 | $ — | $ 199.1 | $ (226.7) | $ — | $ 97.5 |
| Year ended December 31, 2008 | | | | | | |
| Allowances for sales incentive discounts | $ 107.9 | $ — | $ 193.9 | $ (176.7) | $ — | $ 125.1 |
| Year ended December 31, 2007 | | | | | | |
| Allowances for sales incentive discounts | $ 82.6 | $ — | $ 186.9 | $ (161.6) | $ — | $ 107.9 |

| Description | Balance at Beginning of Period | Additions: Acquired Businesses | Additions: Charged (Credited) to Costs and Expenses | Deductions | Foreign Currency Translation | Balance at End of Period |
|---|---|---|---|---|---|---|
| Year ended December 31, 2009 | | | | | | |
| Allowances for doubtful accounts | $ 28.1 | $ — | $ 7.1 | $ (6.7) | $ 6.5 | $ 35.0 |
| Year ended December 31, 2008 | | | | | | |
| Allowances for doubtful accounts | $ 34.5 | $ — | $ 2.1 | $ (3.5) | $ (5.0) | $ 28.1 |
| Year ended December 31, 2007 | | | | | | |
| Allowances for doubtful accounts | $ 37.7 | $ 0.2 | $ (0.5) | $ (5.4) | $ 2.5 | $ 34.5 |

| Description | Balance at Beginning of Period | Additions: Charged to Costs and Expenses | Additions: Reversal of Accrual | Deductions | Foreign Currency Translation | Balance at End of Period |
|---|---|---|---|---|---|---|
| Year ended December 31, 2009 | | | | | | |
| Accruals of severance, relocation and other integration costs | $ — | $ 13.2 | $ — | $ (5.0) | $ (0.2) | $ 8.0 |
| Year ended December 31, 2008 | | | | | | |
| Accruals of severance, relocation and other integration costs | $ 0.9 | $ 0.2 | $ (0.4) | $ (0.7) | $ — | $ — |
| Year ended December 31, 2007 | | | | | | |
| Accruals of severance, relocation and other integration costs | $ 1.1 | $ 0.9 | $ — | $ (1.2) | $ 0.1 | $ 0.9 |

| Description | Balance at Beginning of Period | Additions: Acquired Businesses | Additions: Charged (Credited) to Costs and Expenses(1) | Deductions | Foreign Currency Translation | Balance at End of Period |
|---|---|---|---|---|---|---|
| Year ended December 31, 2009 | | | | | | |
| Deferred tax valuation allowance | $ 294.4 | $ — | $ (38.0) | $ — | $ 5.3 | $ 261.7 |
| Year ended December 31, 2008 | | | | | | |
| Deferred tax valuation allowance | $ 287.5 | $ — | $ 14.6 | $ — | $ (7.7) | $ 294.4 |
| Year ended December 31, 2007 | | | | | | |
| Deferred tax valuation allowance | $ 258.4 | $ — | $ 20.5 | $ — | $ 8.6 | $ 287.5 |

(1) Amounts charged through other comprehensive income (loss) during the years ended December 31, 2009, 2008 and 2007 were $0.8 million, $7.7 million and $(2.1) million, respectively.

(2) As of December 31, 2009, approximately $94.5 million of this balance was recorded within “Accrued expenses” and approximately $3.0 million was recorded within “accounts receivable allowances” in the Company’s Consolidated Balance Sheets.

AGCO
Your Agriculture Company

EMPLOYMENT AND SEVERANCE AGREEMENT
AS AMENDED AND RESTATED

This Employment and Severance Agreement (the “Agreement”), originally effective as of the 21st day of July, 2004, is amended and restated effective this 1st day of March, 2010, by and between AGCO CORPORATION, a Delaware corporation (the “Company”), and Martin Richenhagen (the “Executive”). This Agreement amends, restates and supersedes the Employment and Severance Agreement between the Company and the Executive effective as of the 21st day of July, 2004 and any subsequent amendments or restatements thereto.

WITNESSETH:

In consideration of the mutual covenants and agreements hereinafter set forth, the Company and the Executive do hereby agree as follows:

1. EMPLOYMENT.

(a) The Company hereby employs the Executive, and the Executive hereby agrees to serve the Company, upon the terms and conditions set forth in this Agreement.

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

2. POSITION AND DUTIES.

The Executive shall serve as Chairman, President and Chief Executive Officer of the Company and shall perform such duties and responsibilities as may from time to time be prescribed by the Company’s board of directors (the “Board”), provided that such duties and responsibilities are consistent with the Executive’s position. The Executive shall perform and discharge faithfully, diligently and to the best of his ability such duties and responsibilities and shall devote all of his working time and efforts to the business and affairs of the Company and its affiliates, including, but not limited to, outside directorships. During the three (3) years following a Change in Control (as defined herein), the Executive’s position (including offices, titles and reporting requirements), duties, and responsibilities shall not be reduced, and the Executive shall not be required to work at a location other than the location at which the Executive was based at the time of the Change in Control.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") One Million Fifty Thousand Dollars ($1,050,000 USD), payable in equal semi-monthly installments throughout the term of such employment subject to Section 5 hereof (except that the first and last semi-monthly installments may be prorated, if necessary) and subject to applicable tax and payroll deductions. The Company shall consider increases in the Executive's Base Salary annually, and any such increase in salary implemented by the Company shall become the Executive's Base Salary for purposes of this Agreement.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his obligations pursuant to this Agreement, the Executive shall be entitled to participate in the Management Incentive Plan and the Long-Term Incentive Plan that is implemented by the Company.

(c) EXECUTIVE NONQUALIFIED PENSION PLAN. During the term of this Agreement, the Executive shall be entitled to participate in the AGCO Corporation Executive Nonqualified Pension Plan ("SERP"), and the SERP shall be amended to provide for the following:

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

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

(d) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the employee benefit plans and arrangements which are available to senior executive officers of the Company, including, without limitation, group health and life insurance, pension and savings, and the Senior Management Employment Policy.

(e) FRINGE BENEFITS. The Company shall pay or reimburse the Executive promptly for all reasonable and necessary expenses incurred by him in connection with his duties hereunder, upon submission by the Executive to the Company of such written evidence of such expenses as the Company may require. Throughout the term of this Agreement, the Company will provide the Executive with the use of a vehicle for purposes within the scope of his employment and shall pay, or reimburse Executive for, all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company shall make any such reimbursement or payments under this Section 3(e) no later than the last day of the Executive's

taxable year next following the Executive's taxable year in which the Executive incurs the expense. The Company further agrees that the Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder, subject to the terms of the Company's vacation policy.

(f) MODIFICATION OF BENEFITS. Without by implication limiting the foregoing, during the three (3) years following a Change in Control, the Executive's compensation, including Base Salary, incentive compensation opportunity, SERP opportunity, other benefits and fringe benefits shall not be reduced. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life, group health or similar benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

4. RESTRICTIVE COVENANTS

(a) ACKNOWLEDGMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he frequently will be exposed to certain "Trade Secrets" and "Confidential Information" of the Company (as those terms are defined in Subsection 4(b)), (ii) his responsibilities on behalf of the Company will extend to all geographical areas where the Company is doing business, and (iii) any competitive activity on his part during the term of his employment and for a reasonable period thereafter would necessarily involve his use of the Company's Trade Secrets and Confidential Information and, therefore, would unfairly threaten the Company's legitimate business interests, including its substantial investment in the proprietary aspects of its business and the goodwill associated with its customer base. Moreover, the Executive acknowledges that, in the event of the termination of his employment with the Company, he would have sufficient skills to find alternative, commensurate work in his field of expertise that would not involve a violation of any of the provisions of this Section 4. Therefore, the Executive acknowledges and agrees that it is reasonable for the Company to require him to abide by the covenants set forth in this Section 4. The parties acknowledge and agree that if the nature of the Executive's responsibilities for or on behalf of the Company and the geographical areas in which the Executive must fulfill them materially change, the parties will execute appropriate amendments to the scope of the covenants in this Section 4.

(b) DEFINTIONS.

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

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

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

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

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

(c) COVENANT OF CONFIDENTIALITY. During the term of this Agreement, the Executive agrees only to use and disclose Confidential Information in connection with his duties hereunder and to otherwise maintain the secrecy of the same. The Executive agrees that for a period of five years following the cessation of his employment for any reason, he shall not directly or indirectly divulge or make use of any Confidential Information or Trade Secrets of the Company without prior written consent of the Company. The Executive further agrees that if he is questioned about information subject to this Agreement by anyone not authorized to receive such information, he will promptly notify the Chairman of the Board. This Agreement does not limit the remedies available under common or statutory law, which may impose longer duties of non-disclosure. The Executive will immediately notify the Chairman of the Board if he receives any subpoenas which could require the disclosure of Confidential Information, so that the Company may take whatever actions it deems necessary to protect its interests.

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

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

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

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

(h) ASSIGNMENT OF WORK PRODUCT AND INVENTIONS. The Executive hereby assigns and grants to the Company (and will upon request take any actions needed to formally assign and grant to the Company and/or obtain patents, trademark registrations or copyrights belonging to the Company) the sole and exclusive ownership of any and all inventions, information, reports, computer software or programs, writings, technical information or work product collected or developed by the Executive, alone or with others, during the term of the Executive's employment. This duty applies whether or not the forgoing inventions or information are made or prepared in the course of employment with the Company, so long as such inventions or information relate to the Business of Company and have been developed in whole or in part during the term of the Executive's employment. The Executive agrees to advise the Company in writing of each invention that Executive, alone or with others, makes or conceives during the term of Executive's employment. Inventions which the Executive developed before the Executive came to work for the Company, if any, are as follows: None.

(i) REMEDIES FOR VIOLATION OF RESTRICTIVE COVENANTS. The Executive acknowledges that the Company would suffer irreparable harm if the Executive fails to comply with the foregoing, and that the Company would be entitled to any appropriate relief, including money damages, injunctive and other equitable relief and attorneys' fees. The

Executive agrees that the pendency of any claim whatsoever against the Company shall not constitute a defense to the enforcement of this Noncompetition Agreement by the Company.

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

5. TERMINATION.

(a) DEATH. This Agreement shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of Base Salary to the Executive, the death of the Executive shall be deemed to have occurred ninety (90) days from the last day of the month in which the death of the Executive shall have occurred.

(b) DISABILITY. Executive's employment and all obligations of the Company hereunder shall terminate upon a finding that the Executive is disabled under the Company's group long term disability plan.

(c) CAUSE. The Company may terminate the Executive's employment hereunder for Cause by giving written Notice of Termination to the Executive. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon: (i) the conviction of Executive of, or the entry of a plea of guilty, first offender probation before judgment, or *nolo contendere* by Executive to, any felony; (ii) fraud, misappropriation or embezzlement by Executive; (iii) Executive's willful failure or gross negligence in the performance of his assigned duties for the Company, which failure or negligence continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such willful failure or gross negligence; (iv) Executive's failure to follow reasonable and lawful directives of the Board or his breach of his fiduciary duty to the Company, which failure is not remedied within thirty (30) calendar days following Executive's receipt of written notice of such failure; (v) any act or omission of Executive that has a demonstrated and material adverse impact on the Company's business or reputation for honesty and fair dealing, other than an act or failure to act by Executive in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's business or reputation for honesty and fair dealing; or (vi) the breach by Executive of any material term of this Agreement, which breach continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such breach.

(d) WITHOUT CAUSE; GOOD REASON.

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

(ii) The Executive may terminate his employment hereunder, by giving written Notice of Termination to the Company. For the purposes of this Agreement, the Executive shall have "Good Reason" to terminate his employment hereunder upon (a) a substantial reduction in the Executive's aggregate Base Salary and annual incentive compensation taken as a whole, excluding any reductions caused by the performance of the Company or the Executive, including but not limited to, the failure by the Executive to achieve performance targets established from time to time by the Board and/or under the Management Incentive Plan or Long Term Incentive Plan or from below budget performance by the Company, or (b) the Company's failure to make payments of Base Pay and incentive compensation, but only upon notice of such failure given by the Executive within ninety (90) days of the initial existence of the failure and the subsequent failure of the Company to cure the non-payment within thirty (30) days of such notice.

(e) NOTICE OF TERMINATION. Any termination by the Company pursuant to the Subsections (b), (c) or (d)(i) above or by the Executive pursuant to Subsection (d)(ii) above, shall be communicated by written Notice of Termination from the party issuing such notice to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision of this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination. A date of termination specified in the Notice of Termination shall not be dated earlier than ninety (90) days from the date such Notice is delivered or mailed to the applicable party and not later than two (2) years after the initial existence of the failure.

(f) OBLIGATION TO PAY. Except upon termination for Cause, voluntary termination by the Executive without Good Reason, or termination as a result of death or disability, and further subject to Sections 6 and 16 below, the Company shall (i) pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f), (ii) continue to provide, no less frequently than monthly, life insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f), and (iii) if and to the extent the Executive timely elects COBRA continuation coverage, pay the Executive on a monthly basis the cost of COBRA premiums for a period of 18 months or such lesser period as the Executive continues to have COBRA continuation coverage.

If the Executive's employment shall be terminated by reason of death, the estate of the Executive shall be paid all Base Salary and reimbursements otherwise payable to the Executive through the end of the third month after the month in which the death of the Executive occurred, plus all bonus or other incentive benefits accrued or accruable to the Executive through the end of the month in which the death of the Executive occurred, on the same basis as if the Executive had continued employment through such times, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment is terminated by reason of disability as determined under the Company's long term disability plan, the Executive or the person charged with legal responsibility for the Executive's estate shall be paid all Base Salary and reimbursements and payments otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, on the same basis as if the Executive had continued employment through the date of disability, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment shall be terminated for Cause, the Company shall pay the Executive his Base Salary through the date of termination specified in the Notice of Termination and reimbursements otherwise payable to the Executive and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment shall be terminated by the Company by not renewing the Agreement following the initial term or any subsequent term, the Executive shall be paid all Base Salary and reimbursements and payments otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, through the date of termination specified in the Notice of Termination, and the Company shall pay the Executive the sum of (x) two (2) times the Base Salary (at the rate in effect on the date of such termination plus (y) a bonus in an amount equal to the three (3) year average of the awards received by the participant during the prior two (2) completed years and the current year's trend (based upon results through the month most recently complete prior to the termination, extrapolated for the complete year) multiplied by two (2) times provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments under clauses (x) or (y) of this sentence upon and after reaching age 65. The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of this Agreement or any applicable employee benefit plans or programs of the Company or under applicable law.

If the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason, the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of two (2) years from the date of such termination (such two (2) year period being referred to hereinafter as the "Severance Period") at such intervals as the same would have been paid had the Executive remained in the active service of the Company, plus (y) a bonus in an amount equal to the three (3) year average of the awards received by the participant during the prior two (2) completed years and the current year's trend (based upon results through the month most recently complete prior to the

termination, extrapolated for the complete year) multiplied by two (2) times; provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments under clauses (x) and (y) of this sentence upon and after reaching age 65 . The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of this Agreement or any applicable employee benefit plans or programs of the Company or under applicable law.

If within two (2) years following a Change in Control the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason (a "Change in Control Termination"), the Company shall immediately pay, and in all events within thirty (30) days after the date of termination, the Executive the sum of (x) three (3) times the Base Salary (at the rate in effect on the date of such termination), (y) a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, plus (z) a bonus in an amount equal to the three (3) year average of the awards received by the participant during the prior two (2) completed years and the current year's trend (based upon results through the month most recently complete prior to the termination, extrapolated for the complete year) multiplied by three (3) times. Any payment due to the Executive with respect to clause (y) and (z) that is calculated based upon the Company's Management Incentive Plan shall be reduced by any similar amounts received by the Executive under such plan. Also, notwithstanding the foregoing, in the event of a Change in Control Termination, the Company shall continue the Executive's life and group health coverage for a period of three (3) years, subject to the same payments by the Executive that the Executive was required to make prior to termination. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life or group health benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

For the purposes of this Agreement, the term "Change in Control" shall mean change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company's assets, as described in Section 280G of the Code, including each of the following: (i) a change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (unless any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock); (ii) change in the effective control of the Company is presumed (which presumption may be rebutted by the Compensation Committee of the Board) to occur on the date that either: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of such Company;

(iii) a majority of members of the Company's Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board prior to the date of the appointment or election of such new directors; or (iv) a change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to forty percent (40%) or more of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to: a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company; a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company; or an entity, at least fifty percent (50%) of the total value or voting power is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value of voting power of all of the outstanding stock of the Company.

(g) TAXES. In the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive in the event of a Change in Control, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, (a "Change in Control Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Change in Control Payments. The Company shall pay all such Gross-Up Payments before such excise taxes are required to be remitted.

6. CONDITIONS APPLICABLE TO SEVERANCE PERIOD; MITIGATION OF DAMAGES

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

(b) Although the Executive shall not be required to mitigate the amount of any payment provided for in Subsection 5(f) by seeking other employment, except in the case of

a Change in Control Termination, any such payments shall be reduced by any amounts which the Executive receives or is entitled to receive from another employer with respect to the Severance Period. The Executive shall promptly notify the Company in writing in the event that other employment is obtained during the Severance Period.

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

in the case of the Company to:

AGCO Corporation
4205 River Green Parkway
Duluth, Georgia 30096
Attention: Debra Kuper

in the case of the Executive to:

Martin Richenhagen
2778 Grey Moss Pass
Duluth, Georgia 30097

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

8. ARBITRATION. Any claim, controversy, or dispute arising between the parties with respect to this Agreement, to the maximum extent allowed by applicable law, shall be submitted to and resolved by binding arbitration. The arbitration shall be conducted pursuant to the terms of the Federal Arbitration Act and (except as otherwise specified herein) the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the arbitration is commenced. The venue for the arbitration shall be the Atlanta, Georgia offices of the American Arbitration Association. Either party may notify the other party at any time of the existence of an arbitrable controversy by delivery in person or by certified mail of a Notice of Arbitrable Controversy. Upon receipt of such a Notice, the parties shall attempt in good faith to resolve their differences within fifteen (15) days after the receipt of such Notice. Notice to the Company and the Executive shall be sent to the addresses specified in Section 7 above. If the dispute cannot be resolved within the fifteen (15) day period, either party may file a written Demand for Arbitration with the American Arbitration Association's Atlanta, Georgia Regional Office, and shall send a copy of the Demand for Arbitration to the other party. The arbitration shall be conducted before a panel of three (3) arbitrators. The arbitrators shall be selected as follows: (a) The party filing the Demand for Arbitration shall simultaneously specify his or its arbitrator, giving the name, address and telephone number of said arbitrator; (b) The party receiving such notice shall notify the party demanding the arbitration of his or its arbitrator, giving the name, address and telephone number of the arbitrator within five (5) days of the

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

Executive initials:__________ Company initials:__________

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

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

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

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

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

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

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

16. DEFERRED COMPENSATION PLAN OMNIBUS PROVISIONS. Notwithstanding any other provision of this Agreement, it is intended that any payment or benefit which is provided pursuant to or in connection with this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be provided and paid in a manner, and at such time, including without limitation payment and provision of benefits only in connection with a permissible payment event contained in Section 409A (e.g., death or separation from service from the Company and its affiliates as defined for purposes of Section 409A of the Code), and in such form, as complies with the applicable requirements of Section 409A of the Code, to avoid the unfavorable tax consequences provided therein for non-compliance. For purposes of this Agreement, all rights to payments and benefits hereunder shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Section 409A of the Code. If Executive is a "specified employee" (as defined in Section 409A of the Code) and any of the Company's stock is publicly traded on an established securities market or otherwise, then payment of any amount or provision of any benefit under this Agreement which is considered to be deferred compensation subject to Section 409A of the Code shall be deferred for six (6) months as required by Section 409A(a)(2)(B)(i) of the Code (the "409A Deferral Period"). In the event such payments are otherwise due to be made in installments or periodically during the 409A Deferral Period, the payments which would otherwise have been made in the 409A Deferral Period shall be accumulated and paid in a lump sum as soon as the 409A Deferral Period ends, and the balance of the payments shall be made as otherwise scheduled. In the event benefits are required to be deferred, any such benefit may be provided during the 409A Deferral Period at Executive's expense, with Executive having a right to reimbursement from the Company once the 409A Deferral Period ends, and the balance of the benefits shall be provided as otherwise scheduled. For purposes of this Agreement, any termination of employment will be read to mean a "separation from service" within the meaning of Section 409A of the Code where it is reasonably anticipated that no further services would be performed after such date or that the level of bona fide services Executive would perform after that date (whether as an employee or independent contractor) would permanently decrease to less than fifty percent (50%) of the average level of bona fide services performed over the immediately preceding thirty-six (36)-month period.

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

AGCO CORPORATION

By: /s/ Debra E. Kuper

Name: Debra E. Kuper

Title: VP, General Counsel & Secretary

EXECUTIVE

By: /s/ Martin Richenhagen

Name: Martin Richenhagen

Date: February 24, 2010

**Exhibit 10.17**

EMPLOYMENT AND SEVERANCE AGREEMENT

This Employment and Severance Agreement (the "Agreement"), is entered into this 1st day of July, 2009, by and between AGCO CORPORATION, a Delaware corporation (the "Company"), and Hans-Bernd Veltmaat (the "Executive").

WITNESSETH:

In consideration of the mutual covenants and agreements hereinafter set forth, the Company and the Executive do hereby agree as follows:

1. EMPLOYMENT.

(a) The Company hereby employs the Executive, and the Executive hereby agrees to serve the Company, upon the terms and conditions set forth in this Agreement.

(b) The employment term previously commenced and shall continue in effect until terminated in accordance with Section 5 or any other provision of the Agreement.

2. POSITION AND DUTIES.

The Executive shall serve as an executive of the Company and shall perform such duties and responsibilities as may from time to time be prescribed by the Company's board of directors (the "Board"), provided that such duties and responsibilities are consistent with the Executive's position. The Executive shall perform and discharge faithfully, diligently and to the best of his ability such duties and responsibilities and shall devote all of his working time and efforts to the business and affairs of the Company and its affiliates. During the one (1) year following a Change in Control (as defined herein), the Executive's position (including offices, titles and reporting requirements), duties, and responsibilities shall not be reduced, and the Executive shall not be required to work at a location other than the location at which the Executive was based at the time of the Change in Control.

3. COMPENSATION.

(a) BASE SALARY. The Company shall pay to the Executive an annual base salary ("Base Salary") of Four Hundred Seventy Two Thousand, Seven Hundred Twelve Dollars ($472,712.00) payable in equal semi-monthly installments throughout the term of such employment subject to Section 5 hereof (except that the first and last semi-monthly installments may be prorated, if necessary) and subject to applicable tax and payroll deductions. The Company shall consider increases in the Executive's Base Salary annually, and any such increase in salary implemented by the Company shall become the Executive's Base Salary for purposes of this Agreement.

(b) INCENTIVE COMPENSATION. Provided Executive has duly performed his obligations pursuant to this Agreement, the Executive shall be entitled to participate in the Management Incentive Compensation Plan and the Long-Term Incentive Plan that is implemented by the Company.

(c) SUPPLEMENTAL EMPLOYEE RETIREMENT PROGRAM. During the term of this Agreement, the Executive shall be entitled to participate in the AGCO Corporation Supplemental Executive Retirement Plan (“SERP”).

(d) OTHER BENEFITS. During the term of this Agreement, the Executive shall be entitled to participate in the employee benefit plans and arrangements which are available to senior executive officers of the Company, including, without limitation, group health and life insurance, pension and savings, and the Senior Management Employment Policy.

(e) FRINGE BENEFITS. The Company shall pay or reimburse the Executive promptly for all reasonable and necessary expenses incurred by him in connection with his duties hereunder, upon submission by the Executive to the Company of such written evidence of such expenses as the Company may require. Throughout the term of this Agreement, the Company will provide the Executive with the use of a vehicle for purposes within the scope of his employment and shall pay, or reimburse Executive for, all expenses for fuel, maintenance and insurance in connection with such use of the automobile. The Company shall make any such reimbursement or payments under this Section 3(e) no later than the last day of the Executive’s taxable year next following the Executive’s taxable year in which the Executive incurs the expense. The Company further agrees that the Executive shall be entitled to four (4) weeks of vacation in any year of the term of employment hereunder, subject to the terms of the Company’s vacation policy.

(f) MODIFICATION OF BENEFITS. Without by implication limiting the foregoing, during the one (1) year following a “Change in Control,” the Executive’s compensation, including Base Salary, incentive compensation opportunity, SERP opportunity, other benefits and fringe benefits shall not be reduced. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees and, taken together, do not materially reduce the Executive’s health benefits. To the extent that the Company is not able to continue life, group health or similar benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

4. RESTRICTIVE COVENANTS

(a) ACKNOWLEDGMENTS. The Executive acknowledges that as an Executive Officer of the Company (i) he frequently will be exposed to certain “Trade Secrets” and “Confidential Information” of the Company (as those terms are defined in Subsection 4(b)), (ii) his responsibilities on behalf of the Company will extend to all geographical areas where the

Company is doing business, and (iii) any competitive activity on his part during the term of his employment and for a reasonable period thereafter would necessarily involve his use of the Company's Trade Secrets and Confidential Information and, therefore, would unfairly threaten the Company's legitimate business interests, including its substantial investment in the proprietary aspects of its business and the goodwill associated with its customer base. Moreover, the Executive acknowledges that, in the event of the termination of his employment with the Company, he would have sufficient skills to find alternative, commensurate work in his field of expertise that would not involve a violation of any of the provisions of this Section 4. Therefore, the Executive acknowledges and agrees that it is reasonable for the Company to require him to abide by the covenants set forth in this Section 4. The parties acknowledge and agree that if the nature of the Executive's responsibilities for or on behalf of the Company and the geographical areas in which the Executive must fulfill them materially change, the parties will execute appropriate amendments to the scope of the covenants in this Section 4.

(b) DEFINTIONS.

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

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

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

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

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

(c) COVENANT OF CONFIDENTIALITY. During the term of this Agreement, the Executive agrees only to use and disclose Confidential Information in connection with his duties hereunder and to otherwise maintain the secrecy of the same. The Executive agrees that for a period of five years following the cessation of his employment for any reason, he shall not directly or indirectly divulge or make use of any Confidential Information or Trade Secrets of the Company without prior written consent of the Company. The Executive further agrees that if he is questioned about information subject to this Agreement by anyone not authorized to receive such information, he will promptly notify the Chairman of the Board. This Agreement does not limit the remedies available under common or statutory law, which may impose longer duties of non-disclosure. The Executive will immediately notify the Chairman of the Board if he receives any subpoenas which could require the disclosure of Confidential Information, so that the Company may take whatever actions it deems necessary to protect its interests.

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

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

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

(g) COVENANT TO RETURN PROPERTY AND INFORMATION. The Executive agrees to return all of the Company’s property within seven (7) days following the cessation of his employment for any reason. Such property includes, but is not limited to, the original and any copy (regardless of the manner in which it is recorded) of all information

provided by the Company to the Executive, or which the Executive has developed or collected in the scope of his employment with the Company, as well as all Company-issued equipment, supplies, accessories, vehicles, keys, instruments, tools, devices, computers, cell phones, pagers, materials, documents, plans, records, notebooks, drawings, or papers.

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

________________________________________________.

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

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

5. TERMINATION.

(a) DEATH. This Agreement shall terminate upon the death of the Executive, provided, however, that for purposes of the payment of Base Salary to the Executive, the death of the Executive shall be deemed to have occurred ninety (90) days from the last day of the month in which the death of the Executive shall have occurred.

(b) DISABILITY. Executive's employment and all obligations of the Company hereunder shall terminate upon a finding that the Executive is disabled under the Company's group long term disability plan.

(c) CAUSE. The Company may terminate the Executive's employment hereunder for Cause by giving written Notice of Termination to the Executive. For the purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon: (i) the conviction of Executive of, or the entry of a plea of guilty, first offender probation before judgment, or *nolo contendere* by Executive to, any felony; (ii) fraud, misappropriation or embezzlement by Executive; (iii) Executive's willful failure or gross negligence in the performance of his assigned duties for the Company, which failure or negligence continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such willful failure or gross negligence; (iv) Executive's failure to follow reasonable and lawful directives of the Board or his breach of his fiduciary duty to the Company, which failure is not remedied within thirty (30) calendar days following Executive's receipt of written notice of such failure; (v) any act or omission of Executive that has a demonstrated and material adverse impact on the Company's business or reputation for honesty and fair dealing, other than an act or failure to act by Executive in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's business or reputation for honesty and fair dealing; or (vi) the breach by Executive of any material term of this Agreement, which breach continues for more than or was not remedied within thirty (30) calendar days following Executive's receipt of written notice of such breach.

(d) WITHOUT CAUSE; GOOD REASON.

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

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

(e) NOTICE OF TERMINATION. Any termination by the Company pursuant to the Subsections (b), (c) or (d)(i) above or by the Executive pursuant to Subsection (d)(ii) above, shall be communicated by written Notice of Termination from the party issuing such notice to the other party hereto. For purposes of this Agreement, a "Notice of Termination"

shall mean a notice which shall indicate the specific termination provision of this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination. A date of termination specified in the Notice of Termination shall not be dated earlier than ninety (90) days from the date such Notice is delivered or mailed to the applicable party.

(f) OBLIGATION TO PAY. Except upon termination for Cause, voluntary termination by the Executive without Good Reason, or termination as a result of death or disability, and further subject to Sections 6 and 16 below, the Company shall (i) pay the compensation specified in this Subsection 5(f) to the Executive for the period specified in this Subsection 5(f), (ii) continue to provide, no less frequently than monthly, life insurance benefits during the remainder of the applicable period, including the Severance Period set forth in this Subsection 5(f), and (iii) if and to the extent the Executive timely elects COBRA continuation coverage, pay the Executive, no less frequently than monthly, the cost of COBRA premiums for a period of 18 months or such lesser period as the Executive continues to have COBRA continuation coverage.

If the Executive's employment shall be terminated by reason of death, the estate of the Executive shall be paid all sums otherwise payable to the Executive through the end of the third month after the month in which the death of the Executive occurred, including all bonus or other incentive benefits accrued or accruable to the Executive through the end of the month in which the death of the Executive occurred, on the same basis as if the Executive had continued employment through such times, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment is terminated by reason of disability as determined under the Company's long term disability plan, the Executive or the person charged with legal responsibility for the Executive's estate shall be paid all sums otherwise payable to the Executive, including the bonus and other benefits accrued or accruable to the Executive, on the same basis as if the Executive had continued employment through the date of disability, and the Company shall have no further obligations to the Executive under this Agreement.

If the Executive's employment shall be terminated for Cause, the Company shall pay the Executive his Base Salary through the date of termination specified in the Notice of Termination and reimbursements otherwise payable to the Executive, and the Company shall have no further obligations to the Executive under this Agreement.

Unless such termination occurs within two (2) years following a Change in Control, if the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason, the Company shall (x) continue to pay the Executive the Base Salary (at the rate in effect on the date of such termination) for a period of one (1) year from the date of such termination (such one (1) year period being referred to hereinafter as the "Severance Period") at such intervals as the same would have been paid had the Executive remained in the active service of the Company, and (y) pay the Executive a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination

had the Executive remained employed for the entire year, which incentive compensation shall be payable at the time incentive compensation is payable generally under the applicable incentive plans; provided, however, that notwithstanding the foregoing, the Executive shall not be entitled to any severance payments under clauses (x) and (y) of this sentence upon and after reaching age 65 . The Executive shall have no further right to receive any other compensation, benefits or perquisites after the date of termination of employment except as determined under the terms of this Agreement or any applicable employee benefit plans or programs of the Company or under applicable law.

If within two (2) years following a Change in Control the Executive's employment shall be terminated by the Company without Cause or by the Executive for Good Reason (a "Change in Control Termination"), the Company shall immediately, and in all events within thirty (30) days after the date of termination, pay the Executive the sum of (x) two (2) times the Base Salary (at the rate in effect on the date of such termination), (y) a pro rata portion of the bonus or other incentive benefits to which the Executive would have been entitled for the year of termination had the Executive remained employed for the entire year, plus (z) a bonus in an amount equal to the three (3) year average of the awards received by the participant during the prior two (2) completed years and the current year's trend (based upon results through the month most recently complete prior to the termination, extrapolated for the complete year) multiplied by two (2) times. Any payment due to the Executive with respect to clause (y) and (z) that is calculated based upon the Company's Management Incentive Plan shall be reduced by any similar amounts received by the Executive under such plan. Also, notwithstanding the foregoing, in the event of a Change in Control Termination, the Company shall continue the Executive's life and group health coverage for a period of two (2) years, subject to the same payments by the Executive that the Executive was required to make prior to termination. Notwithstanding the foregoing, the Company shall be entitled to modify the group health benefits provided such modifications are applicable to all similarly situated management employees. To the extent that the Company is not able to continue life or group health benefits as a result of the terms of the applicable plans or insurance policies, the Company shall pay the Executive the cost, no less frequently than monthly, that the Executive must incur to obtain such benefits privately.

For the purposes of this Agreement, the term "Change in Control" shall mean change in the ownership of the Company, change in the effective control of the Company or change in ownership of a substantial portion of the Company's assets, as described in Section 280G of the Code, including each of the following: (i) a change in the ownership of the Company occurs on the date that any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, possess more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company (unless any one person, or more than one person acting as a group, who is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, acquires additional stock); (ii) change in the effective control of the Company is presumed (which presumption may be rebutted by the Compensation Committee of the Board) to occur on the date that either: any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company

possessing thirty percent (30%) or more of the total voting power of the stock of such Company; (iii) a majority of members of the Company's Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board prior to the date of the appointment or election of such new directors; or (iv) a change in the ownership of a substantial portion of the Company's assets occurs on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total fair market value equal to forty percent (40%) or more of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions unless the assets are transferred to: a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock; an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly by the Company; a person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all of the outstanding stock of the Company; or an entity, at least fifty percent (50%) of the total value or voting power is owned, directly or indirectly, by a person, or more than one person acting as a group, that owns directly or indirectly, fifty percent (50%) or more of the total value of voting power of all of the outstanding stock of the Company.

(g) TAXES. In the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive in the event of a Change in Control, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, (a "Change in Control Payment") would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code") or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Change in Control Payments. The Company shall pay all such Gross-Up Payments before such excise taxes are required to be remitted.

6. CONDITIONS APPLICABLE TO SEVERANCE PERIOD; MITIGATION OF DAMAGES

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

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

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

in the case of the Company to:

AGCO Corporation
4205 River Green Parkway
Duluth, Georgia 30096
Attention: Debra Kuper

in the case of the Executive to:

Hans-Bernd Veltmaat
2915 Fitzgerald Trace
Duluth, GA 30097

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

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

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

Executive initials:__________ Company initials:__________

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

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

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

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

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

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

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

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

AGCO CORPORATION

By: ______________________________

Name: ______________________________

Title: ______________________________

EXECUTIVE

By: ______________________________

Name: ______________________________

Date: ______________________________

**Exhibit 10.18**

# FIRST AMENDMENT TO CREDIT AGREEMENT

This FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of December 18, 2009, by and among **AGCO CORPORATION**, a Delaware corporation ("AGCO"), **AGCO INTERNATIONAL LIMITED**, an English corporation ("English Subsidiary"), and **AGCO INTERNATIONAL HOLDINGS B.V.**, a Dutch company ("Dutch Subsidiary"; AGCO, English Subsidiary, and Dutch Subsidiary are referred to herein collectively as the "Borrowers" and individually as a "Borrower"); the Lenders signatory hereto and **COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH**, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

**W I T N E S S E T H:**

WHEREAS, the Borrowers, the Lenders (as defined in the Credit Agreement), the Issuing Bank (as defined in the Credit Agreement), the other agents party thereto, and the Administrative Agent are parties to that certain Credit Agreement dated as of May 16, 2008 (the "Credit Agreement"); and

WHEREAS, the Borrowers have requested that certain provisions of the Credit Agreement be amended, and the Lenders signatory hereto 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.** Amendments to Credit Agreement.

(a) Section 1.1 of the Credit Agreement, Certain Defined Terms, is hereby amended and modified by (i) deleting the defined terms "Canadian Dealer Receivable Factoring Program," "Canadian Dealer Receivable Factoring Program Documents," "U.S. Dealer Receivable Factoring Program" and "U.S. Dealer Receivable Factoring Program Documents,"(ii) adding thereto in appropriate alphabetical order the following defined terms, and (iii) deleting therefrom any existing definitions set forth therein, respectively, for any of the following defined terms:

"Consolidated Interest Expense" means, for any period, the sum of (a) all amounts that would be deducted in arriving at Consolidated Net Income for such period in respect of interest charges (including amortization of debt discount and expense and imputed interest on Capitalized Leases), (b) interest expense attributable to any Securitization Funding for such period, and (c) commencing with the fiscal quarter beginning January 1, 2010, $2,000,000 for each fiscal quarter of AGCO included in the period of determination (such amount being the attributed interest expense in connection with all Dealer Receivable Factoring

Programs that may exist from time to time, and whether or not in effect at the time of determination).

"Dealer Receivable Factoring Program" means, a program of sales (without recourse for loss resulting from an account debtor's inability to pay) by AGCO and/or certain Foreign Subsidiaries of AGCO of wholesale Receivables to a Finance Company, as more fully set forth in the applicable Dealer Receivable Factoring Program Documents.

"Dealer Receivable Factoring Program Documents" means, with respect to any particular Dealer Receivable Factoring Program, the receivable purchase agreements, sales and servicing agreements and other documents evidencing or governing such Dealer Receivable Factoring Program, in each case in form and substance reasonably acceptable to the Administrative Agent.

"Funded Debt" means without double-counting, with respect to AGCO on a Consolidated basis, as of any date of determination, (a) all obligations of the type described in clauses (a) through (e) of the definition of "Indebtedness" set forth in Article 1 and any Guaranty of any of the foregoing for which a demand for payment has been received, and specifically including, without limitation, the amount of Outstandings hereunder, and (b) (i) commencing upon the termination of the US Securitization and the Canadian Securitization, $345,000,000, and (ii) commencing upon the termination of the European Securitization, the Equivalent Amount in U.S. Dollars of €100,000,000 Euros (such amounts under this clause (b) being the attributed principal amounts in connection with all Dealer Receivable Factoring Programs that may exist from time to time, and whether or not any such Dealer Receivable Factoring Program is in effect at the time of determination).

(b) Section 1.1 of the Credit Agreement, Certain Defined Terms, is hereby further amended and modified by deleting clause (i) of the definition of "Permitted Liens" set forth therein in its entirety and replacing such clause with the following:

"(i) Liens on (x) wholesale Receivables (and the Related Assets) sold pursuant to a Securitization Facility, and on Receivables sold under any factoring arrangement permitted hereunder, and (y) deposit accounts in which wholesale Receivables are collected or concentrated securing support and/or servicing obligations arising under Dealer Receivable Factoring Programs."

(c) Section 7.7 of the Credit Agreement, Sales of Assets, is hereby amended and modified by deleting clause (h) thereof in its entirety and by substituting the following in lieu thereof:

"(h) sales (without recourse for loss resulting from an account debtor's inability to pay) of wholesale Receivables (together with the

Related Assets to the extent applicable) under any Dealer Receivable Factoring Program."

**Section 2.** 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 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; or (iv) 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;

(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 (i) any such representations and warranties that, by their terms, expressly refer to an earlier date, and (ii) as a result of changes permitted by the terms of the Credit Agreement; 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 3.** 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 and the Administrative Agent, and Lender Addendum, in the form attached hereto, duly executed by the Required Lenders;

(b) the payment of a fee from the Borrowers on behalf of each Lender which has delivered to the Administrative Agent by 5:00 p.m. (New York time) on December 18,

2009, such Lender's executed Lender Addendum consenting to this Amendment, in the amount of (x) 0.10%, multiplied by (y) the Commitment of each such Lender; and

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

**Section 4.** Reference to and Effect on the Credit Agreement. Upon the effectiveness of this Amendment as set forth in Section 3 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 other Loan Documents to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

**Section 5.** Reaffirmation of Guaranty. By executing this Amendment, each Guarantor hereby acknowledges, consents and agrees that all of its obligations and liability under the Guaranty Agreements to which it is a party remain in full force and effect, and that the execution and delivery of this Amendment and any and all documents executed in connection therewith shall not alter, amend, reduce or modify its obligations and liability under such Guaranty Agreements or any of the other Loan Documents to which it is a party.

**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 Administrative Agent 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 amendments 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 Administrative Agent 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 electronic mail transmission 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 of the State of New York.

**Section 11.** Final Agreement. This Amendment represents the final agreement between the Borrowers, the 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.

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: ________________________________

Title ________________________________

**AGCO INTERNATIONAL LIMITED**

By: ________________________________

Title ________________________________

**AGCO INTERNATIONAL HOLDINGS B.V.**

By: ________________________________

Title ________________________________

[*SIGNATURES CONTINUED ON FOLLOWING PAGE]*

**GUARANTORS:**

**MASSEY FERGUSON CORP.**

By: ____________________
Title____________________

**EXPORT MARKET SERVICES LLC**

By: ____________________
Title____________________

[*SIGNATURES CONTINUED ON FOLLOWING PAGE]*

**ADMINISTRATIVE AGENT:**

**COÖPERATIEVE CENTRALE RAIFFEISEN BOERENLEENBANK B.A., "RABOBANK NEDERLAND," NEW YORK BRANCH**, as Administrative Agent

By: ______________________________
Title ______________________________

By: ______________________________
Title ______________________________

**LENDERS:**

See each Lender Addendum attached hereto

**LENDER ADDENDUM**

Reference is made to the Credit Agreement dated as of May 16, 2008 (the "Credit Agreement") among AGCO Corporation, AGCO International Limited and AGCO International Holdings B.V., (collectively, the "Borrowers"), the lenders signatory thereto (together with any other financial institution that subsequently becomes a Lender thereunder, the "Lenders"), the Issuing Bank (as defined in the Credit Agreement), the other agents party thereto and Coöperatieve 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 dated as of December 18, 2009.

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 electronic mail transmission 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 ______________________________

Lender Addendum
Signature Page

**Execution Copy**

Dated as of 29 September 2009

(1) **AGCO DEUTSCHLAND GMBH,** as Originator and Sub-Servicer;

(2) **AGCO DISTRIBUTION S.A.S.**, as Originator;

(3) **AGCO IBERIA SA**, as Originator;

(4) **AGCO SERVICES LIMITED**, as the Subordinated Lender;

(5) **AGCO LIMITED**; as the Master Servicer;

(6) **AGCO CORPORATION**, as the Parent;

(7) **AGCO RECEIVABLES LIMITED**, as the Company;

(8) **ERASMUS CAPITAL CORPORATION** as CP Lender; and

(9) **COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (TRADING AS RABOBANK INTERNATIONAL), LONDON BRANCH**, as Agent, Administrator and Liquidity Bank

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OMNIBUS AMENDMENT AGREEMENT

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## OMNIBUS AMENDMENT AGREEMENT

**THIS OMNIBUS AMENDMENT AGREEMENT** (this "**Agreement**") is dated as of 29 September 2009 and made **BETWEEN**:

(1) **AGCO DEUTSCHLAND GMBH (successor in interest to AGCO GMBH)**, a *Gesellschaft mit beschränkter Haftung* established under the laws of Germany, as an Originator and Sub-Servicer;

(2) **AGCO DISTRIBUTION S.A.S. (successor in interest to AGCO S.A.)**, a company incorporated under the laws of France, as an Originator and Sub-Servicer;

(3) **AGCO IBERIA SA**, a *Sociedad Anónima* incorporated under the laws of Spain, as an Originator and Sub-Servicer;

(4) **AGCO SERVICES LIMITED**, a company incorporated under the laws of England and Wales, as the Subordinated Lender;

(5) **AGCO LIMITED**, a company incorporated under the laws of England and Wales, in its individual capacity and as the Master Servicer;

(6) **AGCO CORPORATION**, a Delaware corporation, as the Parent;

(7) **AGCO RECEIVABLES LIMITED**, a company incorporated under the laws of England and Wales, as the Company;

(8) **ERASMUS CAPITAL CORPORATION**, a corporation incorporated under the laws of Delaware, as the CP Lender; and

(9) **COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.**, (**trading as RABOBANK INTERNATIONAL**), **London Branch** ("**Rabobank**") as the Agent, the Administrator and the Liquidity Bank.

**WHEREAS**:

(A) The parties to this Agreement (the "**Parties**") have entered into a Master Schedule of Definitions, Interpretation and Construction dated 13 October 2006 (as from time to time in effect, the "**Schedule of Definitions**") and into various other Transaction Documents (such and other capitalised terms being used herein, unless otherwise defined herein, with the meanings provided in Clause 1 (*Interpretation*)) in connection with a trade receivables purchase programme (the "**Programme**") provided by the Company;

(B) the Parties wish to amend the Transaction Documents in certain respects as set out herein.

**NOW IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

In this Agreement, including the recitals hereto, except in so far as the context otherwise requires and subject to any contrary indication, words and expressions

defined and expressed to be interpreted and construed in the Schedule of Definitions (after giving effect to the amendments thereto occurring on the date hereof) shall have the same definitions, interpretation and construction *mutatis mutandis* herein.

## 2. AMENDMENTS TO TRANSACTION DOCUMENTS

### 2.1 Amendments to Schedule of Definitions

On the date (the "**Effective Date**") on which this Agreement has become effective pursuant to Clause 4.1 (*Effectiveness*), the Schedule of Definitions is hereby amended as follows:

(a) The definition of "Administrator" is amended in its entirety to read as follows:

> ""**Administrator**" means Rabobank or an Affiliate thereof as Administrator for the CP Lender or the Conduit Funding Provider, as the case may be, or Rabobank or an Affiliate thereof as Administrator for any Conduit Assignee."

(b) The definition of "Applicable Margin" is deleted.

(c) The definition of "Borrower" is amended in its entirety to read as follows:

> ""**Borrower**" means, with respect to the Liquidity Agreement, the CP Lender or the Conduit Funding Provider, as the case may be, in its capacity as borrower thereunder."

(d) The definition of "Commercial Paper" is amended in its entirety to read as follows:

> ""**Commercial Paper**" means the short term promissory notes issued or to be issued in the US or non-US commercial paper markets by the CP Lender or by a Conduit Funding Provider (and the proceeds of which are advanced to the CP Lender)."

(e) The definition of "Commitment Termination Date" is amended in its entirety to read as follows:

> ""**Commitment Termination Date**" means 29 September 2010 or such later date to which the Commitment Termination Date has been extended pursuant to Clause 2.10 (*Non-Renewing Liquidity Lenders*) of the Liquidity Agreement."

(f) A definition of "Conduit Funding Provider" is added in the appropriate alphabetical order as follows:

> ""**Conduit Funding Provider**" means an entity administered by Rabobank or any of its Affiliates which issues Commercial Paper and advances the proceeds, directly or indirectly, *inter alia*, to the CP Lender."

(g) The definition of “CP Rate” is amended by deleting the words “by the CP Lender” in the first line thereof.

(h) Clause (a) of the definition of “CP Value” is amended by deleting the words “by the CP Lender” in the second line thereof and by deleting the words “the CP Lender” in the sixth line thereof and replacing them with the words “the CP Lender or the Conduit Funding Provider, as the case may be,”.

(i) The definition of “Fee Letter” is amended in its entirety to read as follows:

> ““**Fee Letter”** means the letter dated 29 September 2009 from the CP Lender to the Company.”

(j) The definition of “Forward Amount” is amended by deleting the words “by the CP Lender” and replacing them with the words “by the CP Lender or the Conduit Funding Provider, as the case may be,”.

(k) The definition of “Forward Contract” is amended by deleting the words “the CP Lender” in the two places in which it appears and replacing them with the words “the CP Lender or the Conduit Funding Provider, as the case may be,” in both such places.

(l) The definition of “Hedge Counterparty” is amended in its entirety to read as follows:

> ““**Hedge Counterparty**” means the party other than the CP Lender or the Conduit Funding Provider, as the case may be, to a Forward Contract or a Spot Contract, as the case may be, which may include Rabobank.”

(m) The definition of “Program Support Agreement” is amended in its entirety to read as follows:

> ““**Program Support Agreement**” means and includes any agreement entered into by any Program Support Provider providing for the issuance of one or more letters of credit for the account of the issuer of the Commercial Paper used to fund any Funding Advance, the issuance of one or more surety bonds for which such issuer is obligated to reimburse the applicable Program Support Provider for any drawings thereunder, the sale by such issuer to any Program Support Provider of the Asset Interest (or portions thereof or participations therein) and/or the making of loans and/or other extensions of credit to such issuer in connection with its commercial paper program, together with any letter of credit, surety bond or other instrument issued thereunder.”

(n) The definition of “Program Support Provider” is amended in its entirety to read as follows:

> ““**Program Support Provider**” means and includes any Person (including each Conduit Funding Provider) now or hereafter extending credit or having a commitment to extend credit to or for the account of,

or to make purchases from, the CP Lender or a Conduit Funding Provider or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with the program to issue Commercial Paper used to fund any Funding Advance."

(o) The definition of "Rating Confirmation" is amended in its entirety to read as follows:

""**Rating Confirmation**" means, in relation to any event, circumstance, action or omission confirmation in writing from any rating agency which is rating the Commercial Paper at the request of the CP Lender or such Conduit Funding Provider and the Agent, that such event, circumstance, action or omission will not affect the then current rating attributed to such Commercial Paper by such rating agency."

(p) A new definition of "Rating Downgrade" is added in the appropriate alphabetical order as follows:

""**Rating Downgrade**" means at any time the public long-term senior unsecured debt credit rating of the Parent is withdrawn or reduced to BB- or lower by S&P or B1 or lower by Moody's."

(q) The definition of "Spot Contract" is amended in its entirety to read as follows:

""**Spot Contract**" means a spot currency exchange contract entered into between the CP Lender or any Conduit Funding Provider, as the case may be, on the one hand, and the relevant Hedge Counterparty, on the other hand, pursuant to which the CP Lender or such Conduit Funding Provider will deliver a fixed amount of funds in one currency and receive from the relevant Hedge Counterparty a fixed amount of funds in another currency."

(r) The definition of "Termination Date" is amended as follows:

(i) Clause (d) is amended in its entirety to read as follows:

"(d) the day on which Agent shall have declared the Termination Date to have occurred by written notice thereof to the Company and the Master Servicer if the Commercial Paper issued by the CP Lender or the Conduit Funding Provider, as the case may be, shall cease to be rated at least "A-1" by S&P and at least "P1" by Moody's (to the extent that the relevant rating agency has issued a credit rating with respect thereto)."

(ii) The "."at the end of clause (d) is deleted and replaced with "; and", and a new clause (e) is added as follows:

"(e) the date specified in a written notice from the Agent to the Company and the Master Servicer falling not less than 30

Business Days following the date of such notice if a collateral audit of the AGCO Parties satisfactory to the Agent (in its reasonable sole discretion) fails to occur on or prior to 31 December 2009.**"**

(s) A new definition of "Trigger Event" is added in the appropriate alphabetical order as follows:

""**Trigger Event**" means at any time any of the following: (a) a Termination Event, (b) a Potential Termination Event, or (c) a Rating Downgrade."

**2.2 Amendments to Receivables Funding Agreement**

On the Effective Date, the Receivables Funding Agreement is hereby amended as follows:

(a) Clause 6.1(e) of the Receivables Funding Agreement is amended in its entirety to read as follows:

"(e) Indebtedness. Indebtedness (other than to another Group Company) of any one or more of the Parent, any Originator, the Master Servicer or any other AGCO Company (whether individually or collectively) has been declared, or is capable of being declared, or otherwise has become, due and payable prior to its scheduled maturity date."

(b) Clause 6.1(k) of the Receivables Funding Agreement is amended in its entirety to read as follows:

"(k) Pool Triggers. Any of the following shall occur:

(i) the Average Default Ratios shall exceed 1.05% on any Reference Date; or

(ii) the Average Delinquency Ratio shall exceed 1.74% on any Reference Date; or

(iii) the Average Dilution Ratio shall exceed 9% on any Reference Date;"

**2.3 Amendments to Servicing Agreement**

On the Effective Date, the Liquidity Agreement is hereby amended as follows:

(a) A new Clause 2.3 (*Appointment of Back-Up Servicer*) of the Servicing Agreement is hereby added as follows:

"2.3 **Appointment of Back-Up Servicer**

(a) The Company shall, at any time following a Rating Downgrade if so instructed by the Agent, appoint a Person (the "**Back-Up Servicer**") to prepare itself to perform any or all of the

functions of the Master Servicer under this Agreement, all as specified in this Clause 2.3; *provided* that, in each case:

(i) the Agent shall have given its prior written consent to such appointment (such consent not to be unreasonably withheld),

(ii) the Master Servicer shall remain obligated and liable to the Company, the Agent and the Secured Parties for the servicing and administering of the Purchased Receivables in accordance with the provisions hereof without diminution of such obligation and liability by virtue of any such appointment of such Back-Up Servicer and to the same extent and under the same terms and conditions as if the Master Servicer alone were servicing and administering the Purchased Receivables, and

(iii) the Company shall not appoint a Back-Up Servicer to perform any portion of the obligations of the Master Servicer if, in the opinion of counsel, such appointment would cause the Company to become subject to tax in the jurisdiction in which such Back-Up Servicer is located solely by reason of such appointment.

(b) The Master Servicer shall cooperate with the Back-Up Servicer in all reasonable respects in connection with the performance by the Back-Up Servicer of its obligations hereunder. Without limiting the foregoing, the Master Servicer shall provide to the Back-Up Servicer all data, records and other information and documentation available to it that is useful in connection with the performance by the Back-Up Servicer of its obligations hereunder.

(c) The Company shall be responsible for the reasonable fees and expenses of the Back-Up Servicer in connection with the performance of its obligations hereunder.

(d) The Company may terminate the appointment of the Back-Up Servicer at any time and for any reason (or no reason) on not less than ten Business Days' notice to the Master Servicer and the Agent; *provided* that no such termination shall be effective without the prior written consent of the Agent (such consent not to be unreasonably withheld). The Company shall be responsible for paying the Back-Up Servicer's reasonable fees and expenses to the date of any such termination.

(e) During the term of its appointment hereunder, the Company shall procure that Back-Up Servicer shall comply in all respects with the obligations of the Master Servicer hereunder."

(b) Clause 3.2 (*Reports*) of the Servicing Agreement is hereby amended in its entirety to read as follows:

"3.2 **Reports**

(a) On each Master Servicer Reporting Date, the Master Servicer shall make available to the Agent and the Administrator a Master Servicer Report. Each such delivery of a Master Servicer Report shall constitute the Master Servicer's representation and warranty that, based upon the data set forth in each Account Receivables Listing delivered in connection with the Purchased Receivables, no breach of the Transaction Documents would have occurred following the purchase of any Receivables offered for sale under any Receivables Transfer Agreement.

(b) Upon the occurrence of a Rating Downgrade, the Master Servicer shall, upon written request of the Agent, on a more frequent basis (as frequently as weekly) make available to the Agent and the Administrator a report in form and substance reasonably satisfactory to the Agent regarding the Purchased Receivables, Collections relating thereto, and such other matters as the Agent shall reasonably request**."**

(c) The caption to and the initial paragraph of Clause 3.3 (*Enforcement rights after Termination Event*) of the Servicing Agreement are hereby amended in their entirety to read as follows:

"3.3 **Enforcement rights after Trigger Event**

At any time upon the occurrence and during the continuance of a Trigger Event:"

**2.4 Governing Law**

Notwithstanding anything in any Transaction Document to the contrary, the governing law of each Transaction Document shall also govern any non-contractual obligations arising out of or in connection with such Transaction Document.

**2.5 Transfer by CP Lender**

Notwithstanding anything in any Transaction Document to the contrary, the CP Lender shall be entitled at any time, by prior or concurrent notice to the Agent and the Parent, to transfer (by way of novation, assignment and assumption, or otherwise) to a Conduit Assignee all of its rights and obligations under the Transaction Documents, including all or a portion of the Net Funding Advances, in one transaction or in a series of transactions. After giving effect to such transfer, all references in the Transaction Documents to the "CP Lender" shall refer to such Conduit Assignee.

## 3. REPRESENTATIONS, WARRANTIES AND COVENANTS

### 3.1 Reaffirmation of Representations and Warranties

Upon the effectiveness of this Agreement, each of the Parties hereby reaffirms all covenants, representations and warranties made by such Party in each of the Transaction Documents and agrees that all such covenants, representations and warranties shall be deemed to have been remade as of the effective date of this Agreement.

### 3.2 Additional Representations and Warranties

Each of the Parties hereby represents and warrants that this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms. The Parent hereby represents and warrants that, upon the effectiveness of this Agreement, no Event of Default or event or circumstance which, with the giving of notice or the passage of time or both, would become an Event of Default shall exist or be occurring.

### 3.3 Transaction Document

Each of the Parties hereby agrees that this Agreement constitutes a "Transaction Document".

## 4. EFFECTIVENESS, RATIFICATION

### 4.1 Effectiveness

This Agreement shall become effective on the date first set out above when all of the items and documents listed on Schedule 1 (*Conditions to Effectiveness*), each dated the date of this Agreement (where relevant), shall have been delivered to the Agent in form and substance satisfactory to it. Upon the effectiveness of this Agreement, it shall thereafter be binding on the Parties hereto and their respective successors and assigns. On and after the effectiveness hereof, (i) this Agreement shall be and become a part of each of the Transaction Documents amended hereby and (ii) each reference in each such Transaction Document to "this Agreement" or "hereof" or "hereunder" or words of like import, and each reference in any other Transaction Document to such Transaction Document shall mean and be a reference to such Transaction Document as amended hereby.

### 4.2 Ratification

Except as expressly amended hereby each of the Transaction Documents shall remain in full force and effect and is hereby ratified and confirmed by the Parties hereto.

## 5. MISCELLANEOUS

### 5.1 Governing Law and Jurisdiction

(a) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales.

(b) Each of the Parties agrees that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Agreement and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts.

### 5.2 Headings

Headings used herein are for convenience of reference only and shall not affect the meaning of this Agreement.

### 5.3 Counterparts

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Delivery of a facsimile of an executed signature page of this Agreement shall be effective as delivery of an executed counterpart hereof.

### 5.4 Severability, etc.

(a) Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(b) If a court of competent jurisdiction determines that any term or provision of this Agreement as written is invalid, unenforceable or incomplete, the parties agree that the court making the determination of invalidity, unenforceability, or incompleteness shall reduce the scope, duration, or area of the term or provision, delete specific words or phrases, or replace any invalid, unenforceable or incomplete term or provision with a term or provision that is valid, enforceable and complete and that comes closest to expressing the intention of the invalid, unenforceable or incomplete term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the court's judgment may be appealed.

### 5.5 No Petition

(a) Each of the Parties hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all outstanding Commercial Paper or other rated indebtedness of the CP Lender or any Conduit Funding Provider, as the case may be, it will not institute against, or join any other

Person in instituting against, the CP Lender or such Conduit Funding Provider any proceeding of a type referred to in the definition of Insolvency Event.

(b) Each of the Parties hereby covenants and agrees, without prejudice to any other actions such party is permitted to take against the Company to enforce its rights, that prior to the date which is two years and one day after the Final Payout Date, it will not institute against, or join any other Person in instituting against, the Company any proceeding of a type referred to in the definition of Insolvency Event.

**5.6 Limited Recourse**

(a) Notwithstanding anything to the contrary contained in this Agreement, the obligations of the CP Lender under this Agreement and all other Transaction Documents to which it is a party are solely the corporate obligations of the CP Lender and shall be payable solely to the extent of funds received from the Company in accordance herewith or from any party to any Transaction Document in accordance with the terms thereof in excess of funds necessary to pay matured and maturing Commercial Paper.

(b) Notwithstanding anything to the contrary contained in this Agreement, the obligations of the Company under all of the Transaction Documents to which it is a party are solely the corporate obligations of the Company and shall be payable solely to the extent of funds received by the Company and available for application thereto in accordance with the terms of the Receivables Servicing Agreement and the other Transaction Documents.

**EXECUTION**

The Parties have shown their acceptance of the terms of this Agreement by executing it below.

## SIGNATORIES

**AGCO DEUTSCHLAND GMBH**

By: ____________________________________________
Name:
Title:

**AGCO DISTRIBUTION S.A.S.**

By: ____________________________________________
Name:
Title:

**AGCO IBERIA SA**

By: ____________________________________________
Name:
Title:

**AGCO RECEIVABLES LIMITED**

By: ____________________________________________
Name:
Title:

**AGCO SERVICES LIMITED**

By: ______________________________
Name:
Title:

**AGCO LIMITED**

By: ______________________________
Name:
Title:

**AGCO CORPORATION**

By: ______________________________
Name:
Title:

**ERASMUS CAPITAL CORPORATION**

By: ______________________________
Name:
Title:

**COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.**, (**trading as RABOBANK INTERNATIONAL), LONDON BRANCH**

By: ________________________________________
Name:
Title:

**SCHEDULE I**
**to**
**Omnibus Amendment Agreement**

**CONDITIONS TO EFFECTIVENESS**

1. Omnibus Amendment Agreement between AGCO Limited, AGCO Deutschland GmbH, AGCO Distribution S.A.S., AGCO Iberia SA, AGCO Receivables Limited, AGCO Services Limited, AGCO Corporation, Erasmus Capital Corporation and Rabobank

2. Fee Letter from the CP Lender to the Company

3. Secretary's Certificate: Regarding internal authorisation to enter into Omnibus Amendment Agreement and evidence of signing authority

4. Legal Opinion regarding enforceability of Omnibus Amendment Agreement (Latham & Watkins)

**Exhibit 10.22**

**RECEIVABLES ASSIGNMENT MASTER AGREEMENT**

BETWEEN

**AGCO FINANCE SNC**

- hereinafter referred to as **"AGCO Finance"** -

and

**AGCO DISTRIBUTION SAS**

- hereinafter referred to as **"Seller"** -

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**This Agreement is entered into on 29 January 2009**

**BETWEEN**

**AGCO Distribution SAS,** a French *société par actions simplifiée* with a share capital of EUR7,037,000, having its registered office at 41 avenue Blaise Pascal 60000 Beauvais, France, registered with the commercial registry of Beauvais under number 501 428 437, represented by Richard Markwell, duly authorised (the **"Seller"**),

**AND**

**AGCO Finance SNC**, a French *société en nom collectif*, with a share capital of EUR 4.724.400, having its registered office at Avenue Blaise Pascal, 60000 Beauvais, France, registered with the commercial registry of Beauvais under number 388 432 023, represented by Cyrille de Taillac, duly authorised (**"AGCO FINANCE"**),

**PREAMBLE**

(A) The Seller supplies specific goods to dealers who are located in the metropolitan territory of France.

(B) AGCO FINANCE wishes to purchase the receivables originated by the supply of such goods, which are owed to the Seller by the dealers and to assume the debtor management in relation to such receivables.

(C) This Agreement (as defined below) sets forth the essential terms and conditions applying to the purchase of these receivables and the debtor management for the Seller's outstanding receivables.

Now, therefore, the parties agree to the following agreement for the purchase and collection of receivables (hereinafter, the "**Agreement**").

Except if otherwise provided for in this Agreement, all capitalised terms used in this Agreement shall bear the meanings ascribed to them in Appendix 1 of this Agreement.

**1. Scope of the Agreement**

1.1. As of the date hereof, this Agreement shall apply to all assignments by the Seller and acquirements by AGCO FINANCE of Receivables, even if no express reference is made to this Agreement. This Agreement also applies to the debtor management implemented by AGCO FINANCE for the Seller.

1.2. This Agreement regulates the terms and conditions of the assignment and acquirement of the Receivables and the collection of the Receivables conclusively. In particular, the Seller Terms and Conditions shall not form part of this Agreement irrespectively of whether they deviate from or supplement the terms and conditions of this Agreement.

1.3. All the appendices to this Agreement including Appendix 1 – Certain Definitions shall form an integral part of this Agreement.

**2. Assignment and Acquirement**

2.1. During the term of this Agreement, the Seller shall assign and AGCO FINANCE shall acquire, in accordance with the provisions of articles L.313-23 *et seq.* of the

Code, all Receivables that qualify for assignment and acquirement under Section 2.8 below.

2.2. The amount of each Receivable shall equal the gross amount stated in the output invoice of the Seller to its Dealers, together with all ancillary costs such as packaging and shipment, assembly, and any VAT.

The purchase price for a Receivable purchased by AGCO FINANCE shall equal the nominal value of the respective Receivable within the meaning of this Section 2.2.

Notwithstanding the provisions of Article 8.2, if the Seller issues a credit note related to the whole of a Receivable which were assigned to AGCO FINANCE, the Seller commits to assign that credit note to AGCO FINANCE and pay back the gross amount of such credit note to AGCO FINANCE.

2.3. The output invoice must clearly indicate the legal basis for the Receivable, and in particular the contractually agreed specifications as to the volume and nature of the Goods sold as well as detail concerning the purchase price, in particular its amount, due date and any time limits for discounts and bonuses.

2.4. To the extent the Seller has charged for other services under the agreement giving rise to a Receivable (e.g. packaging, delivery, assembly), in addition to the sale of the Goods, the amount relating to the sale of the Goods and the supply of the services must be invoiced separately (and, for the avoidance of doubt, the receivable under such separate invoice for other services shall not be deemed to be a Receivable and not be assignable hereunder).

2.5. Any deductions from the Receivable, which cannot be inferred from the invoice, must be notified by the Seller to AGCO FINANCE prior to the purchase of the Receivable.

2.6. AGCO FINANCE shall pay the Purchase price to the Seller within two Business Days after the assignment of the Receivable has taken place and, at the last working day of a financial quarter, AGCO FINANCE shall use its best efforts to pay the Purchase price on the same Business Day of the assignment of Receivables.

2.7. If, in respect of any contract between the Seller and any of its Dealers, more than one invoice will be issued by the Seller, then the assignment of the Receivable under such contract shall encompass all invoices to be issued in respect thereof.

2.8. Each Receivable shall meet the following criteria:

2.8.1. there is no prohibition on its assignment;

2.8.2. it is not subject to an existing current account relationship between the Seller and the respective Dealer;

2.8.3. the Dealer has entered into the Dealer Agreement according to the Seller Terms and Conditions, and has thus declared its consent to the Receivable being assigned to and collected by AGCO FINANCE;

2.8.4. the Seller has sold the Goods to which it relates subject to reservation of title;

2.8.5. the contract pursuant to which it arises is subject to French law;

2.8.6. it is free from objection or complaint except for the agreements on the deferred payment according to the Dealer Agreement;

2.8.7. it is not in arrears at the time of its purchase;

2.8.8. its value offered for purchase — together with the total value of Receivables already purchased, but not settled — does not exceed the purchase limit granted to the respective Dealer pursuant to Section 6 (for the purpose of this criteria, direct debit collections are deemed to be paid in full on the value date of such collections);

2.8.9. no portion of it will be purchased, only full value of individual invoices;

2.8.10. at the time of the assignment the Seller has not been notified of any notice of insolvency served on the Dealer;

2.8.11. the Seller is its unrestricted owner and is able to dispose of it;

2.8.12. the Seller is not in possession of the Goods at the time of its purchase.

**3. Scope of Assignment**

3.1. On the Business Day following the day on which the Seller has supplied the Goods to the Dealer, the Seller shall submit to AGCO FINANCE:

3.1.1. an Assignment Schedule including the corresponding Receivables;

3.1.2. for Receivables relating to Goods of Massey Ferguson and Valtra brands, invoice data related to the assigned Receivables or electronic access to the Seller's relevant systems to enable printing by AGCO FINANCE of the issued invoices; and

3.1.3. for Receivables relating to Goods of Fendt brand, copies of the issued and sent invoices related to the assigned Receivables until electronic access is granted to the Seller's relevant systems to enable printing by AGCO FINANCE of the issued invoices.

3.2. The submission of the Assignment Schedule and copies of such invoices (or the granting of electronic access to the Seller's relevant systems to enable printing by AGCO FINANCE of such invoices) shall be deemed an assignment by the Seller to AGCO FINANCE of the Receivables described in the invoices and other documents submitted in accordance with the terms and conditions of this Agreement. In case access to the Seller's relevant systems is not possible for whatever reason (failure of the systems, etc.), copies of the issued invoices must be provided by the Seller to AGCO Finance; an electronic form of such invoices is accepted by AGCO FINANCE.

3.3. Ownership of the Receivables and benefit of the retention of title of the Goods shall vest in AGCO FINANCE immediately upon the date inserted by AGCO FINANCE on the corresponding Assignment Schedule at the time of its delivery to AGCO FINANCE. The Seller further assigns to AGCO FINANCE, in respect of all Receivables being assigned hereunder, all its rights (including the right to repossess the Goods sold) under each agreement concluded between the Seller and the Dealers.

3.4. The Seller will duly notify in writing the Dealer that all rights of the Seller under the agreement between the Seller and the Dealer have been transferred to AGCO FINANCE and send a copy of such notification to AGCO FINANCE. However, the Seller's obligations towards the Dealer according to the agreement between the Seller and the Dealer shall remain unchanged.

3.5. The vehicle registration documents attached to the Goods (in particular the certificate of compliance (*certificat de conformité*)) shall be assigned by the Seller to AGCO FINANCE; the Seller shall retain in safe custody those vehicule registration documents (including the certificate of compliance), on behalf of AGCO FINANCE for no consideration. When the Seller hands over to third parties those vehicle registration documents relating to the Goods assigned to AGCO FINANCE, the Seller must immediately inform in writing AGCO FINANCE.

3.6. The Seller shall exercise the rights and claims assigned under this Section 3 to AGCO FINANCE on behalf of AGCO FINANCE until such authority is revoked. Any acts which represent a disposal may not be undertaken by the Seller.

3.7. In the event that a Dealer culpably does not make due payment of a Receivable assigned pursuant to this Agreement, AGCO FINANCE shall be entitled to enforce all security interest against the Dealer.

**4. Seller's undertakings**

4.1. The Seller shall provide AGCO FINANCE with the following documents:

4.1.1. copies of all contracts entered into between the Seller and the Dealer and relating to the sale of Goods, from which, in particular, the name and the address of the respective Dealer can be inferred;

4.1.2. on a quarterly basis, a detail listing of all security interests granted by the Dealers or on their behalf to the Seller; upon reasonable demand of AGCO Finance, the Seller will provide AGCO Finance with copies of requested security interests within a reasonable period of time.

4.1.3. where the Seller has acquired the Goods from its supplier under reservation of title, copies of the respective agreements;

4.1.4. to the extent that the Seller has already paid the VAT related to the assigned Receivable at the time of the assignment, documents evidencing that the said VAT has been properly declared and paid to the relevant tax authorities; should such VAT be or become payable by the Seller after the assignment of the Receivable, the Seller shall provide the above mentioned documents as soon as possible and no later than 8 (eight) days following the date on which the VAT has been paid.

4.1.5. to the extent that Seller has such documents in its possession (and subject to any applicable data protection or privacy requirements, rules or law), relevant and contemporaneous documents as to the creditworthiness of the respective Dealer, in particular its financial accounts, bank and trade references, commercial register extract and articles of association.

4.2. On seven days written notice, AGCO FINANCE shall be entitled to inspect at the premises of the Seller all relevant original documentation referred to in Sections 3.6 and 4.1 above.

4.3. The Seller shall inform AGCO FINANCE of any amendments to the Seller Terms and Conditions prior to such amendments becoming effective.

**5. AGCO FINANCE’s undertakings**

5.1. **Assignment of Receivables**

If and to the extent a purchase limit has been established for a particular Dealer in accordance with Section 6, and if this purchase limit, taking into account the Receivables already purchased for such Dealer, is not exhausted and the respective Dealer is not in breach of any other obligations to AGCO FINANCE, AGCO FINANCE shall accept the assignment of the Receivables having been assigned by the Seller pursuant to the terms and conditions of this Agreement. The right of AGCO FINANCE not to acquire a Receivable in accordance with Section 6 of this Agreement, and its right to revert the assignment of Receivables in accordance with Section 7 of this Agreement shall remain unaffected hereby.

5.2. **Information undertaking**

Upon AGCO FINANCE giving notice to any Dealer of any breach of such Dealer’s obligations pursuant to the relevant Dealer Agreement or any other agreement entered into between AGCO FINANCE and such Dealer, AGCO FINANCE shall without delay inform the Seller of such notice.

**6. Purchase limit**

6.1. Prior to the first assignment of Receivables relating to a particular Dealer, AGCO FINANCE shall advise the Seller whether it has established a purchase limit for such particular Dealer, up to which limit AGCO FINANCE agrees to acquire Receivables pursuant to this Agreement for that Dealer provided, however, that AGCO FINANCE shall not be obligated to acquire any Receivable that is reasonably determined does not conform to the AGCO Finance customary standards or historic courses of action for the purchase of receivables including any AGCO Finance Credit or Collection Policies (or other documents to the same effect).. AGCO FINANCE shall decide whether to establish such a purchase limit or whether to change the amount of such purchase limit in its sole discretion taking into account bank customary considerations.

6.2. AGCO FINANCE may increase or reduce the amount of the purchase limit for a particular Dealer during the term of this Agreement subject to the provisions of Section 6.3 below. The purchase limit can in particular be reduced if, taking into account standard principles for determining creditworthiness, AGCO FINANCE establishes, on the basis of its business dealings with the Dealer that such Dealer’s creditworthiness had deteriorated. This shall, in particular, be the case if the Dealer’s payments are repeatedly delayed or if there has been a protest or notice of dishonour with respect to its cheques or bills of exchange. Any variation to a purchase limit shall only affect those Receivables that are offered for sale to AGCO FINANCE after the variation in the purchase limit becoming effective.

6.3. AGCO FINANCE shall notify the Seller without delay, of the variation to the purchase limit. AGCO FINANCE shall also notify the Seller of the extent to which the current purchase limit has been utilized. Such notifications can be made by e-mail, fax or by granting the Seller access to a website.

6.4. So long as the Seller has a business relationship with a Dealer and a purchase limit continues to exist for such Dealer, AGCO FINANCE may request from the Dealer, at

least every twelve months, all documents necessary to assess the creditworthiness of a particular Dealer, in particular those stated in Section 4.1. The Seller shall support AGCO FINANCE in obtaining such documents.

6.5. For the purposes of establishing which Receivables are ineligible because the purchase limit is exceeded:

6.5.1. the earliest dated Receivables will be purchased first (the invoice date will determine the date of the Receivable);

6.5.2. the last dated Receivables, the purchase of which would result in the purchase limit to be exceeded (and all later Receivables) will no longer be purchased;

6.5.3. to the extent that a purchase limit is still available but does not cover all Receivables of the same date, then the Receivables for smaller amounts will be purchased before the Receivables for larger amounts;

6.5.4. the Receivable, the purchase of which would result in the purchase limit to be exceeded (and all other Receivables for larger amounts) will no longer be purchased.

**7. Reversal of Assignment**

7.1. AGCO FINANCE may reverse the assignment of a Receivable if, at the date of the assignment:

7.1.1. the purchase limit as described in Section 6 above is exceeded; or

7.1.2. the criteria set out in Section 2.8 have not been observed.

Any reversal by AGCO FINANCE of any assignment hereunder shall be made in writing and AGCO FINANCE shall simultaneously notify in writing the relevant Dealer.

7.2. Without prejudice to the provisions of Article 12 hereafter (in particular), any reversal by AGCO FINANCE under Articles 7.1.1 and 7.1.2 above shall be made within five Business Days of receipt of the assignment of the relevant Receivables.

7.3. For the avoidance of doubt, the Seller shall upon reversal of any assignment repay to AGCO FINANCE all sums received upon the original assignment of the Receivable, including any VAT related thereto, and as the case may be shall be solely responsible for the obtaining of any refund of the said VAT from the relevant tax authorities.

**8. Liability of Seller for the assigned Receivables**

8.1. The Seller represents and warrants to AGCO FINANCE the legal existence of the Receivables and the validity of the assignment of such Receivables to AGCO FINANCE, and that the Receivables are free of objections and rights of third parties at the time of the assignment.

8.2. Seller also represents and warrants, that the legal existence of the Receivables assigned will not subsequently change, in particular, that such Receivables will not be extinguished by agreement with the Dealer or as a result of contestation or set-off.

8.3. Moreover, the Seller shall be liable for the fact that the Dealer shall not be able to bring an objection or defence arising on the basis of the agreement giving rise to the Receivable (e.g. right to further performance, rectification, substitution, reduction in the purchase price, recession, damages, to expenses and to rights of retention).

8.4. Any statement which could affect the existence or content of an agreement entered into with a Dealer and giving rise to a Receivable, in particular statements regarding termination, amendment or cancellation of the agreement, may only be made by the Seller with the prior consent of AGCO FINANCE, such consent not to be unreasonably withheld.

8.5. If the Seller breaches any of the obligations it has assumed pursuant to Sections 8.1 to 8.4 above, AGCO FINANCE may request the Seller to rectify such defect. Unless the Seller rectifies such defect within 14 days, AGCO FINANCE may reduce the purchase price, or revert the assignment and cancel, set-off or require cash repayment (as the case may be) of the purchase price in respect of the relevant Receivable.

**9. Collection of Receivables, procedure with respect to purchased Receivables**

9.1. The invoices shall state clearly and legibly that the debt owed, as stated in the invoice and all rights under the agreement with the Dealer (including the right to repossess the Goods sold) have been assigned to AGCO FINANCE and that the debt will only be satisfied if payment is made to AGCO FINANCE (by transfer of the payment to the AGCO FINANCE account) as follows:

In French: *"La créance relative à la présente facture, ainsi que tous les droits y attachés, ont été cédés à AGCO FINANCE SNC (RCS Beauvais n°388 432 023) conformément aux articles L.313-23 à L.313-34 du Code Monétaire et Financier. Le paiement doit exclusivement être effectué à l'ordre d'AGCO FINANCE SNC conformément aux dispositions du Protocole d'Accord [Concessionnaire/Distributeur] signé.*

*Veuillez aviser immédiatement AGCO FINANCE SNC de tout fait qui s'opposerait à son paiement"*.

In English : *"The receivable related to this invoice and all its attached rights have been assigned to AGCO FINANCE SNC (Registered at Beauvais under the following number : 388 432 023) according to Articles L313-23 to L313-34 of the French Code Monétaire et Financier. Payment to clear the debt can only be made to AGCO FINANCE SNC according to the signed Dealer Agreement.*

*Please inform AGCO FINANCE SNC of anything which could delay or prevent from the payment of such invoice. "*

The above text shall be printed on the invoice in French. The English version is provided for information purposes only.

Such notification shall constitute the notice of assignment to the Dealers in accordance with article L.313-28 of the Code.

**10. AGCO FINANCE bears the credit risk**

10.1. Subject to Sections 10.2 and 12, and notwithstanding article L.313-24 of the Code, the assignment of Receivables shall be without recourse against the Seller in the event that a Receivable remains unpaid for any reason, including as a result of a Dealer being subject to Insolvency Proceedings and the Parties agree that the Seller shall not be jointly liable for the payment of the assigned Receivables in such circumstances.

10.2. Notwithstanding the above, AGCO Finance shall immediately upon becoming aware of a Dealer being subject to Insolvency Proceedings inform the Seller that the Receivable has become a Defaulted Receivable and provide the Seller with all

documents evidencing that the Receivable has become a Defaulted Receivable. Upon receipt of the information and document provided by AGCO Finance, the Seller shall issue to the relevant Dealer(s) a revised invoice in accordance with Article 272.1° of the French Tax Code and shall endeavour all necessary steps in order to obtain a refund of the VAT initially paid by the Seller in relation to the Defaulted Receivable.

The Seller shall pay over to AGCO FINANCE the sums corresponding to the claimed VAT refund within 30 (thirty) days of receipt of such sums.

10.3. Subject to Section 10.4 below, the Seller shall have the right (but no obligation whatsoever) to repurchase any Defaulted Receivables by paying the Repurchase Price to the Seller.

10.4. Further to the repurchase of the Defaulted Receivables, the Seller shall endeavour all and every necessary steps in order to obtain a refund of the VAT initially paid in relation to the Defaulted Receivables in accordance with Article 272.1° of the French Tax Code and, in particular, the Seller shall issue a revised invoice to the relevant Dealer(s).

The Seller shall pay over to AGCO Finance the sums corresponding to the claimed VAT refund within 30 (thirty) days of receipt of such sums.

10.5. The right of the Seller to repurchase any Defaulted Receivables is subject to the conditions precedent that:

10.5.1. the Seller shall have provided to AGCO FINANCE written notice of such repurchase on or prior to the Repurchase Date;

10.5.2. AGCO FINANCE shall have (simultaneously with delivery of the notice referred to in Section 10.5.1 above) delivered a written agreement for the repurchase of the relevant Receivables.

10.6. Upon execution by both parties of the documentation referred to in Section 10.5.2 above all of AGCO FINANCE’s right, title and interest in, to and under each and every repurchased Receivable included in the required documentation shall be immediately and automatically resold and reassigned to the Seller.

**11. Payment made to the Seller**

11.1. Any payment that the Seller receives for any Receivable that is assigned to AGCO FINANCE shall be held by the Seller as agent (*mandataire*) for AGCO FINANCE.

11.2. The Seller shall immediately separate the cheques or bills of exchange from its own funds and keep them separated until they are sent duly endorsed to AGCO FINANCE, indicating the name of the Dealer and the number of the invoice. Any payment by transfer shall be immediately forwarded to AGCO FINANCE.

11.3. The relevant Dealer shall be reminded by the Seller of the assignment of the Receivable and requested to make all future payments in accordance with the notification according to Section 9.1.

**12. Objections to the Receivables**

12.1. If the Dealer asserts any Objections, AGCO FINANCE shall inform the Seller of the same. The Seller will make a statement *vis-à-vis* AGCO FINANCE within 30 days of the Objection becoming known to it and shall make available to AGCO FINANCE all information necessary to counter the Objections. The Seller may also declare that it

will remedy the Objections within a further 30 days and carry out all measures necessary at its expense.

12.2. If the Seller does not make any statement or the Seller recognizes the Objections by the Dealer, AGCO FINANCE may assert the rights pursuant to Section 8.5.

12.3. If the Seller does not recognize the Objections, AGCO FINANCE will demand payment from the Dealer once more. Should the Dealer not pay within 14 days of such further demand, AGCO FINANCE shall inform the Seller on such non payment. AGCO FINANCE will then pursue collection of the Receivable by court action. The Seller shall provide its assistance to AGCO FINANCE in this.

12.4. To the extent that the Receivable asserted does not exist in full or part subsequent to a court decision which became enforceable, AGCO FINANCE will charge the Seller the amount of the non-existent Receivable including VAT plus interest at the Interest Rate. from the origination date of the Receivable. In addition, the Seller shall reimburse AGCO FINANCE for all costs of the assertion by legal means of the Receivable in the ratio of the non-existent part of the Receivable to the amount of the Receivable asserted.

12.5. If and to the extent necessary, AGCO Finance shall cooperate with the Seller and provide any information or document(s) that may be necessary in order to allow the Seller to obtain a refund of the VAT related to the non-existent Receivable from the relevant Dealer(s) in accordance with Article 272 1° of the French Tax Code.

**13. Returned Goods**

13.1. The Seller shall inform AGCO FINANCE without delay, if Goods are returned, the Receivable for which has been assigned to AGCO FINANCE. At the same time, the Seller shall comment on the reasons for such return.

13.2. The parties hereby agree that title to such Goods shall pass to AGCO FINANCE in the form of an agreement in advance, provided that such title has not already passed to AGCO FINANCE as part of the reservation of title pursuant to Section 3.

13.3. Save in respect of accessories, the returned Goods must be identifiable by unmistakable serial numbers which must be imparted to AGCO FINANCE. The Seller shall keep custody of these Goods, free of charge, separate from any other Goods in the name and on behalf of AGCO FINANCE.

13.4. The Seller shall replace the returned Goods with defect free goods without delay, if the reason for the return was a defect. In this case, AGCO FINANCE shall release the returned Goods. The terms and conditions of this Agreement shall apply to the substitute Goods.

**14. Fees (Interest Fee and Servicing Fee)**

14.1. The Seller shall pay to AGCO FINANCE the Interest Fee, and a Servicing Fee, in the amounts as calculated in accordance with the provisions of Appendix 3.

14.2. AGCO FINANCE will invoice the Seller the due Interest Fee including VAT and the due Servicing Fee including VAT once per month. Payment terms on these invoices will be paid by direct debit 10 days after the end of each month. If, for any reason whatsoever, such invoices are not paid at its due date, AGCO FINANCE is empowered to charge the Seller for default interest at a rate equal to three times the French annual legal rate (hereafter the **"Annual Legal Rate"**), without prejudice to

any other right or remedy of AGCO FINANCE. The Annual Legal Rate is equal to 3,79% for year 2009 and is published by *décret* at the beginning of each calendar year. Such default interest shall be compounded in accordance with article 1154 of the French *Code Civil*.

**15. Accounting**

15.1. AGCO FINANCE undertakes to pass on to the Seller on an ongoing basis notifications pursuant to which the Seller is in a position to infer the status of the business relationship between AGCO FINANCE and the Dealer. The notifications made by AGCO FINANCE have to put the Seller in a position to keep accounts in accordance with applicable commercial and tax law.

15.2. The Seller undertakes to pass on to AGCO FINANCE in a timely manner and fully all documents necessary for AGCO FINANCE to keep proper accounts in relation to the Dealer.

**16. Inspection rights, registration and data processing**

16.1. The Seller and/or AGCO FINANCE will conduct or arrange for third parties to conduct field audits of Dealers in accordance with the policies and at the direction of AGCO FINANCE. Such field audits will be performed at least twice a year. In conducting field audits, each party shall use the standards established by AGCO FINANCE or as mutually otherwise agreed. Each party shall furnish to the other party, upon request, any reports or information in its possession received or generated in connection with any field audit of a Dealer. Where a third party is contacted by AGCO FINANCE to conduct such field audits of Dealers, AGCO FINANCE will use reasonable endeavours to negotiate a contract with such third party which is competitive in the market place in respect of resource, service, price and quality. Prior to AGCO FINANCE entering into any contract with a third party for field audits, the terms of such contract shall be agreed with both the Seller and AGCO FINANCE acting reasonably to reach agreement on such terms. To the extent that AGCO FINANCE incurs any field audits costs by third parties, the Seller will reimburse AGCO FINANCE for such costs within ten (10) days of a request for reimbursement which request shall be accompanied by reasonable documentation supporting such costs and expenses.

16.2. Data submitted to AGCO FINANCE by the Seller may be stored, processed and passed on to third parties to the extent necessary for the implementation of this Agreement and legally permissible. The Seller shall ensure that the Dealers give their written consent to such data processing by AGCO FINANCE.

**17. Assignments**

17.1. AGCO FINANCE may assign, in whole or part, any of its rights pursuant to this Agreement at any time, subject to the Seller’s prior written consent, such consent not to be unreasonably withheld.

17.2. Should the proposed assignment jeopardize the right of the Seller to obtain a refund of the VAT initially paid in connection with assigned Receivable in case of Receivables becoming Defaulted Receivables or non-existent Receivables after the assignment, then the Parties shall agree for a specific procedure to allow the said Receivables to be repurchased by the Seller so as to enable it to claim a refund of VAT in accordance with Article 272-1 of the French Tax Code.

17.3. If AGCO FINANCE assigns any of its rights under this Agreement, it must inform the relevant Dealer of such assignment.

**18. Commencement date, term and termination**

18.1. This Agreement shall become effective on 29 January 2010.

18.2. This Agreement shall continue until or unless it is terminated in accordance with this Section 18.

18.3. Without prejudice to Section 18.4 below,

18.3.1. the Seller may terminate this Agreement at any time with a 90-days prior written notice to AGCO FINANCE (such notice not to expire on or before 31 December 2010);

18.3.2. AGCO FINANCE may terminate this Agreement at any time with a 364-days prior written notice to the Seller;

18.3.3. either party may terminate this Agreement with a 30 days prior notice if the shareholders agreement entered into between De Lage Landen Leasing SAS and AGCO Distribution SAS in relation to AGCO Finance on September 15, 1992 (as amended from time to time) is terminated.

18.4. Any party may, by notice to the other party, terminate this Agreement if:

18.4.1. such other party is unable or admits its unability to pay its debts as they fall due by reason of actual or anticipated financial difficulties, suspends making payments on any of its debts or commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

18.4.2. such other party is in a state of *cessation des paiements* within the meaning of Article L.631-1 of the French *Code de Commerce*;

18.4.3. a moratorium is declared in relation to any indebtedness of such other party;

18.4.4. a judgement for *sauvegarde*, *redressement judiciaire* or *liquidation judiciaire* is rendered in relation to such other party under Articles L.620-1 to L.644-6 of the French *Code de Commerce*.

18.5. Any termination of this Agreement must be in writing.

**19. Settlement of the Agreement after its termination**

19.1. AGCO FINANCE shall perform all services that it has agreed to perform pursuant to this Agreement in relation to all Receivables assigned prior to the termination of this Agreement becoming legally effective and not reverted in accordance with this Agreement.

19.2. The termination of this Agreement shall not affect any obligations of the Seller with respect to Receivables assigned to AGCO FINANCE prior to the termination of this Agreement becoming legally effective and not reversed under the terms hereof, in particular the liability or any repurchase obligations.

**20. Data protection**

Each party, in its capacity as data controller, shall comply with the provisions of law N°78-17 dated 6 January 1978, as amended, on data processing, data files and individual liberties (the

**"Law"**), and in particular with respect to their respective prior declaration obligations and obligations to inform the persons to which such data relates.

The processing to be carried out by the parties under this Agreement shall be strictly limited to the performance of the rights and obligations stipulated under this Agreement and its subject matter.

The data collected and processed shall not be stored for a period longer than necessary for the purposes for which they are obtained and processed and to comply with their respective legal archiving obligations.

Each party shall respond to any request received from a person to which such data relates, enforcing its rights of access and modification and more generally with such persons' rights listed under Article 39 of the Law.

Each party shall be responsible for taking all useful precautions, with regard to the nature of the data and the risks of the processing, to preserve the security of the data and, in particular, prevent their alteration and damage, or access by non-authorised third parties. It shall inform the other party of such request.

**21. Miscellaneous**

21.1. This Agreement shall be governed by the laws of France and any dispute, controversy or claim shall be settled exclusively by the *Tribunal de Commerce* of Paris.

21.2. If any provision of this Agreement, any of its appendices or any agreement entered into pursuant to this Agreement is invalid or becomes invalid or is incomplete or becomes incomplete, the legal effectiveness of the remaining provisions shall remain unaffected hereby. Instead of the invalid provision or to correct an omission, a provision shall apply which comes as close as possible to that which the parties intended or would have intended had they realized the provision was invalid or there was an omission.

21.3. Any amendments to this Agreement must be in writing.

21.4. This Agreement has been drafted in English.

| Dated 2010 | Dated 2010 |
|---|---|
| AGCO DISTRIBUTION SAS<br>Name :<br>Title : | AGCO FINANCE SNC<br>Name :<br>Title : |

**Appendix 1**
**Certain Definitions**

Unless otherwise specified in this Agreement, capitalised terms used in this Agreement shall bear the meanings ascribed to them below:

**Agreement**

means this Receivables Assignment Master Agreement.

**Assignment Schedule**

means an *acte de cession de créances professionnelles* drawn up in accordance with articles L.313-23 *et seq.* of the Code, according to the template attached as Appendix 4.

**Business Day**

means a day (other that a Saturday or a Sunday) on which banks are open for general business in Paris.

**Code**

means the French *Code Monétaire et Financier.*

**Dealer**

means the Seller's dealer purchasing the Goods who has accepted the Seller Terms and Conditions and has signed a Dealer Agreement.

**Dealer Agreement**

means the dealer agreement in the form of the agreement set out in Appendix 2 of this Agreement to be entered into between AGCO FINANCE and each Dealer pursuant to the Seller Terms and Conditions.

**Defaulted Receivables**

means any Receivables:

(i) as to which any payment due to be made by the relevant Dealer, or any part of such payment, remains unpaid for 90 days or more from the scheduled due date for such payment; or

(ii) as to which the relevant Dealer has become subject to Insolvency Proceedings; or

(iii) which has been or should be written-off as uncollectible in the books of AGCO FINANCE.

**Demonstration Machines**

means machines that are delivered to the Dealers for demonstration purposes and have a special discount.

**Goods**

means new Demonstration Machines, new Harvesting Machines and new Stocking Machines sold by the Seller to its Dealers

"Goods" exclude replacement or spare parts.

**Harvesting Machines**

means harvesting machines that are delivered to the Dealers for retail purposes

**Insolvency Proceedings**

means:

(i) the relevant person is in a state of *cessation des paiements* within the meaning of Article L.631-1 of the French *Code de Commerce*;

(ii) a moratorium is declared in relation to any indebtedness of the relevant person;

(iii) a judgement for *sauvegarde*, *redressement judiciaire* or *liquidation judiciaire* is rendered in relation to the relevant person under Articles L.620-1 to L.644-6 of the French *Code de Commerce*.

**Interest Fee**

means the interest fee as determined in accordance with Appendix 3 of this Agreement.

**Interest Rate**

has the meaning ascribed to such term in Appendix 3 of this Agreement.

**Objection**

means any written objections to or complaints pertaining to the Receivables.

**Receivables**

Means the receivables held by the Seller against its Dealers for the sale of Goods and which comply with the criteria set out in Section 2.8 of this Agreement.

**Repurchase Date**

means the date on which a Defaulted Receivable is to be repurchased by the Seller, as determined by the Seller and notified in writing to AGCO FINANCE.

**Repurchase Price**

means the price, to be paid by AGCO FINANCE to the Seller, for the repurchase of Defaulted Receivables and equal to the initial purchase price of the Receivables net of any VAT bad debt relief claim or credit in respect of such Default Receivables.

**Seller Terms and Conditions**

means the Seller's general terms and conditions for the sale of Goods to Dealers, updated from time to time.

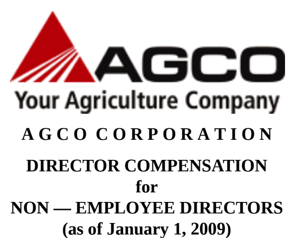
**Servicing Fee**

means the servicing fee as determined in accordance with Appendix 3 of this Agreement.

**Stocking Machines**

means machines that will be in the stocking pool of the Dealers.

**Exhibit 10.23**




**A G C O C O R P O R A T I O N**

**DIRECTOR COMPENSATION**
**for**
**NON — EMPLOYEE DIRECTORS**
**(as of January 1, 2009)**

| Retainers (1) | USD |
|---|---|
| Annual Lead Director Retainer (paid only to Lead Director): | 25,000 |
| Annual Director Base Retainer (applies to all Directors): | 90,000 |
| Annual Committee Chairperson Retainer:<br>(except Audit Committee and Compensation Committee Chair) | 10,000 |
| Annual Audit Committee Chairperson Retainer: | 20,000 |
| Annual Compensation Committee Chairperson Retainer: | 15,000 |
| **Additional Compensation** | |
| Annual AGCO Stock Grant Award (2) | 90,000 |

In addition, the Company will reimburse directors for the reasonable out-of-pocket expense incurred in the attendance of the meeting.

**A G C O C O R P O R A T I O N**

**DIRECTOR COMPENSATION**
**for**
**NON — EMPLOYEE DIRECTORS**
**(as of January 1, 2009)**

**Notes:**

1) Payment of annual retainers are made in accordance with the following provisions:

   I) Annual retainer are paid quarterly in four installments (for ease of calculation purposes quarters are divided into 90 days with a 360 day year).

   II) Annual Retainers accrue as of the first day of each calendar quarter based on the Board and Committee Membership Roster in effect on that date.

   III) Annual Retainers are paid in advance during the first month of the given calendar quarter (e.g., January for the first quarter).

   IV) Changes to Board and Committee Memberships (including Chairpersons) will be reviewed and adjustments made to current quarters retainer amounts (up or down).

   V) Any changes in the Retainer amounts due for the current quarter will be reflected in the ensuing quarter’s retainer payment.

2) Terms applicable to the Stock Grant Award are defined in the Plan Document. The stock grant equivalent to USD 90,000 is based on closing price on the day of the Annual Shareholder’s ’meeting.

**Exhibit 21.0**

**AGCO CORP /DE**
**12/31/2009**

| **Wholly Owned Subsidiaries of AGCO Corporation** | Country of Jurisdicton |
|---|---|
| AGCO Corporation — AG Chem (Jackson) Division | Delaware |
| AGCO Corporation — Duluth, Batavia, Hesston & EMS Divisions | Delaware |
| AGCO Corporation — Beloit (Sunflower) Divisions | Delaware |
| AGCO Corporation — Eliminations | Delaware |
| Massey Ferguson Corp. | Delaware |
| AGCO Funding Corporation | Delaware |
| Export Market Services LLC (EMS) | Georgia |
| AGCO Canada Ltd. | Canada |
| AGCO Mexico S de RL de CV | Mexico |
| Prestadora de Servicios Mexicana del Bajio, SA de CV | Mexico |
| Valtractors Mexico SA de CV | Mexico |
| AGCO International Ltd. | United Kingdom |
| AGCO Manufacturing Ltd. | United Kingdom |
| Ag — Chem (UK) Limited | United Kingdom |
| AGCO Ltd. | United Kingdom |
| Valtra Tractors (UK) Ltd. | United Kingdom |
| AGCO Services Ltd. | United Kingdom |
| AGCO Funding Company | United Kingdom |
| AGCO Pension Trust Ltd. | United Kingdom |
| Massey Ferguson Executive Pension Trust Ltd. | United Kingdom |
| Massey Ferguson Staff Pension Trust Ltd. | United Kingdom |
| Massey Ferguson Works Pension Trust Ltd. | United Kingdom |
| AGCO Machinery Ltd | United Kingdom |
| Valtra GesmbH | Austria |
| AGCO Hohenmolsen GmbH | Germany |
| AGCO Deutschland GmbH | Germany |
| AGCO Deutschland Holding Limited Co. KG | Germany |
| AGCO GmbH | Germany |
| AGCO Vertriebs GmbH | Germany |
| Fendt Fordertechnik GmbH | Germany |
| Fendt Immobilien KG | Germany |
| Fendt GmbH | Germany |
| Valtra Vertriebs GmbH | Germany |
| Valtra Deutschland GmbH | Germany |
| AGCO France SA | France |
| AGCO SA | France |
| AGCO Distribution SAS | France |
| AGCO Holding BV | Netherlands |
| AGCO Netherlands BV | Netherlands |
| Ag — Chem Europe Industrial Equipment BV | Netherlands |
| Ag — Chem Europe Fertilizer Equipment BV | Netherlands |
| Valtra International BV | Netherlands |
| AGCO International Holdings BV | Netherlands |
| AGCO CTP Holdings BV | Netherlands |
| AGCO Holdings (Hong Kong) Ltd | Hong Kong |
| MF Tarim Makineleri Ltd. | Turkey |
| AGCO International GmbH | Switzerland |
| AGCO A/S | Denmark |
| AGCO Danmark A/S | Denmark |
| AGCO CTP LLC | Russia |
| AGCO Machinery LLC | Russia |
| AGCO Genpower (Shanghai) Co. Limited | China |
| Beijing AGCO Trading Co., Ltd. | China |
| Fendt Italiana GmbH | Italy |
| AGCO Italia SpA | Italy |
| Farmec SpA | Italy |
| Valtra OY | Finland |
| AGCO Sisu Power Inc | Finland |
| Valtra Voukraus OY | Finland |
| AGCO Sisu Power Voukraus Inc | Finland |
| Eikmaskin AS | Norway |
| Valtra Norge AS | Norway |
| AGCO SPZOO | Poland |
| Valtractor Comercio de Tractores e Maquinas Agricolas SA | Portugal |
| AGCO Iberia SA | Spain |
| AGCO AB | Sweden |
| AGCO Australia, Ltd. | Australia |
| AGCO do Brazil Commercio e Industria Ltda. | Brazil |
| Valtra do Brazil Ltda. | Brazil |
| Tecnoagro Maquinas Agricolas Ltda. | Brazil |
| AGCO Argentina SA | Argentina |
| Indamo SA | Argentina |
| AGCO Parts Servicos Adminstrativos Ltda | Brazil |
| Industrial Agricola Fortaleza Importacao E Exportacao Ltda | Brazil |

**50% or Greater Joint Venture Interests of the Registrant**

| | |
|---|---|
| Groupement International De Mecanique Agricole SA | France |
| Deutz AGCO Motores SA | Argentina |
| Laverda SPA | Italy |

**AGCO CORP /DE**
**12/31/2009**

| **Wholly Owned Subsidiaries of AGCO Corporation**<br>**Less Than 50% Joint Venture Interests of the Registrant** | Country of Jurisdicton |
| --- | --- |
| AGCO Finance LLC | United States |
| AGCO Finance Canada Ltd. | Canada |
| AGCO Finance Ltd | United Kingdom |
| AGCO Capital Argentina S.A. | Argentina |
| Saudi Tractor Manufacturing Company Limited | Saudi Arabia |
| Compagnie Maghebine de Materials Agricoles et Industriels SA | Morraco |
| Libyan Tractor and Agricultural Commodities Company | Libya |
| AGCO Finance Ltd. Ireland | Ireland |
| Valtra Traktor AB | Sweden |
| AGCO Finance PTY Ltd. | Australia |
| Tractors and Farm Equipment Limited | Turkey |
| AGCO Finance GmbH | Germany |
| Agricredit do Brasil Ltda | Brazil |
| AGCO Finance SNC | France |
| AGCO FINANCE GmbH, Landmaschinenleasing | Austria |

**Exhibit 23.1**

Consent of Independent Registered Public Accounting Firm

The Board of Directors
AGCO Corporation:

We consent to the incorporation by reference in the registration statements (No. 333-142711, No. 333-85404, and No. 333-75591) on Forms S-3 and S-8 of AGCO Corporation of our reports dated February 26, 2010, with respect to the consolidated balance sheets of AGCO Corporation and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2009, and the related financial statement schedule, and the effectiveness of internal control over financial reporting as of December 31, 2009, which reports appear in the December 31, 2009 annual report on Form 10-K of AGCO Corporation.

Our report on the consolidated financial statements refers to a change in accounting for noncontrolling interests and convertible debt instruments in 2009 due to the adoption of SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51, 'Consolidated Financial Statements,' " (incorporated into ASC Topic 810, "Consolidation") and FSP APB No. 14-1, "Accounting for Convertible Instruments That May be Settled in Cash upon Conversion (including Partial Cash Settlement)," (incorporated into ASC Topic 470, "Debt").

/s/ KPMG LLP

Atlanta, Georgia
February 26, 2010

**Exhibit 24.0**

**Power of Attorney**

Know all men by these presents**,** that each person whose signature appears below, hereby constitutes and appoints Andrew H. Beck and Debra E. Kuper his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the annual report on Form 10-K of AGCO Corporation for the fiscal year ended December 31, 2009 and any or all amendments or supplements thereto, and to file the same with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing necessary or appropriate to be done with respect to the Form 10-K or any amendments or supplements thereto in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

| Signature | Date |
|---|---|
| /s/ Martin Richenhagen<br>Martin Richenhagen | February 26, 2010 |
| /s/ P. George Benson<br>P. George Benson | February 25, 2010 |
| /s/ Herman Cain<br>Herman Cain | February 5, 2010 |
| /s/ Wolfgang Deml<br>Wolfgang Deml | February 10, 2010 |
| /s/ Francisco R. Gros<br>Francisco R. Gros | February 23, 2010 |
| /s/ Gerald B. Johanneson<br>Gerald B. Johanneson | February 25, 2010 |
| /s/ George E. Minnich<br>George E. Minnich | February 4, 2010 |
| /s/ Curtis E. Moll<br>Curtis E. Moll | February 25, 2010 |
| /s/ Thomas W. Lasorda<br>Thomas W. Lasorda | February 4, 2010 |
| /s/ Gerald L. Shaheen<br>Gerald L. Shaheen | February 4, 2010 |
| /s/ Hendrikus Visser<br>Hendrikus Visser | February 7, 2010 |

**Exhibit 31.1**

**Certification Pursuant to § 302 of the Sarbanes-Oxley Act of 2002**

I, Martin Richenhagen, certify that:

1. I have reviewed this Annual Report on Form 10-K 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) 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 evaluation; and

   (d) 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 officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weakness 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.

Dated: February 26, 2010

/s/ Martin Richenhagen

Martin Richenhagen
Chairman of the Board, President and Chief
Executive Officer

**Exhibit 31.2**

**Certification Pursuant to § 302 of the Sarbanes-Oxley Act of 2002**

I, Andrew H. Beck, certify that:

1. I have reviewed this Annual Report on Form 10-K 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) 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 evaluation; and

    (d) 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 officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weakness 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.

Dated: February 26, 2010

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer

**Exhibit 32.1**

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

The undersigned, as the Chief Executive Officer and as the Chief Financial Officer of AGCO Corporation, respectively, certify that, to the best of their knowledge and belief, the Annual Report on Form 10-K for the year ended December 31, 2009 that accompanies this certification fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of AGCO Corporation at the dates and for the periods indicated. The foregoing certifications are made pursuant to 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and shall not be relied upon for any other purpose.

/s/ Martin Richenhagen
Martin Richenhagen
Chief Executive Officer
February 26, 2010

/s/ Andrew H. Beck
Andrew H. Beck
Chief Financial Officer
February 26, 2010

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to AGCO Corporation and will be retained by AGCO Corporation and furnished to the Securities and Exchange Commission or its staff upon request.